

DOCUMENT RESUME

ED 482 422

UD 035 948

AUTHOR Callahan, Kathe; Sadovnik, Alan; Visconti, Louisa
TITLE Performance-Based Accountability: Newark's Charter School Experience.
PUB DATE 2002-12-00
NOTE 27p.; Supported by Rutgers University, The Joseph C. Cornwall Center for Metropolitan Studies.
AVAILABLE FROM For full text: <http://www.cornwall.rutgers.edu/publications.htm>.
PUB TYPE Reports - Evaluative (142)
EDRS PRICE EDRS Price MF01/PC02 Plus Postage.
DESCRIPTORS *Accountability; *Charter Schools; Educational Finance; Elementary Secondary Education; *Governance; Quality Control; State Standards
IDENTIFIERS *New Jersey

ABSTRACT

This study assessed how New Jersey's state accountability system encouraged or thwarted charter school success, how effectively performance standards were defined and enacted by authorizing agents, and how individual charter schools were developing accountability processes that made them more or less successful than their charter school counterparts. Between 2001-2002, researchers conducted qualitative research in four New Jersey charter schools, examining the accountability system's monitoring and oversight; warning and probation systems; authorization, renewal, and closure processes; the agency's role in assisting charter schools in trouble; and benchmarks established for judging charter performance. The study also examined charter schools' curriculum and teaching practices and their academic and non-academic programs. Findings showed that the state authorizer lacks the capacity and authority to develop an effective performance-based accountability system. Results also indicated that New Jersey charter schools were far from free of district or state rules and regulations, and charter law generally reproduced the bureaucracy found in district schools. While charter schools had to comply with all state education laws (except a few facility standards), they were expected to do so with less funding. Because each charter school acted as a self-contained district, administrative burdens of reporting to the state Department of Education combined with the monetary need to apply for federal grants requiring extensive documentation created a perilous strain on charter school administrators' time, resources, and energy. (Contains 29 references.) (SM)

Reproductions supplied by EDRS are the best that can be made
from the original document.

Performance-Based Accountability: Newark's Charter School Experience

Kathe Callahan, Ph.D.
Graduate Department of Public Administration

Alan Sadovnik, Ph.D.
Department of Education and Academic Foundations

Lousia Visconti, Research Associate
Department of Education and Academic Foundations

June 2002
(Revised December 2002)



Joseph C. Cornwall
Center for Metropolitan Studies
Faculty of Arts and Sciences
Rutgers University
Newark Campus

CORNWALL
Metropolitan Studies

Cornwall Center Publication Series

This study was carried out under a research grant from the Cornwall Center for Metropolitan Studies at Rutgers-Newark. Dr. Kathe Callahan is a faculty member in the Department of Public Administration; Dr. Alan Sadovnik is a faculty member in the Department of Education and Academic Foundations and Ms. Lousia Visconti is a Research Associate in the Department of Education and Academic Foundations. All correspondence should be directed to: Dr. Kathe Callahan, Department of Public Administration, Rutgers University, 360 Martin Luther King, Jr. Blvd. Newark, NJ 07102, Phone: 973-353-5039 ext. 31, Email: kathe@andromeda.rutgers.edu.

All responsibility for the contents of this paper resides with the authors.

PERMISSION TO REPRODUCE AND
DISSEMINATE THIS MATERIAL HAS
BEEN GRANTED BY

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

- This document has been reproduced as received from the person or organization originating it.
- Minor changes have been made to improve reproduction quality.

L. M. Visconti
Joseph C. Cornwall, Ctr.
Rutgers Univ.
TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

BEST COPY AVAILABLE

Abstract

Charter schools are intended to free school administrators and teachers from many of the demands of a centralized bureaucracy that places greater value on compliance to rules and regulations than on learning and achievement. In return, charter schools are expected to produce results. The proliferation of charter schools in Newark, New Jersey since 1997 offered an opportunity to examine the realities of performance-based accountability, which we studied from the charter school's perspective and from the authorizer's perspective, namely the New Jersey Department of Education (NJDOE). We were interested in ascertaining the effect of the accountability system on charter success. Additionally, we wanted to assess the extent to which charters balance the demand for accountability with the ideal of autonomy. As part of our study, we asked: How effectively are individual charter schools developing internal accountability measures? Has the NJDOE put in place accountability standards and processes that reflect performance-based accountability? And what impact are these processes/standards having on the operation, expansion, and closure of charter schools?

Mirroring the findings of the national study on accountability, we found that despite its best efforts, oversight by NJDOE is based primarily on compliance, rather than performance. NJDOE, as the sole charter authorizer, is most effective in assuring fiscal oversight through its use of Generally Accepted Accounting Principles (GAAP) standards and mandate of external fiscal reviews. Additionally, the NJDOE has made great strides in the relatively short history of the movement to bolster and tighten authorization and renewal processes, which directly affects the quality of charter schools in operation. However, the department's warning system for detecting charter school problems is relatively weak, as it depends heavily on an informal network of information and official complaints filed against the school. To complicate matters, the NJDOE is currently serving as both the agency of accountability and the agency of assistance, which often results in a conflict of interest and poor intervention to remedy charter school problems. More troubling is the agency's lack of monitoring of school programs, including curriculum and the schools' teaching practices. There is little, if any, on-site evaluation of charter school programs and processes. Instead, authorizers rely principally on the school's self reports along with documents exhibiting compliance to New Jersey's Core Curriculum Content Standards to ascertain what goes on in charter schools. As a result, our observations and interviews reveal that some charter schools have serious gaps in their curriculum and provide less-than-adequate instruction to their students, particularly to their special-needs students. Most surprisingly, the state has not established benchmarks for acceptable academic achievement by the charter schools, either on state-mandated standardized tests or on norm-referenced tests already used by many of the charter schools. This undermines the very notion of performance-based accountability and may be responsible for the mixed achievement results of New Jersey's charter movement.

In fairness to the authorizer, our study also found that the NJDOE lacks the structure, resources, and authority to develop a more effective and flexible performance-based accountability system. Without legislative amendments to the current charter law, it is doubtful that the NJDOE can strengthen its authority. Because of its limited authority, resources, and dual roles, the NJDOE is often constrained to focus on compliance instead of performance -- even if the agency knows it is counterproductive.

Much of this was attested to by NJDOE's Commissioner in recommendations for improvement presented through the state's first charter school evaluation report in October 2001.

A study of accountability from the school's perspective reveals that strong internal leadership is key to developing an effective performance-based accountability system. However, a charter school's internal responsiveness to its students/parents is directly related to the establishment of specific accountability mechanisms, as evidenced through parent compacts, student compacts, teacher compacts, parent-teacher meetings, etc.: charter schools with specific accountability mechanisms had higher levels of parent participation and student involvement in school programs and activities than charter schools with limited accountability mechanisms. Academic achievement is also correlated to the specificity of accountability benchmarks: charter schools with clearly defined internal performance expectations had higher levels of student performance on achievement tests than charter schools with weak or non-existent internal performance expectations.

Contrary to popular belief, we found that Newark's charter schools are far from free of district or state rules and regulations. To a large extent, New Jersey's charter law reproduces the bureaucracy found in district schools. New Jersey's charter schools must comply with all of the state's education laws, excepting a few of the facility standards. However, charter schools are expected to do more with less: they receive less per pupil funding than their district school counterparts, but they are expected to meet the same administrative and programmatic demands of the district schools. Finally, as each charter school acts as a self-contained school district, the administrative burdens of reporting to the NJDOE, combined with the monetary need to apply for federal grants requiring extensive documentation, create a perilous strain on the resources, time, and energy of charter school administrators. Many charter administrators expressed concern that the burdens of the current accountability system would lead to the flattening of interest in starting new charter schools in New Jersey and discourage talented, motivated educators from staying involved in the charter movement.

The results of this study are not generalizable to all of New Jersey's charter schools as the study sample is small and qualitative in nature, however the findings are intended to inform statewide policy and practice in further developing an accountability system that fosters charter school success.

I. Charter School Accountability

Charter schools strike a unique bargain regarding accountability, opting for performance instead of compliance to rules and regulations (Hill, Lake, Cello, Campbell, Herman, and Bulkley, 2001). Charter schools use public funds to provide a service that must be open to all students, and charter schools must meet state standards. But charter schools are ostensibly freed of many state and local regulations, and are essentially autonomous in their operations. The price for that freedom is performance. If a charter school fails to perform, it can lose its funding and be forced to shut its doors. The burden, therefore, is to prove that students are actually benefiting from the charter school. And the aim of accountability is to define and sustain good schools while weeding out and improving the bad ones.

The challenge of developing an effective accountability system is to optimize charter school accountability while maximizing charter autonomy. If accountability measures are severe and excessive, charter schools lose their autonomy. If accountability measures are lax and unclear, charter schools lose their credibility. This paper details the findings of a study on New Jersey's charter accountability system by asking: In what ways does the state's accountability system encourage or thwart success of charter schools? How effectively are performance standards defined and enacted by authorizing agents? How are individual charter schools developing accountability processes, internal and external, that make them more or less successful than their charter school counterparts?

Striving for Performance-based Accountability in the Charter Movement

Public school autonomy and public school accountability are generally considered mutually exclusive realities. Public school accountability, understood through educational bureaucracy, is often viewed as a series of rules, regulations, and constraints that stifle innovation and reform (Nathan, 1996; Ravitch, 1998; Manno et al, 1998). Conversely, public school autonomy is steeped in the language of deregulation and self-governance, with various attempts to liberate schools from the very bureaucracy that undermines success (Johnson & Landman, 2000).

In theory, the marketplace drives accountability of charter schools (Finn, Manno, and Vanourek, 2000). Charter schools are schools of choice, so they must attract and retain their leadership, their students and their teachers to succeed. Additionally, most charter schools must provide their own facilities; currently, only four states -- AR, CO, MN, FL -- and the District of Columbia grant funding for start-up facilities (NCES website, 2001). Finally, most charter schools depend on private funding to start or stay in operation. In many states, including New Jersey, per-pupil disbursement to charter schools is less than the disbursement of other public schools in the district, and because start-up charters have high start-up costs, they must win private endowments to cover capital costs and/or operating expenses. Based on a market analysis of supply and demand, if a school can get money, keep its classes filled, continues to expand, and complies with the authorizer's regulations, it is accountable.

In practice, however, charter school accountability is infinitely more challenging, complex, and unclear. While charter schools are exempt from many state and local regulations, the nature and extent of the exemptions vary from state to state. Therefore the level of autonomy varies, which affects school processes and outcomes (Hill et al, 2001; Fuller, 2001; Finn et al, 2000). The concern is that charter schools may be burdened with more regulatory measures than originally intended, while receiving fewer funds to carry out their missions (Hill et al, 2001; Finn et al, 2000). Excessive regulations may force charter schools to focus on compliance instead of performance, thus undoing their unique accountability bargain. In the process, charter schools lose their promised autonomy and risk becoming another failed reform effort doomed by bureaucratic constraints. The stakes are high, so it is critical to understand how accountability standards are defined and enacted, and whether they reflect a performance-based system.

"Charter accountability can be thought of as a system of checks and balances that maintains public oversight and authority, maximizes the virtues of market forces, and minimizes the vices of bureaucratic regulatory systems" (Finn et al, 2000, p. 127). The

key to a comprehensive charter accountability system is the provision of accurate, reliable, and standardized information accessible to everyone (Finn et al; 2000). Finn et al refer to a system based on open information as "accountability-via-transparency" (Finn et al, 2000, p. 128).

Performance-based Accountability as a New Model of Public-Sector Accountability

Accountability is a central theme and fundamental concept in the study and practice of public administration, and in the effective management of public organizations. Management trends such as contracting out and shared service delivery, as well as changes in organizational structures from vertical to horizontal and hierarchical to networked, have caused administrators to rethink accountability relationships and the reliance on compliance-based standards (Moe, 2001; Milward, Provan, 2000; Gilmour, Jenson, 1998). This new focus on outcomes and performance can be attributed, in part, to resolutions by various professional organizations, such as American Society for Public Administration, Government Accounting Standards Board and the International City Manager Association urging governments to institute systems for goal-setting and performance measurement that focus on outcomes and results. Certainly, the 1993 Government Results and Performance Act, that mandates strategic plans and performance goals be established for select federal agencies, and requires that agencies show results before new appropriations are made, has had an impact. However, in spite of this new management focus with its emphasis on outcomes and performance, agencies are typically held accountable with the old measures and standards with which our profession has grown comfortable: outputs, rules, regulations, procedures (Poister, Streib, 1999).

According to Dubnick (2002), "Accountability has traditionally been regarded as the means used to control and direct administrative behavior by requiring "answerability" to some external authority." In spite of Dubnick's efforts to clearly define accountability and accountability relationships, it remains a fairly ambiguous concept. Accountability refers to obligations that arise within a relationship of responsibility, where an individual or organization is responsible to another for the performance of a particular service. The obligations include accounting for the performance of a particular program or service and the willingness to accept sanctions or redirection when the performance is deemed unacceptable. Typically, the accountability relationship is one of superior to subordinate, or principal to agent, where subordinates and agents are held accountable to and receive directions from their supervisors or principals. The source of expectations is imposed by the principal, in this case the authorizer NJDOE, with a certain amount of discretion delegated to the agent, which in this case are the charter schools themselves.

As Romzek and Dubnick (1998) have noted there are numerous challenges associated with accountability including those of determining who the masters are, sorting out responsibilities, establishing expectations, verifying performance, maintaining responsiveness, assessing blame, and managing under conditions of multiple accountability systems. With multiple stakeholders, public organizations struggle to meet and fulfill their often competing obligations. Determining which masters are most important at a particular time is a product of the political environment, the organizational

structure, the leadership and managerial style, and the type of work or service performed (Romzek, Dubnick, 1987).

Just as there are multiple masters, there are multiple types of accountability (Dubnick, Romzek, 1987) and the type of accountability system utilized is determined by the master. Hierarchical accountability reflects the obligations and responsibilities to the organization and emphasizes compliance with rules, regulations, and organizational directives. Under this model, the priorities of those at the top of the organization take precedent, and managerial or supervisory control is obtained through clearly stated rules and regulations. Accountability is obtained through the ability of supervisors to reward or punish subordinates. In theory, and hopefully in practice, the commissioner of education is accountable for implementing education policy in the state and is accountable to the governor. District superintendents are accountable for implementing educational policy in the district and are accountable to the commissioner. Principals are accountable for implementing education policy in the schools and are accountable to the district superintendent. And teachers are accountable for implementing education policy in the classroom and are accountable to the principal.

Legal accountability reflects an organization's obligation to elected officials or the courts and relies on compliance with established mandates. Under this type of accountability framework managers are subject to external oversight such as court reviews of policies and procedures, fiscal audits and legislative oversight hearings. For example, and these are just a few examples, public schools are held legally accountable for insuring that all teachers and professional support staff hold appropriate certification and for providing mandated service to special needs children; and charter schools, by law, must be open to all students on a space available basis and must provide evidence of a bookkeeping system that is in compliance with GAAP. In each case, schools are legally obliged to carry out these responsibilities and enforcement of these obligations comes from outside the organization.

Professional accountability reflects an organization's or individual's identity with a profession and as such responsibilities and obligations, and ultimately decisions, are based on internalized norms of appropriate practice. These norms can reflect professional standards, training and socialization. The key to professional accountability is the deference to professional expertise within the organization. As a result of this deference, professional accountability provides a higher degree of autonomy to individuals within an organization who base their decision making on professional standards. These professionals are evaluated, or held accountable to, determinations of whether their behavior or judgment is consistent with accepted professional practice. Is their behavior consistent with what other lawyers, accountants, social workers or educators would do under similar circumstances?

Political accountability is best characterized by responsiveness to external stakeholders. With education these stakeholders could include elected and appointed officials, taxpayers, parents, school board members and the general public (Romzek, Dubnick 1987). The primary question becomes who do we represent and therefore who are we accountable to? Public administrators have the discretion to decide who, when and how to respond to these key stakeholders.

The principal features of these four accountability systems are:

- Bureaucratic--supervisory relationships; rules and procedures;
- Legal—contractual relations and legal obligations;
- Professional—deference to expertise;
- Political—responsiveness to stakeholders.

Multiple masters and multiple accountability systems result in a complicated web of overlapping accountability relationships. Public administrators must manage under systems of multiple accountability; meaning accountability relationships can shift and the standards by which they are judged are subject to change. So, for example a teacher who based a decision on professional standards (“I used my best judgment”) and thought she would be held accountable to professional measures might find instead she is held accountable to a bureaucratic standard (“You didn’t follow procedures”). Likewise a principal operating under a political accountability system who introduces a program that reflects parents’ demands might be reprimanded for going against the district’s bureaucratic regulations. (Romzek, Ingraham, 2000)

II. The Scope and Methodology of the Study

For our study, the accountability system was examined from the authorizer’s perspective, namely the NJDOE, and from the charter school’s perspective, as understood through the study of four of Newark’s charter schools. This research was conducted between September 2001 and April 2002. In researching the NJDOE’s accountability system, we focused on its monitoring and oversight practices; its warning and probation system; the authorization, renewal, and closure processes; the agency’s role in assisting charter schools in trouble; and the benchmarks established for judging charter performance (i.e. - individual charter school success or lack thereof). At the charter school level, our study concentrated on the curriculum and teaching practices of the school, as well as the academic and non-academic programs instituted by the schools; the reporting requirements placed upon the school by the authorizer; the school’s responsiveness to its primary stakeholders -- parents and students -- in dealing with concerns and problems; the schools’ achievement indicators, both quantitative and qualitative; and the schools’ development of internal benchmarks for meeting the provisions of its charter.

Qualitative research was used for the study, as it is most effective in rendering a portrait of the distinctive processes of charter school accountability. Qualitative research allows for an in-depth, intimate accounting of the internal workings of charter schools (Baker, 1994; Patton, 1990). It exposes the dynamics of human interaction and the details of daily routines and rituals that are at the heart of schooling (Patton, 1990). Moreover, qualitative research provides an opportunity to scrutinize how individual charter schools and their authorizers develop accountability processes, and reveals the interconnectedness of the overall effect of the accountability system.

Sampling

Newark, the largest school district in New Jersey, was chosen as the site of study over other cities because it has a high number of charter schools. As of September 2001, there were nine charter schools in operation in Newark, including one new school that opened in the fall; one other charter school is expected to open fall 2002. According to a

national study, the number of charter schools in Newark is reaching “critical mass,” which means charters are expected to impact the school district’s overall processes and outcomes (RPP International, 2001). Newark is also unique because it is both an Abbott district and a state takeover district, the specifics of which are discussed in Section IV of this report.

Sampling charter schools from the same district is desirable because it controls for public school district involvement. While the district is only marginally involved in the operation of charter schools, it is currently responsible for disbursing per-pupil funds to the charter schools. Thus, sampling from one district helps minimize confusion regarding the relationship between charter schools and the district. Additionally, choosing charter schools from the same district helps control for student demographics and encourages micro-level analysis of which students apply to, are admitted to, and transfer out of charter schools based on SES, race/ethnicity, residence, etc.

The number of years a charter school operates proves significant, as the most recent national studies on charter schools found that the first three years of charter operation are ridden with tensions, conflicts, and difficulties in developing shared expectations about goals and performance, as well as regularizing internal relationships between the governing board, the school directors, teachers, and others in the school (Hill et al., 2001; RPP International, 2000). The oldest charter school in New Jersey entered its fifth year when the study began in fall 2001, and only two of Newark’s nine charter schools were established that first year. In considering this finding, no charter school in its first two years of operation is included in the study.

The study sample is comprised of schools from the first two cohorts of charter schools in Newark as follows. Nine charter schools were in operation in Newark as of September 2001, including a new school that opened in the fall. Two charter schools were founded in 1997 and they both participated in the study. Though no charters were started in 1998, five charter schools were established in 1999. One of those charters closed its doors after its first year of operation. Of the remaining four schools, two of the 1999 charter schools were sampled. The two schools excluded were eliminated because of size and composition. One is much smaller than the average charter school, with fewer than 50 students. The other is much larger than the average charter school, with approximately 500 students. In essence, these two charter schools are outliers. Because these schools are of the same grade ranges as the charter schools already chosen, they did not add anything significant to the study. Finally, the newer charter schools founded in the years 2000 and 2001 were excluded for reasons cited above.

Research Methods

Three research instruments were used for the study: observations, document analysis, and open-ended interviews. 1) **Observations:** To chronicle the internal workings of charter schools, more than 200 hours were spent in the field observing the daily activities of the four charter schools sampled (refer to *Appendix A: Site Visit Protocol* for details). Insights gleaned from direct observations were triangulated with open-ended interviews and exhaustive analysis of charter documentation.

2) **Document analysis:** Documents collected and analyzed from the charter schools include the school's authorized charter; annual reports; school compacts with parents, teachers, students, etc.; parent and student handbooks; parent satisfaction surveys; curriculum plans; review of texts and resources used for teaching; professional development plans; school calendars, memos, letters, etc. to parents and the public; public relations materials; demographic information on students, teachers, and parents; outcome data, including achievement and assessment scores.

Documents were also obtained at the district level, where per pupil expenditures are disbursed and where administrative tasks are carried out for charter schools. From the state authorizer, namely New Jersey's Department of Education (NJDOE), document analysis included: the 1995 New Jersey charter legislation and subsequent legislative amendments; charter authorization and revocation procedures; charter rules and regulations; accountability benchmarks and documents; charter school audits and reports, both internal and external; charter statistics and demographics from the founding of New Jersey's charter schools in 1997 to present.

3) **Open-ended Interviews:** Open-ended interviews round out the qualitative study (See *Appendices B1 to B3* for the interview instruments). The interviews served several important functions: they delved into the particulars of what was observed and documented, assisting to clarify and expand upon what is practiced and reported in the individual charter schools; the interviews supplied information on the perceptions, beliefs, and values of charter stakeholders; and the interviews facilitated cross-referencing and triangulation of data gathered from state authorities and individual schools.

The interview roster included all of the charter school directors, founders, and leaders of the sampled schools, nine total. Additionally, thirty teachers were interviewed from the four schools combined, though the number of teachers interviewed was not equally distributed among the schools. Instead, the study obtained a representative sampling of teachers from each charter school based on the following factors: school size and number of classes; subject and grade level taught; years of teaching experience at the charter school; and representation based on race, ethnicity, and gender, wherever applicable. Six key NJDOE charter school administrators/authorizers were interviewed, including three of the directors of the state's charter resource centers and one assistant superintendent of Newark's public board of education who had direct dealings with the district's charter schools. While no board members were interviewed for the study due to time constraints and difficulty in accessing board members, interviews with the founders, lead directors, and teachers of each school included several questions regarding the role and interaction they had with the board. Student interviews were considered for the study, but they were excluded because the students were very young, with the majority of children in grades K-4. Finally, parent satisfaction surveys provided by the charter

schools in their annual reports, along with analysis of documents related to parent involvement and interaction in the school, combined with on-site observations of parent interaction with teachers/administrators before, during, and after school, were used as data for the study.

Data Analysis

Qualitative research generates voluminous data, which need to be sorted, categorized, coded, analyzed and synthesized (Patton, 1990). The direct observations and the interviews of this study were hand-coded by categories, stipulated by the descriptors listed in *Appendix C* and guided by the site visit protocol and interview instruments. Data garnered from the open-ended interviews were used to triangulate the data coded for direct observations.

Additionally, matrices were developed to code and analyze documents obtained for the study. Matrices were especially useful for coding processes on accountability benchmarks, standards, and processes. Finally, charts were formulated for data related to specified quantities, including all student demographics, achievement indicators, and descriptors listed above dealing with numbers and ratios (i.e. - # of faculty with B.A., M.A., etc; % of parents attending school meetings, etc.).

Significance of the Study Design

The strengths of the study design are significant. As evidenced by the sampling rationale and the school profiles that follow in Section IV of this paper, the field sample includes a range of charter school formation models (non-profit, teacher-established, teacher-executive partnership, and community-driven), with contrasting philosophies and approaches to achieving their goals. It also represents diverse racial compositions (from wholly African-American to predominantly Latino to district-integrated student bodies) with school sizes that span the lower and higher national averages for charter schools (average size is from 90 to 250 students; Hill et al, 2001). Additionally, the sample is comprised of charter schools with variable academic performance (from fair to stellar results on standardized testing) and varying levels of built-in financial support (from minimal to extensive). Still, the sample size is small and the results of this study are not generalizable to all charter schools in Newark or New Jersey. We turn now to a review of New Jersey's charter movement and the context of our study, Newark's charter schools, before presenting a summary of our findings and conclusions.

III. New Jersey's Charter Movement

New Jersey's *Charter School Program Act of 1995* was signed into law by Governor C. Todd Whitman and became effective January 1996.¹ The state's first 13 charter schools opened fall 1997. For the 2002-2003 school year, 59 charter schools are expected to be in operation in 16 counties, with a projected enrollment of approximately 14,000 students; as of the 2001-2002 school year, there were more than 5,100 students on waiting lists statewide (NJDOE website, June 2002).

To date, New Jersey has had a number of charter closures as well, though some charter schools that were never opened are listed as closures by the NJDOE. Of the 16 charter schools reported as shutting their doors, three schools were denied final approval of their charters by the NJDOE; four schools voluntarily surrendered their charters; two

charter schools never opened after receiving final authorization; and seven schools had their charters revoked by the NJDOE (New Jersey CHARTER Public Schools Association, February 2002). Though the original legislation established a maximum of 75 charter schools to be authorized by the state, the charter law was amended November 2000 and increased the cap to 135 schools (*Charter School Program Act of 1995*, amended November 2000, N.J.S.A.18A:36A-3).

New Jersey's charter schools were created to meet specific goals. According to the amended charter legislation of November 2000, New Jersey's legislature found and declared

“that the establishment of charter schools as part of this State's program of public education can assist in promoting comprehensive educational reform by providing a mechanism for the implementation of a variety of educational approaches which may not be available in the traditional public schools classroom. Specifically, charter schools offer the potential to improve pupil learning; increase for students and parents the educational choices available when selecting the learning environment which they feel may be the most appropriate; encourage the use of different and innovative learning methods; ***establish a new form of accountability for schools; require the measurement of learning outcomes***; make the school the unit for educational improvement; and establish new professional opportunities for teachers” (*Charter School Program Act of 1995*, N.J.S.A. 18A:36A-2; emphasis added).

To meet these objectives, the state's law stipulated that charter schools may not charge tuition; that no private or parochial school may convert to a charter school; that a charter school must be open to all students on a space-available basis (chosen by lottery), with preference given to students from the district of residence or region of residence of the charter school; and that all classroom teachers and professional support staff hold appropriate New Jersey certification (*Charter School Program Act of 1995*, N.J.S.A. 18A:36A-4 through A-11).

While many states have multiple authorizing agencies, including local school boards, community colleges, state colleges and universities, New Jersey's charter legislation grants authority solely to the New Jersey Department of Education to approve, monitor, and revoke charters. New Jersey's charters are first approved for a four-year period and may be renewed thereafter for a five-year period. Authorizers play their most critical role in granting charters and renewing applications, however neither state law nor an authorizer's status is wholly predictive of its relationship with the charter school (Hill et al, 2001).

In October 2001, the first *New Jersey Charter School Evaluation Report* was presented to the Governor, Legislature, and State Board of Education, as mandated by the state's charter law. The state's evaluation found that charter schools enrolled more African-Americans (68%) than their districts of residence (50%); conversely, charters served lower percentages of white, Hispanic, and Asian students than the districts of residents and compared to their school-age community. The percentage of charter students participating in Title I programs was greater than the districts of residence, at 60% and 43% respectively. However, charter schools had fewer students with educational disabilities (7.7%) than the districts of residence (15.6%). Additionally, the percentage of students receiving free and reduced-price lunch in charter schools was lower (63%) than students in the districts of residence (70%) (All demographics from the *Executive Highlights, New Jersey Charter School Evaluation Report*, October 2001).

The report, based on public hearings and an independent study by KPMG of the state's charter schools, had three major findings. Charter schools, "on average, have lower class sizes, lower student-faculty ratios, lower student mobility rates, longer school days and academic years, greater instructional time, and higher faculty attendance rates than their districts of residence. Parental and student demand for and satisfaction with charter schools are all extremely high. And students in charter schools, *as a whole*, are making substantial progress in *some areas* of the statewide assessment, and *in those areas* charter schools are outperforming their comparable districts of residence" (NJDOE Commissioner of Education press release, October 2, 2001; emphasis added).

The report specified recommendations to improve the charter movement, including the provision of relief from mandates; the establishment of a state-funded charter school support center; the requirement that all newly approved charter schools engage in a comprehensive planning phase; an increase in facilities funding; and the creation of a more stable revenue stream for charter schools (NJDOE, *Charter School Evaluation Report Commissioner's Recommendations*, October 1, 2001). As shall be discussed in the findings section of this paper, the state's first two recommendations reflect the findings of this accountability study as well. However, our study found that additional accountability problems exist beyond those discerned in the state's first evaluation report.

IV. Newark's Charter Schools and Profiles of the Study Sample

With 75 schools that enroll more than 42,000 students, Newark is New Jersey's largest school district. However, Newark is also unique because it is a state takeover district and an Abbott district. The Newark Public Schools were taken over by NJDOE in 1995, the last of three districts to be taken over, after Jersey City in 1989 and Paterson in 1991.

Like the other two districts, the state found that the Newark Board of Education lacked the capacity to correct significant problems in fiscal mismanagement, board operation, personnel decisions, and student achievement. Since 1995, the Newark district has been operated by a state-appointed superintendent reporting directly to the Commissioner of Education. In June 2002, State Education Commissioner William Librera announced a plan to begin the process of returning all three districts to local control. Based in part on a report commissioned by the DOE and completed by the Rutgers University Institute on Education Law and Policy (Tractenberg, Holzer, Miller, Sadovnik and Bliss, 2002), the Commissioner called for the creation of an advisory group to recommend a plan for return to local control by October 1, 2002, the appointment of four non-voting representatives from the business, higher education and local communities to the elected advisory boards, who would gain greater advisory authority, and national searches for the state superintendents of Paterson and Newark, whose contracts expire in 2003. This last action was not part of the Rutgers report and has mobilized significant community support from Newark superintendent Marion Bolden.

As one of New Jersey's 30 Abbott districts, Newark must implement a variety of State Supreme Court decisions in the 20-year-long *Abbott v. Burke* litigation. A suit brought by the Educational Law Center (ELC) in Newark on behalf of all low-income children in New Jersey, the first Abbott decision in 1980 required school financing equity. Based on 7 subsequent Abbott decisions, the most important of which was

Abbott V in 1997, the Supreme Court required equity financing for Abbott districts at the average of the highest income districts in the state; mandatory preschool beginning with three-year olds; a facilities program to renovate old schools and to build new ones; the implementation of a research-based, national whole-school reform model or its local equivalent; and supplemental funding for health, psychological, guidance, and other support services.

From 1980 to 2002, the state and the ELC maintained an adversarial relationship with the ELC consistently bringing litigation for state non-compliance. In January 2002, the new Democratic Governor James McGreevey and his new Commissioner, William Librera, began a collaborative relationship with ELC to implement Abbott more fully. Given a state budget deficit of approximately 5 billion dollars, ELC and the state agreed to a one-year moratorium on new Abbott initiatives and a freeze on Abbott spending at the 2002 allocations. The Supreme Court in Abbott VIII agreed to this moratorium. The Commissioner created state-wide advisory groups on all Abbott implementation issues, including K-12 instruction, whole school reform, state takeover districts, and early childhood programs to make recommendations for improving Abbott implementation and appointed the former President of New Jersey Citizens for Better Schools, former State Senator Gordon McGuinness as Assistant Commissioner with responsibility for Abbott implementation.

Given this environment, or perhaps because of it, Newark's charter movement has flourished. It is in Newark that the leadership and main offices of New Jersey's two non-profit, non-governmental charter resource centers are located. The New Jersey Charter Resource Center (NJCRC) is a program of Citizens for Better Schools and provides general as well as technical information, advice, and support to help charter schools in New Jersey get started and run successfully (New Jersey Resource Center website, June 2002). Additionally, it furnishes information to families, the community, and the general public on the state's charter schools, highlighting exemplary schools. The mission of the New Jersey CHARTER Public Schools Association (NJCPSA) is to foster networking among charter schools throughout the state, allowing them to share their ideas, interests, and concerns. In attempt to secure the position of and expand the charter movement, the NJCPSA lobbies actively for state-funding for charter facilities; increased funding for per pupil expenditures currently unavailable to charter schools, including certain set-aside funds for Abbott districts; and amendments to the charter law that would ease administrative burdens and facilitate receipt of federal grant monies for facilities and other capital outlay/operating expenditures.

Profiles of the Study Sample

As noted in the profiles below, the four schools sampled reflect different charter models. One charter school was instituted by a well-established non-profit organization and another was realized by two long-time public school teachers in the district. The third was co-founded by a former private-school teacher and former non-profit executive, and the last of the schools sampled was launched by community members. All of the charter schools are start-up schools (i.e. - no conversions from district public school to charter status). Additionally, all the sample schools have had to establish their own facilities and fully pay for capital costs, as New Jersey charter legislation provides no revenue for facilities or operating costs beyond the formulated per pupil expenditure

(ppe). Following are the profiles for the schools sampled. To assure confidentiality, the names of the charter schools have been changed for the study and no individual participant is named in summarizing the findings.

Explorations Charter School

2001-2002 Enrollment: 75 students
 Grades Served: 4th - 8th grades
 Percentage of Students who are:
 Black: 68%
 Hispanic: 22%
 Other: 10%
 Student/Faculty Ratio: 10:1
 Year charter was granted: 1998
 Current charter expires in: 2002
 Founded by: One Newark public-school teacher, and one Lawrence, MA public-school teacher.

Hopeful Beginnings Charter School

2001-2002 Enrollment: 164 students
 Grades Served: K - 4th grades
 Percentage of Students who are:
 Black: 94%
 Hispanic: 5%
 Other: 1%
 Student/Faculty ratio: 12:1
 Year charter was granted: 1998
 Current charter expires in: 2002
 Founded by: Community members of Newark.

Polaris Charter School

2001-2002 Enrollment: 216 students
 Grades Served: 5th - 10th grades
 Percentage of Students who are:
 Black: 85%
 Hispanic: 14%
 Other: 1%
 Student/Faculty ratio: 9:1
 Year charter was granted: 1997
 Current charter expires in: 2006 (renewed 2001)
 Founded by: A private-school teacher and an executive of a non-profit organization.

Vantage Charter School

2001-2002 Enrollment: 300 students

Grades Served:	K - 5th grades
Percentage of Students who are:	
Black:	16%
Hispanic:	78%
Other:	6%
Student/Faculty Ratio:	16.7:1
Year charter was granted:	1997
Current charter expires in:	2006 (renewed 2001)
Founded by:	Non-profit organization established in Newark.

V. Summary of the Findings

The objectives of our research were to: 1) assess the extent to which performance-based standards had been established and enacted by the NJDOE and by individual charter schools; 2) determine the effect of the authorizer's accountability system on charter schools; and 3) examine how the theoretical idea of accountability-for-autonomy was translated into practice by charter schools.

Our study has eight overarching findings, four on the NJDOE's accountability system and three on the charter schools' accountability system. The summary of our findings include subfindings that address the scope of our research.

THE NJDOE'S ACCOUNTABILITY SYSTEM

Charter schools are accountable to their authorizing agencies, the agencies that monitor charter schools, review, approve, and have the right to revoke charters. In New Jersey, there is only one charter authorizer, the New Jersey Department of Education (NJDOE). Oversight of New Jersey's charter schools falls under the auspices of the Office of Charter Schools, which is one of many programs managed by the Division of Information and Management Services at the NJDOE. The Division of Information and Management Services (DOIM) handles not only charter schools, but all public school choice initiatives, the DOE's grants programs, the federal Goals 2000 reform programs, and all of the information technology and education technology initiatives for New Jersey's schools.

Finding #1: Despite its best efforts, oversight by the NJDOE of charter schools is based primarily on compliance rather than performance.

The first national study conducted on accountability of charter schools found that while "... many groups were prepared to run charter schools, no government agencies were prepared to oversee charter schools" (Hill et al, 2001, p. 4). Our study found that, to a large extent, this was true of New Jersey's authorizer as well. While the NJDOE had made considerable strides over its five-year history in developing more effective mechanisms for soliciting charter applications, screening applicants to find the most promising charter providers, and renewing charters based on financial solvency and compliance to state rules and regulations, the NJDOE had not established mechanisms to judge charter school performance based on academic achievement or other quantitative measures (see finding #4 for specifics), nor had it created reliable mechanisms for

detecting charter problems or assisting charter schools in trouble. As a result, rewards and sanctions of charter schools seemed precarious.

The NJDOE's most effective accountability mechanisms are in place for fiscal oversight of charter schools. The fiscal oversight of New Jersey's charter schools is stringent and meets the criteria outlined by various studies on fiscal accountability (Hill et al, 2001; Finn et al, 2001, RPP, 2001). Under section 6A:11-7.3, charter schools must "comply with generally accepted accounting principles in accordance with N.J.S.A.18A:4-14 and N.J.A.C.6:20-2A" (*The New Jersey Charter Program Act of 1995*). The charter schools must conduct and pay for external fiscal audits, which are provided by agencies and companies that meet criteria stipulated by the NJDOE. Additionally, the schools must provide to the superintendent the monthly financial reports which are also submitted to the charter school board of trustees within 30 days of September, December and March pursuant to N.J.A.C. 6A:23; and the charter schools must submit evidence of a uniform system of double-entry bookkeeping in conformance with Generally Accepted Accounting Principles (GAAP) prior to final approval of its charter.

The NJDOE has tightened its authorization and renewal process for charters over the past five years, making it a more effective process for assuring that high-performing charter schools are started and stay in operation. The NJDOE now conducts interviews with charter applicants to assess the extent to which the interested parties are prepared to and are qualified to operate charter schools. The renewal process involves a comprehensive review of the charter school's performance, including all quantitative and qualitative schooling indicators, comments from the district of residence, and substantive, structured interviews with the school administrators and teachers.

The most serious problem we found with the state's monitoring processes of schools is that there is little, if any, on-site evaluation of charter school curriculum and teaching practices. As a result, some charter schools have serious gaps in their curriculum and provide inadequate academic programs for their students. Each charter school is required to submit an annual report to the state on the school's progress in meeting the provisions of its charter. Additionally, it must provide extensive documentation on the school's compliance with implementation of New Jersey's Core Curriculum Standards. Each of the schools sampled had documentation of how their curriculum was aligned to the standards and how they expected to assess the teaching of the standards. But documents don't tell what goes on in schools and, because of insufficient site visits by the NJDOE, state standards and chartering accountability ring hollow.

We found that the curricular structure and instruction of the four schools sampled varied tremendously. Two schools had excellent scope-and-sequencing of curriculum that matched the New Jersey Core Curriculum Standards to what was actually being taught in the classrooms for children of diverse needs and abilities. However, we found rather serious deficiencies in the curriculum and instructional practices of the other two schools sampled. According to in-depth interviews with teachers at these schools, who discussed the issues openly, they believed that the NJDOE had little or no knowledge of the problems. Rarely in their time as teachers at the school had NJDOE representatives observed classes nor had any of them been interviewed by the NJDOE regarding school curriculum, teaching, or daily practices.

Finding #2: The state authorizer (NJDOE) lacks the capacity and authority to develop an effective performance-based accountability system. Amendments to the charter law, granting the NJDOE greater powers regarding charter accountability, are needed to strengthen its authority.

The Office of Charter Schools, under the Division of Information and Management Services, is understaffed and under resourced to provide effective monitoring and oversight of charter schools. Because of its limited authority, resources, and dual roles, the authorizer is often constrained to focus on compliance instead of performance -- even if the acting agency knows it's counterproductive.

In February 2002, under the administration of Governor McGreevey's new Commissioner of Education, William Librera, the NJDOE virtually dismantled the Office of Charter Schools, letting go of its director and the top managers who helped oversee charter schools. The Assistant Commissioner, head of DOIM, was also relieved of his duties there. While the NJDOE hired an interim director for the office, charter schools were anxious about the change. They were unsure about the new administration's commitment to the fledgling movement.

Referring to the leadership of the Assistant Commissioner and Director at the Office of Charter Schools, the Executive Director of the New Jersey Public CHARTER School Association Sarah Tantillo said, "These people have worked around the clock on behalf of students and parents and teachers in the charter school movement. This is a serious body blow" (*The Newark Star-Ledger*, February 6, 2002).

But in November 2002, William Librera reassured the New Jersey charter community that he and Governor McGreevey are committed to making the charter movement a success. Speaking to the burdens of compliance and the constraints imposed by the current funding scheme under the charter law, Librera openly stated that the charter movement was doomed to failure unless amendments to the NJ Charter Law occurred soon (Forum on School Choice, held at Rutgers University's Law School, November 23, 2002).

Still, the organization of the Office of Charter Schools remained in limbo. And the office responsible for monitoring and assisting almost 60 charter schools in the state had a limited staff, with four people responsible for the oversight of charter schools in the entire state. Currently, the NJDOE has minimal leeway in relieving charter schools of burdensome rules and regulations. Amendments to the charter law, granting the NJDOE greater powers regarding charter accountability, are needed to strengthen its authority.

Finding #3: The state authorizer is serving as BOTH the agency of accountability and assistance, which often results in a conflict of interest and poor intervention to remedy problems. Additionally, there is no formal warning system in place to alert the NJDOE of school problems. This also means there is no reliable system for demanding and monitoring corrective action from the schools.

Who do Newark's charter schools turn to when they are experiencing problems? How does the state become aware of problems? And what role do they play in resolving the problems? Currently, charter schools are in a Catch-22 situation: if they have a problem, they may turn to one of the resource centers for help. But neither of the centers is staffed to provide regular assistance to charter schools. However, charter schools are reluctant to turn to the NJDOE for assistance for fear of reprisal and/or risk of incurring additional compliance burdens.

Instead, the NJDOE relies on an informal network of information between schools and the resource centers to learn about problems. Or it waits for formal complaints to be lodged against the school to take action, which creates a passive and defensive approach to detecting and monitoring problems.

The first state evaluation on charter schools presented to the Governor and Legislature this past October concluded that "it is unwise to ask that a single entity, the Department of Education, serve two roles that often conflict -- assistance and accountability" (NJDOE Commissioner's Recommendations, October 2001).

Finding #4: While the NJDOE has focused on soft quantitative and qualitative data regarding the performance of charter schools, the NJDOE has not established benchmarks for acceptable academic achievement on state-mandated standardized tests or on norm-referenced tests already used by many of the charter schools. This seriously undermines the attainment of performance-based accountability.

As part of their annual reports, charter schools must furnish information on teacher and student attendance rates, dropout rates, mobility rates, suspension and expulsion rates, number of students on waiting lists, number of ESL (English-as-second-language) students, number of special education students, and general demographics regarding the school's students (racial/ethnic composition, gender composition, etc.) and staff (percent certified, percent from alternative route programs, percent with higher learning degrees, etc.). While this information is critical to understanding how New Jersey's charter schools are performing, it offers limited insight on academic achievement.

New Jersey's charter schools, like all of New Jersey's public schools, must administer state-mandated, standardized achievement tests to its 4th, 8th, 11th, and 12th graders. For charter schools, however, this provides too little information regarding students' academic achievement. Of our study cohort, Hopeful Beginnings was entering its third year of operation, but had no achievement testing because the school's grade-level composition began with kindergarten, so the school's grade-level composition had heretofore been ineligible to participate in the state-mandated testing. Assessment of achievement was further confounded by the fact that the school had not yet adopted any annual value-added testing.

Another of the schools sampled, Explorations Charter School, enrolls 4th-8th graders, so that each newly entering 4th grader in the Fall is subject to the state-mandated

ESPA tests the following Spring. The problem is that it is difficult to gauge the value-added benefits being provided to the 4th graders by the school. Is the ESPA test showing what students already learned (or failed to learn) at their previous school, or is it reflecting what they learned (or failed to learn) at Explorations Charter School? It's nearly impossible to determine from the state-mandated test alone.

Polaris Charter School, one of New Jersey's first charter schools, had a 5th-10th grade student cohort during the 2001-2002 school year. Their students were administered the 8th-grade GEPA tests for the third time in 2002 since the school's founding. Polaris students significantly outperformed Newark district schools on the GEPA tests each year – with students receiving Proficiency/Advanced Proficiency scores at nearly twice the rate of Newark district schools in 2002. However, the 2001 GEPA results witnessed a minor drop over the 2000 school year results. While the directors and teachers expected this because a few of the students in that cohort were particularly challenged learners, the problem is that because the student cohort is small to begin with, the scores of a few students skewed the entire results. Finally, Vantage Charter School boasts ESPA scores that rival those of charter students in one of New Jersey's wealthiest suburbs, Princeton. But what if Vantage Charter School students experience a decline in achievement scores this coming year? Will it mean the school as a whole is failing? Is it due to problems with the school's academic program? Or is it due to a particularly difficult cohort of students?

Three of the charter schools sampled were already using standardized norm-referenced tests, including the Stanford 9 testing series, to gauge the value-added benefits of charter schooling for their students. And Hopeful Beginnings was considering the introduction of such a norm-referenced, value-added assessment. However there is no mandate for charter schools to incorporate annual norm-referenced, value-added testing as part of their operating requirements.

RECOMMENDATIONS: Based on our findings, we recommend: 1) Regular, on-site evaluations (including surprise visits) of each of the charter schools by the NJDOE's Office of Charter Schools. Evaluations should include in-class observations, structured discussions with teachers, and assessments of teaching materials/resources. Alternately, the NJDOE should require that independent, external evaluators with no interest in promoting or undermining the charter movement, conduct regular on-site evaluations of each school's programs and practices, with payment for these evaluations shared by the state and the school. 2) Adoption of annual norm-referenced, value-added achievement tests for all charter schools, to be taken by all students. These tests should be administered to determine the value-added effects of charter schooling, to compensate for achievement data gaps now found in the state-mandated standardized testing system, and to correct the skewing of state-mandated, standardized tests for small sample groups. 3) Establishment of a formal warning system to detect problems within the charter schools, with on-site visits providing the bulk of information. 4) A closer association between the NJDOE and the New Jersey Charter Resource Center to develop a full-scale resource center that is responsible solely for technical support and assistance to charter schools, with both the state and the center seeking and generating external funds for the maintenance of the center. While the first evaluation report recommended that a separate resource center be established, there's no need to reinvent something that already exists

and is valued by the charter community. The key is to develop what is already in place. The NJCharter Resource Center is a known and appreciated quantity for the schools and it would cost less for the state to invest and further develop the center, rather than start over again.

CHARTER SCHOOL-LEVEL ACCOUNTABILITY

At the charter school level, a good accountability system yields four kinds of information: educational achievement, fiscal soundness, organizational viability, and compliance with the law (Hill et al, 2001; Finn et al, 2000). Our research uncovered the following findings with regard to this information and charter school practices.

Finding #5: Skilled leadership is key to building effective performance-based accountability. The level of specificity in developing accountability benchmarks regarding expectations and outcomes by school administrators is directly correlated to charter success.

Good leadership is key to the success of all schools, not just charter schools. However, we found that charter schools which had clearly articulated achievement expectations/goals outperformed charter schools with weak or non-existent achievement expectations/goals on standardized tests. Charter schools that set clear achievement goals (i.e. - "each class will achieve scores that are two grade levels above average on the Stanford 9 tests") had higher achievement outcomes than charter schools that set forth no achievement expectations. Charter schools with specific accountability measures delineating the roles and responsibilities of all school stakeholders -- administrators, teachers, parents, and students -- had higher levels of parental participation and student involvement in school programs and activities than charter schools with few or general accountability mechanisms. Parent compacts, student compacts, teacher compacts: all these had an effect on the level of parent and student participation at the school. But the key was not only that the schools had these agreements. It was in the fact that the leaders held students, parents, teachers, and themselves accountable to the requirements/responsibilities of the compacts.

An analysis of qualitative indicators shows that charter schools provide a substantially better education for their students than their districts of residence. All four of the charter schools sampled had higher student and teacher attendance levels than the schools in their surroundings, as well as the overall district. Additionally, they had substantially lower student dropout rates and mobility rates. Finally, at the two charter schools that had student cohorts entering in 4th or 5th grade, the parents rated the charter schools as safer, more orderly, and more disciplined than their previous schools (note: the majority of students came from district public schools in the Newark district).

Finding #6: Charter schools are expected to do more with less. They receive less per-pupil funding than their district counterparts, but are responsible for meeting the same programmatic and administrative demands of the district schools.

According to the 1995 Charter Law, for each charter school student, New Jersey provides a “charter school rate,” which “means a presumptive amount equal to 90 percent of the local levy budget per pupil for the specific grade level unless the Commissioner approves a percentage other than the presumptive 90 percent and which cannot exceed 100 of the local levy budget per pupil for the specific grade level” (NJDOE, Title 6A, Chapter 11. Charter Schools, Subchapter 1. General Provisions, 6A:11-1.2, 1995). Hence, charter schools receive only 90% of the per-pupil expenditures in their districts of residence. The district receives the other 10% for whatever administrative expenses are incurred in acting as mediators for disbursing funds from the state to individual charter schools.

Additionally, charter schools receive no facilities funding and, as a result, must use significant portions of their budgets to pay rent or make capital improvements to their facilities. As the average facility cost for charter schools is \$1,500 per student, the remaining percentage of per-pupil funds that is available for programs, instructional and administrative costs is reduced to approximately 70% of that of their districts of residence.

Finally, under the “Program budget” provisions of the state’s charter law (6A:11-1.2), Newark’s charter schools are not entitled to Abbott parity funding, nor do they receive funding given for the implementation of whole-school reform efforts, which were mandated by the DOE for Abbott districts under Abbott V. This further reduces the per-pupil funds that is available for academic programs and instruction to approximately 60% to 65% of their districts of residence. As evidenced in our study, the results of this funding disparity vary from school to school. However, on the whole, charter schools are struggling to build capacity in their academic and athletic programs to meet the needs of their students because of limited resources and lack of access to district public school programs. Additionally, charter schools that received less funding from external donors had more difficulty meeting the needs of special education students and offered fewer opportunities for high-achieving students than charter schools with extensive external funding.

Finding #7: New Jersey’s charter schools have not received the promised relief from compliance to rules and regulations. They must comply with virtually ALL of the state education laws.

“It’s a myth!” exclaims the principal of Vantage Charter School, regarding the state’s accountability-for-autonomy tradeoff regarding regulation and oversight. Its “non-existent,” “untrue” and “just theory” say the school leaders of the other three charter schools. Under the amended charter law of 1995, which was passed November 2000, the operation of a charter school in New Jersey is expected to be in “accordance with its charter and the provisions of law and regulation which govern other public schools” (18A:36A-11, 2000). Thus, New Jersey’s charter schools must abide by virtually all of the state education laws, codes, and regulations. The only exemptions afforded to charter schools is in facility regulations, though they must abide by the health and safety standards established for district schools.

The KPMG evaluation report presented to the Governor, Legislature, and the public last October contained the NJDOE Commissioner's recommendations for improvement, which conceded that "We have not provided the kinds of relief from state mandates to provide the autonomy necessary to allow greater levels of innovation and creativity. Charter schools have made the commitment to higher levels of accountability. We, however, have not provided charter schools with freedom from mandates in exchange for that higher level of accountability" (NJDOE, October 2001).

We found that excessive administrative requirements are draining charter schools of already-scarce resources. Charter schools act essentially as self-contained districts, so while district schools have entire staffs dedicated to the administrative responsibilities of their schools, as well as school-level personnel for the internal functions of each school, charter schools are spending an inordinate amount of time and money on assuring compliance to reporting demands.

The NJDOE's focus on compliance, combined with burdensome administrative demands, may be responsible for a flattening of interest in starting new charter schools. Additionally, this discourages charter educators and educational administrators from staying in the charter movement and it acts as a disincentive for converting district schools to charter schools. After the charter law was passed in 1996, the state granted 16 charters for the 1997 school year. In 2002, the NJDOE approved only 2 new charter applications. The precipitous drop in the number of approved charters may be due to the NJDOE's tightening of the authorization process, however many charter school leaders say that the administrative demands and lack of funds is responsible for diminished interest in charters. A co-founder of Polaris Charter School sums it up best, "There's a reason there are no conversion charter schools in the state. There's no incentive for them to do so. Why convert if you're subject to the same laws, get less money to do the same job, and have access to fewer programs?"

RECOMMENDATIONS: If the charter movement is to succeed, it must be given the relief from mandates it was promised. To attain this, the charter law should be amended to eliminate the section that requires that "a charter school shall operate in accordance with the provisions of law and regulation which govern other public schools," which would allow freedom from mandates that interfere with the Legislative intent. The amendments should include a rethinking of the teacher and administrator certification requirements for charter schools, which make certification synonymous to qualification; instead, the law should allow for greater freedom in the charter's selection of its teachers and leaders, and let the results speak for themselves. Finally, charter school legislation should be revisited regarding the per-pupil funding it currently disburses. In particular, it should focus on the impact of its funding on the education of special-needs students, as well as the access to athletic programs and academic enrichment programs in the districts of residence, including gifted-and-talented programs. Without these additional provisions, it is unlikely that charter schools will be able to build the capacity to serve their special needs students effectively or to build the athletic and enrichment programs now available to other district school students.

VI. Conclusion

Newark's charter movement began five short years ago. It's unrealistic to think that the work of the NJDOE, as well as that of the charter schools, would be complete by now. The issue isn't whether they've arrived at meeting performance-based standards, but whether the NJDOE and the charter schools are moving in the right direction. While the study found that the authorizer and the charter schools still have a way to go, the spirit of the movement is on target. All the charter schools in our study want high levels of accountability. What they need -- and deserve -- is the guidance and support of the state in realizing a performance-based accountability system. Relief from rules and regulations, annual norm-referenced achievement tests for all charter students, increased funding, and regular on-site evaluations of daily practice would go a long way to ensure the establishment of such a system.

Opponents of the charter movement argue that because of their autonomy, charter schools can't be accountable (Wells, 1999; Wells, 2000; Fuller, 2001). They contend that legislators, in their zeal to grant charter schools freedom from rules and regulations, are loath to specify accountability measures in charter laws. And authorizers, new to chartering, are slow to develop explicit accountability plans (Hill et al, 2001). But what we found flies in the face of this opposition. In reconciling the competing demands of so many interest groups, New Jersey's legislators have not provided the promised relief from rules and regulations to the state's charter schools. And the authorizer's slowness in developing a performance-based accountability plan has as much to do with the structure, authority, and resources of the NJDOE as it does with their learning of how to deal with a new schooling model. Finally, the administrators and educators of our charter schools reiterated the same sentiment when comparing their accountability to traditional district school accountability: no traditional district school has ever been closed for poor performance or for any other reason in Newark. And these schools have had more than 150 years to get it right. Perhaps little will convince charter foes that charter schools can be or are accountable, but accountability cannot be ignored. Too much hope has been vested in charter schools to risk such great waste.

Generalizability of the findings is limited, as this is a qualitative evaluation of only a few charter schools in one district. But while the findings may not be generalizable to all charter schools, this study can inform practice and be of use to state authorizers and other state policymakers in helping to assess the effectiveness of current accountability practices. It is hoped that the recommendations contribute to fostering a charter accountability system that is truly performance-based.

REFERENCES

- Alexander, N.A. 2000. "Charter School Assessment: What is the appropriate methodology for measuring effectiveness?" Report prepared for the American Federation of Teachers. St. Paul, MN: University of Minnesota, Department of Educational Policy and Administration.
- Ascher, C., Jacobowitz, R., McBride, Y., and Wamba, N. 2000. "Going Charter: Lessons from Two First-Year Studies." New York, NY: School of Education, New York University. Institute for Education and Social Policy.
- Baker, T. L. 1994. *Doing Social Research*. Second Edition. New York, NY: McGraw-Hill Inc.
- Dubnick, M., 2002, "Accountability and Ethics: Reconsidering the Relationship" a paper presented at the 63rd National Conference of the American Society for Public Administration, Phoenix AZ, March 2002.
- Finn, C. E., Manno, B. V., and Vanourek, G. 2000. *Charter Schools in Action*. Princeton, NJ: Princeton University Press.
- Fuller, B. (Ed.) 2000. *Inside Charter Schools: The Paradox of Radical Decentralization*. Cambridge, MA: Harvard University Press.
- Gilmour, R. and Jenson, L. 1998, "Reinventing Government Accountability: Public Functions, Privatization, and the Meaning of "State Action," *Public Administration Review*, Vol 58, No. 3; p 247-256.
- Hill, P., Lake, R., Celio, M.B., Campbell, C., Herdman, P. and Bulkley, K. June 2001. "A Study of Charter School Accountability." (U.S. Department of Education, Office of Educational Research and Improvement) Jessup, MD: U.S. Department of Education, ED Pubs.
- Kane, P. R. 1998. "New Jersey Charter Schools: *the first year*." Prepared for the New Jersey Institute for School Innovation. New York, NY: Teachers College, Columbia University.
- Larson, C. J. 1993. *Pure and Applied Sociological Theory: Problems and Issues*. Orlando, FL: Holt, Rinehart and Winston, Inc.
- Milward, H.B. and Provan, K., 2000. Governing the Hollow State. *Journal of Public Administration Research and Theory* 10(2): 359-380.
- Miron, G. and Nelson, C. July 2001. "Student Academic Achievement in Charter Schools: What We Know and Why We Know So Little." MI: Western Michigan University, The Evaluation Center.

Moe, R.C., 2001, "The Emerging Federal Quasi Government: Issues of Management and Accountability," *Public Administration Review*, Vol. 61, No. 3, p. 290 -312.

Mooney, J. "Education Chief Trim 10%, about 100 jobs, from His Department." *The Newark Star-Ledger*, February 2, 2006.

Nathan, J. 1999. *Charter Schools: Creating Hope and Opportunity For American Education*. San Francisco, CA: Jossey-Bass Publishers.

Patton, M. Q. 1990. *Qualitative Evaluation and Research Methods*. Second Edition. Newbury Park, CA: SAGE Publications, Inc.

Poister, T. and Streib, G. 1999, "Performance Measurement in Municipal Government: Assessing the State of the Practice," in *Public Administration Review*, July/August ; p. 325-335.

Powers, J. M. 2001. "Leading the Market: Unpacking Authority in a Charter School." San Diego, CA: University of California, San Diego. Department of Sociology.

Romzek, B. and Dubnick, M. 1987, "Accountability in the Public Service: Lessons from the Challenger Tragedy," *Public Administration Review*, Vol. 47, No. 3; p. 227-239.

Romzek, B. and Dubnick, M. 1998, "Accountability," in *International Encyclopedia of Public Policy and Administration*, vol. 1, edited by Jay Shafritz, Westview Press.

Romzek, B. and Ingraham, P.W., 2000, "Cross Pressures of Accountability: Initiative, Command, and Failure in the Ron Brown Plane Crash," *Public Administration Review*, Vol. 60, No.3; p. 240-253.

RPP International. January 1998. "The State of Charter Schools 1998." (U.S. Department of Education, Office of Educational Research and Improvement) Washington, DC: U.S. Government Printing Office.

RPP International. January 1999. "The State of Charter Schools 1999." (U.S. Department of Education, Office of Educational Research and Improvement) Washington, DC: U.S. Government Printing Office.

RPP International. January 2000. "The State of Charter Schools 2000." (U.S. Department of Education, Office of Educational Research and Improvement) Washington, DC: U.S. Government Printing Office.

RPP International. June 2001. "Challenge and Opportunity: The Impact of Charter Schools on School Districts." (U.S. Department of Education, Office of Educational Research and Improvement) Washington, DC: U.S. Government Printing Office.

Schneider, M., Teske, P., and Marschall, M. 2000. *Choosing Schools: Consumer Choice and the Quality of American Schools*. Princeton, NJ: Princeton University Press.

Tractenberg, P., Holzer, M., Miller, G., Sadovnik, A. and Liss, B. (2002). "Developing a Plan for Reestablishing Local Control in the State-Operated School Districts: A Final Report to the New Jersey Department of Education," (2 Volumes with Appendices). Newark, N.J.: Institute on Education Law and Policy, Rutgers University.

Wells, A. S. 1998. "Beyond the rhetoric of charter school reform: A study of ten California school districts." Los Angeles, UCLA Charter School Study.

Wells, A. S. 2000. "In Search of Uncommon Schools: Charter School Reform in Historical Perspective." Speech delivered at the Julius and Rosa Sachs Lecture at Teachers College, Columbia University. Online Journal of the TCRecord.

¹ Passage of the first state-legislated charter law in Minnesota in 1991 has spawned enactment of charter laws in a total of 38 states, as well as the District of Columbia and Puerto Rico, and the decade-old movement has produced almost 2,400 charter schools serving 576,000 students nationwide (The Center for Education Reform website [CER], 2002).



U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)



UD 035 948

REPRODUCTION RELEASE
(Specific Document)

I. DOCUMENT IDENTIFICATION:

Title: Performance-Based Accountability: Newark's Charter School Experience	
Author(s): Kathie Callahan, Alan Sadovnik, Louise Visconti	
Corporate Source: Report prepared for Joseph C. Cornwall Center for Metropolitan Studies (Rutgers Univ - Newark) on-line report	Publication Date: June 2002 (Revised December 2002)

II. REPRODUCTION RELEASE:

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, *Resources in Education* (RIE), are usually made available to users in microfiche, reproduced paper copy, and electronic media, and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to each document.

If permission is granted to reproduce and disseminate the identified documents, please CHECK ONE of the following three options and sign at the bottom of the page.

The sample sticker shown below will be affixed to all Level 1 documents

The sample sticker shown below will be affixed to all Level 2A documents

The sample sticker shown below will be affixed to all Level 2B documents

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

SAMPLE

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE, AND IN ELECTRONIC MEDIA FOR ERIC COLLECTION SUBSCRIBERS ONLY, HAS BEEN GRANTED BY

SAMPLE

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2A

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

SAMPLE

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

2B

Level 1

Level 2A

Level 2B

Check here for Level 1 release, permitting reproduction and dissemination in microfiche or other ERIC archival media (e.g., electronic) and paper copy.

Check here for Level 2A release, permitting reproduction and dissemination in microfiche and in electronic media for ERIC archival collection subscribers only

Check here for Level 2B release, permitting reproduction and dissemination in microfiche only

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but no box is checked, documents will be processed at Level 1.

I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce and disseminate these documents as indicated above. Reproduction from the ERIC microfiche or electronic media by persons other than ERIC employees and its system contractors requires permission from the copyright holder. Exception is made for non-profit reproduction by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries.

Sign here, please

Signature: <i>Louise M. Visconti</i>	Printed Name/Position/Title: Louise M. Visconti, Asst Prof.	
Organization/Address: RUTGERS UNIVERSITY Dept. of Education University Heights Conklin Hall Newark, NJ 07102	Telephone: 973-353-5063	FAX: 973-353-5893
	E-Mail Address: lvis5@columbia.edu	Date: 10/27/03

See Corporate Source.

III. DOCUMENT AVAILABILITY INFORMATION (FROM NON-ERIC SOURCE):

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of these documents from another source, please provide the following information regarding the availability of these documents. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents that cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price:

IV. REFERRAL OF ERIC TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER:

If the right to grant this reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

Name:
Address:

V. WHERE TO SEND THIS FORM:

Send this form to the following ERIC Clearinghouse: ERIC Clearinghouse on Urban Education Teachers College Box 40, Columbia University 525 West 120th Street New York, New York 10027-6696
--

EFF-088 (Rev. 2/2000)