AUTHORIZER SHOPPING:
LESSONS FROM EXPERIENCE AND IDEAS FOR THE FUTURE

PREPARED FOR:
THE NATIONAL ASSOCIATION OF CHARTER SCHOOL AUTHORIZERS
BY PUBLIC IMPACT

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NATIONAL ASSOCIATION OF
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The National Association of Charter School Authorizers (NACSA) is an independent voice for effective charter school policy and thoughtful charter authorizing practices that lead to more great public schools. Our research, policy, and consultation work advances excellence and accountability in the charter school sector. With authorizers and other partners, we have built the gold standard for charter school authorizing. Through smart charter school growth, these authorizers will give hundreds of thousands of children an opportunity for a better education each year. For more on NACSA, please visit www.qualitycharters.org.

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INTRODUCTION

As one of the most sustained education reform movements of the past 25 years, charter schools allow for innovation and challenge the belief that not all children can learn—showing that high achievement is possible with quality schools and high expectations for students. A strength of the charter community has been its willingness to address quality and accountability issues, especially in the face of inconsistent academic quality across the sector. Charter school advocates increasingly realize that great authorizing includes the will and ability to close failing schools.

As authorizers and states have increased performance expectations and grown less hesitant to close failing schools, "authorizer shopping" has emerged as a growing threat to overall charter school quality. Authorizer shopping happens when a charter school chooses an initial authorizer or changes authorizers specifically to avoid accountability. A low-performing school may shop for a new authorizer to avoid closure, or reopen under a new authorizer after closure. A clear and recent example occurred in 2013 when Ball State University refused to renew seven chronically low-performing charter schools—but three stayed open under new authorizers (see Appendix for details, page 17).

Given its focus on growing a quality charter sector, NACSA has a long-standing interest in preventing authorizer shopping. In partnership with Public Impact, NACSA conducted more than 20 interviews with authorizers in nine states, preparing case studies to highlight examples of authorizer shopping. In May 2015, NACSA and Education Cities convened more than 30 participants representing authorizers, state charter associations, policymakers, and education leaders to explore the causes and impacts of authorizer shopping, as well as search for potential solutions.

> **❝** *Authorizer shopping happens when a charter school chooses an initial authorizer or changes authorizers specifically to avoid accountability."*

This report summarizes the lessons of these efforts and provides guidance to authorizers, policymakers, and advocates to address authorizer shopping and ensure that students are not subjected to chronically failing schools year after year.

THE PROBLEM

Quality authorizers hold charter schools to high expectations for outcomes such as academic performance and move to close failing schools. When failing schools "game the system" by shopping for an authorizer with lower expectations or standards, they violate the promise of a quality education for their students and communities. Authorizers may participate in authorizer shopping for the financial reward of authorizing additional schools or in a misguided attempt to save a failing school.

WHAT COUNTS AS AUTHORIZER SHOPPING?

In many cases of authorizer shopping, a school facing nonrenewal or closure seeks a new authorizer to keep it open. In other cases, an authorizer will close a low-performing school, only to later see that school "recycled" with a new name and new authorizer. Though some charter schools may seek a new authorizer for a better fit or to escape a hostile or micromanaging authorizer, these cases of "good" authorizer shopping are rare (see "When It's OK to Shop" on page 5).

Though it is difficult to quantify the prevalence of shopping, informal interviews and news articles indicate that shopping has become a bigger problem that will grow if practices and policies do not change, as the charter sector grows and authorizers increase and enforce performance expectations. A recent Fordham Institute paper reports that 34 schools in Ohio alone changed sponsors within the past seven years.[1]

TYPES OF AUTHORIZER SHOPPING

Problematic authorizer shopping takes many forms, but always starts with an attempt to avoid accountability. Authorizers report cases of shopping from the initial charter application to the closure process.

Throwing noodles at the wall: When a new school submits applications to multiple authorizers to see what will stick Quality charter school applicants propose academic programs to address specific communities or student populations in specific locations. Authorizers are right to be suspicious when a single operator submits the same

When it's OK to Shop

Though a state's charter-authorizing structure should discourage authorizer shopping, it should still allow for legitimate changes in authorizers. Below are some examples in which changing authorizers may be best for the operator or the authorizer. These cases are rare, but it is important to provide options to operators if they encounter one of these scenarios. At the same time, authorizers should be aware that all shoppers will argue they have good reasons to shop. Separating the acceptable from the problematic is a key area of judgment for authorizers to hone.

> **"** *Authorizers should be aware that all shoppers will argue they have good reasons to shop."*

- **Moving Up:** When a school switches to a higher-quality authorizer for improved reputation or process. In a state with several authorizers and no standard accountability measures, a school could benefit from moving to an authorizer with a stronger reputation for rigor, a better process for oversight, or better systems for replication of quality schools.

- **Escaping:** When a well-performing school switches to get away from an authorizer who's hostile or micromanaging. For example, an authorizer may have imposed excessive fees or failed to provide the appropriate amount of autonomy. In that case, it would be better for a school to switch authorizers, rather than constantly fight with a restrictive authorizer.

- **Aligning:** When a well-performing school shifts to an authorizer with a better-aligned mission. For example, Irvington Community School in Indianapolis switched authorizers from Ball State University, based in Muncie, Indiana to the local Indianapolis mayor's office—a better fit for the mission of improving education for the Irvington neighborhood.

- **Consolidating:** When an operator moves to have all its schools under a single authorizer. An operator of several schools may find it beneficial to have the same authorizer in order to have consistent standards, procedures, and accountability measures.

Authorizing and Turnaround?

When faced with the question of approving a low-performing school, some authorizers say they can provide the right support and strategies to turn a school around. However, to date there is little data to support the effectiveness of this strategy, and it opens the door for chronically low-performing schools to shop for a new authorizer to remain open. This is distinguished from a "restart" strategy, in which an authorizer brings in and/or approves a high-quality operator to turn around a low-performing school.

application to authorizers in multiple cities and districts. Two examples illustrate this type of authorizer shopping: In California, informal interviews indicate some operators do this, looking for one to "stick." In Colorado, authorizers reported a single charter application was submitted to four different school districts and then denied by two school districts. Those decisions were later overturned by the State Board of Education, effectively allowing authorizer shopping.

Staying afloat: When a low-performing school facing closure or nonrenewal switches authorizers to stay alive

As noted above, low-performing schools that fear renewal trouble sometimes take early action to avoid accountability. These schools shop for an authorizer with lower academic expectations who will grant them a charter and help them avoid negative accountability consequences. Authorizers may grant charters to low-performing schools for many reasons, including potential financial gains or the notion—likely misguided—that they can help schools improve by authorizing them.

Informal interviews with Ferris State University officials in Michigan indicate that they were planning to not renew the charters for Francis Ray Academy and George Crockett Academy at the end of their charter contracts in 2014. Aware of that, both schools moved to the authorization of Northern Michigan University (NMU) in fall 2014 (see Appendix for details, page 19).

Career Academy, authorized by Ball State University (BSU) since 2011, has consistently received failing grades from the state based on student performance. In advance of its 2016 renewal review, Career Academy chose to end its relationship with BSU in June 2015. It is now authorized by Trine University, an authorizer with a history of granting charters to schools that have been nonrenewed by other authorizers.[2]

The undead: When a school that has been closed or nonrenewed reopens with a new authorizer

Authorizers face tough and challenging actions in closing a charter school—displacing students and families to meet their obligations to ensure quality educational options. Some authorizers go through this difficult process of closing a school only to see it reopen, barely changed.

In 2005, Buckeye Community Hope Foundation, located in Columbus, Ohio, granted Imagine Schools a charter to open and operate Academy of Columbus charter school. The school failed to meet academic standards, falling into "Academic Emergency" in 2011 and 2012 under the state's accountability system. Ohio law requires authorizers to close schools if they fall into "Academic Emergency" for two of the three most recent years.

The Academy of Columbus board moved to close the school in spring 2013. However, North Central Ohio Educational Service Center agreed to authorize the school after Imagine—an educational management organization that provided comprehensive management services to the school—promised parents, teachers, and the public that the school would improve. The Academy of Columbus reopened in fall 2013 as Imagine Columbus Primary Academy, with a new board, principal, and half the staff replaced, but with the same management organization (Imagine). In the 2013–14 school year, Imagine Columbus Primary performed worse than 98 percent of Ohio's public schools (see Appendix for details, page 12).

Race to the bottom: When a school shops so it can bargain authorizers "down" on accountability standards or other important aspects of authorizer practice

Though some schools have some legitimate reasons to change authorizers, sometimes the issue of "fit" can mask an attempt to find lower performance expectations. In 2008, the Guided Online Academic Learning (GOAL) Academy received a charter granted by the Colorado Charter School Institute (CSI), an Independent Charter Board. CSI and GOAL could not agree on a set of academic performance expectations before GOAL's 2013 renewal. GOAL's leaders said CSI was inflexible, while CSI determined that GOAL's proposal lacked rigor and did not align with the state's evaluation system. As a designated Alternative Education Campus (AEC), GOAL Academy's leaders expected the supports typically provided for a traditional non-charter school as provided by school districts and argued that they should have flexibility on performance metrics so that the school could be evaluated fairly. GOAL's board of directors transferred GOAL's charter to Falcon District 49, a Colorado LEA designated as a Colorado "innovation district."

Sometimes authorizer shopping is unique to the type of school doing the shopping or the mechanism used to facilitate it. Below are some examples of such situations, which highlight the need to be vigilant in looking for loopholes that may enable problematic shopping.

1) Virtual schools

Unless states establish special provisions that limit who can authorize virtual charter schools, virtual charters may choose to be authorized by—or switch to—any district (or entity) in the state. Cross-district student transfers, when they are required, and any contractual enrollment cap would be the only enrollment restrictions they would face. This context—the potential for wide geographic opportunities and many authorizers to choose from—makes virtual schools particularly prone to authorizer shopping.

For example, the Adams 12 Five Star district authorized the Colorado Virtual Academy (COVA) for its first decade of operation, starting in 2003. COVA was operated by K12 Inc., a publicly traded, for-profit, online education company. Before its 2013 renewal, COVA submitted an application to be authorized instead by the Charter School Institute (CSI), an independent authorizer. The CSI recommended a denial of this transfer application because of student performance, student turnover, curriculum adjustments needed to address an increased number of at-risk students, and concerns that K12, not the school's board, was in control of the school. The Adams 12 Five Star district thus granted COVA a new charter for just one year in 2013, citing performance concerns, and indicated that it would not renew the charter the following year. During the 2013-14 school year, COVA implemented many changes, including terminating the management contract with K12, hiring a senior executive with control over marketing, and allowing the board to retain more funds to improve teacher salaries, teacher-to-student ratios, and pre-enrollment processes to make sure students were ready for rigorous online work. At the end of the year, COVA received a charter to continue operations from the Byers School District, while K12 contracted with a regional Board of Cooperative Educational Services (Colorado Digital BOCES) to open an additional (non-charter) online school.

To prevent this type of issue, new regulations in Colorado require that if a new school opens with 50 percent of its students having transferred from a closed school, it must inherit the accountability history of the closed school. However, actual enforcement of this provision remains untested and unproven.

2) District-authorized schools not located within the district

The California Charter Schools Act (CSA) allows a charter school to establish one site outside the boundaries of the authorizing school district if the charter school is unable to locate a single site within the authorizing district's boundaries that can house the entire program. Even then, prior notice is given to the school district in which the facility will be located, the local County Superintendent of Schools, and the state's Superintendent of Public Instruction. California educators say the provision is meant to allow a school facing a hostile district to find a temporary location while going through the appeals process.

However, a few authorizers have used this provision as a loophole to open several schools outside the district, with little oversight and great financial gain. One such example is Acton-Agua Dulce Unified School District, a small rural district in northern Los Angeles County. The district has approved more than 20 charter schools, with a majority of them serving students outside the district. The district has faced a great deal of scrutiny, and now litigation, from the districts in which it opened the new charter schools.[11]

California Senate Bill 1263 has been introduced to block charter schools from locating outside their school district.[12] But policymakers need to take care to stop problematic behavior while allowing flexibility for schools that truly cannot find adequate space within their host districts' boundaries.

3) Multistate networks

Authorizers need to know to what degree large, multistate networks live up to academic, operational, and financial performance standards in other states before approving them. Making such comparisons can be tricky because academic standards, assessments, and other measures may differ from state to state or even authorizer to authorizer within a state. In addition, a network's performance may be varied, with certain schools within the network, certain geographies, or certain demographic groups performing better or worse. But authorizers must face those challenges head-on and ensure due diligence when considering an operator from another state. Transparency in sharing information and a strong network will give authorizers the tools to make sound decisions.

4) Shopping through the appeals process

As of June 2014, 42 states have an appeals process for charter applicants who are denied at one level, such as the local or county school district, and who then may appeal to the state level or to a special appeals board.[13] While an appeals process is intended to protect charter schools from hostile authorizers, it can offer the possibility for a low-performing school to remain open when it should close. This possibility rests partially on the legal structure and the nature of the appeals process. An appeals process set up to re-examine the merits of an application is less susceptible to shopping behavior than one set up to rule on the merits of the process or legal justification used by the authorizer to make its decision.

For example, informal interviews indicate that a State-authorized charter school in California knew it would not be renewed due to financial insolvency. It submitted a new application to a local district to authorize the same school, but was denied at the local and county levels. The charter management organization (CMO) abandoned its State-authorized charter, but entered the appeals process with the new charter application and gained authorization through its appeal. Though the law states that an operator cannot open a new school if it has been associated with a closed school, the school is run by the same CMO in this example.

APPROACHES: STRATEGIES FOR POLICYMAKERS, AUTHORIZERS, AND OTHERS

The best antidote to problematic shopping is quality authorizing. If all authorizers in a state or region have high standards for approval and renewal and are decisive in acting on low performance, failing schools would find all the potential "shops" closed. NACSA has a set of resources available to guide authorizers at www.qualitycharters.org. However, it takes just one low-standard authorizer to make authorizer shopping possible. In states with established authorizers, changing and improving authorizer practice is hard work, as NACSA has learned. In most

> 66 *It takes just one low-standard authorizer to make authorizer shopping possible."*

states, a combined approach of authorizer practices and policy initiatives is necessary to address authorizer shopping. Context matters; rather than a cookie-cutter set of solutions, this report offers a menu of approaches that policymakers and authorizers can select and adapt.

WHAT CAN POLICYMAKERS DO?

Tackle authorizer shopping head-on.

Define problematic shopping and create sanctions in legislation, using some of the following options:

- Create a communication network in which authorizers must share data with one another in cases of potential shopping, to raise awareness of bad actors and prevent shopping "success."
- Require approval of authorizer changes by a higher authority, such as the state board of education or state education agency.
- Prohibit authorizers from receiving fees for authorizing low-performing shoppers. At the same time, ensure that authorizers are adequately funded in general to reduce the incentive to take on low-performing schools for financial sustainability.
- Set a "transfer floor," a requirement stipulating minimum performance levels below which schools are prevented from switching authorizers.

Example: Indiana passed a bill in 2015 requiring an authorizer that receives an application from an existing charter school to notify the current authorizer in writing, and requiring those authorizers to consult prior to making any decisions. The bill also requires new, non-district authorizers to get approval from the Indiana State Board of Education before they can authorize any charter schools.[3]

Enact accountability for authorizers.

States can set clear authorizer standards and establish processes for reviewing and vetting new authorizers, qualifying for and keeping authorizing authority, and monitoring performance—including evaluating portfolio quality, authorizer decision making, and practices that

ensure school autonomy. State oversight should include consequences for low-performing authorizers, such as freezing their ability to authorize new charter schools, reducing their access to fees charged to schools for oversight, removing schools from their authority, or terminating authorizing authority altogether. Policies that make facilitating authorizer shopping a fatal flaw will prevent or at the very least reduce shopping.

With strong accountability measures in place for authorizers, policymakers also need to reduce the number of bad authorizers in the state, either by stripping authorizer authority after low ratings or by reconsidering which entities receive authorizing authority to begin with. Authorizers may argue that State-imposed accountability requirements may hurt their decision-making ability. To counter the argument by authorizers that new accountability measures impede their autonomy, states should require authorizers to provide examples of strong authorizer accountability measures that make sense within the context of the state. However, removing authorizers is an option only when there is a quality authorizing alternative. When a jurisdiction's applicants and schools have access to only one authorizer, removing that authorizer is not an acceptable option. Keeping this in mind, policymakers should avoid overly bureaucratic authorizer regulations, which could impede efforts to improve accountability.

NACSA recommends the following practices:[4]

- State endorsement of national industry standards for quality authorizing
- Adoption of best practices in performance management

and replication—including charter contracts, performance frameworks, and quality replication

- Periodic evaluation of authorizers within the state against these standards
- Production of an annual report by authorizers on the performance of their schools
- In states with multiple authorizers, sanctions for the authorizers that do not meet quality standards or hold failing portfolios

Example: Minnesota requires the state commissioner to review each authorizer's performance at least every five years, and allows the commissioner to subject the authorizer to corrective actions, including the termination of contracts with schools it has authorized. As part of that review, the law requires the education department to comment on each authorizer's evaluation process for providing a formal written evaluation of the performance of each of their schools before renewing a charter contract.[5]

Set a threshold for default closure.
A growing number of states have identified a threshold of minimally acceptable performance for charter schools and require charter schools that perform below that threshold to close. Clear default closure policies should include the following criteria:[6]

- How many years of poor performance will trigger closure
- Clear performance level criteria that will result in closure
- What entity should use discretion to make exceptions and how to structure any waiver processes
- If waivers are available, eligibility requirements for them (e.g., Alternative Education Campuses are eligible, but not schools where students are at risk solely due to poverty)

Example: In Ohio, authorizers are required to close schools if they fall into "Academic Emergency" for two of the three most recent years.[7]

Although default closure laws can provide a mechanism to close the lowest-performing schools, they should not be mistaken for performance benchmarks or expectations. Performance above default closure thresholds does not indicate "success." Authorizers may justifiably close schools that fail to meet performance expectations even when they are higher than the "automatic closure bar" set by default closure laws.

Create incentives for schools to seek <u>good</u> authorizers.
States can use "carrots" as well as "sticks" to influence authorizer quality. Incentives can include the provision of facilities money to schools with authorizers that meet state standards.

The weaker the overall authorizer and school accountability systems are, the more important these shopping-specific policy approaches become. States with strong accountability systems will not need these specific shopping stoppers. But most states have weak systems, necessitating shopping-specific policies.

WHAT CAN AUTHORIZERS DO?
Use rigorous approval and renewal processes.
The best antidote to problematic shopping is a rigorous approval and renewal process. If a state's authorizers are consistent and rigorous in their processes and standards, low-performing schools will have nowhere to shop.

Collaborate and communicate.
Relationship building between authorizers is key in raising awareness of potential shoppers. Creating a network allows authorizers to know which schools are in trouble and which may be seeking a new authorizer. Certain types of authorizers are the most susceptible to authorizer shopping, such as new or small authorizers or those attempting to use authorizing as a money-making enterprise. Self-policing can combat this—setting clear, rigorous, and fair expectations and standards for authorizing and providing a screening process for new authorizers. Action steps could include forming a statewide authorizer alliance/coalition—similar to the ones the Michigan Council of Charter School Authorizers, the Florida Association of Charter School Authorizers, and others have created and are implementing—to cultivate strong interagency relationships. While state policy would be required to impose consequences for authorizers that don't adhere to authorizer alliance/coalition standards preventing authorizer shopping, authorizers would be well served to create network structures to minimize shopping.

Develop and share a database of school decisions.
Sharing data and objective information for making decisions would further raise awareness of bad actors seeking new authorizers. Data should also be readily accessible and timely. Authorizers should make reasons for application and renewal decisions readily available to the public and other authorizers. Because state systems vary, having a strong

network and open communication would allow authorizers to ask questions of one another during the application process. Action steps could include an authorizer (or authorizer alliance/coalition) creating such a database and making it available to other authorizers, or authorizers posting records and reasons for school decisions on their respective websites.

Avoid the urge to "wash their hands."
Sometimes authorizers will warn schools that they will be closed and encourage them to seek a new authorizer. The process of closing or non-renewing a school is cumbersome and difficult, but an authorizer should not encourage or allow a low-performing school to switch authorizers to avoid the process. Encouraging a school to seek a new authorizer will perpetuate the authorizer shopping problem and keep low-performing schools open. Action steps could include authorizers going through the nonrenewal process, even if the school says it intends to find a new authorizer, and making that decision public.

Build a strong reputation.
Authorizers should build a reputation for quality that attracts great schools. That can be done, in part, by setting clear and high standards, reducing administrative burdens for high performers, and providing schools with autonomy. Action steps could include publically posting key elements of an authorizer's strategic plan, accountability system, and record of decision making.

Support charter school board quality.
The stronger charter school boards are, the less likely they will be to engage in problematic shopping. Some authorizers offer programs and resources to educate and align charter school board members on school quality issues. For example, Ohio's charter school law regulates reporting requirements, qualifications, and compensation for charter boards.[8] Action steps could include ensuring that board members and organizations that offer training to board members know and understand authorizer expectations around board governance.

Work with organizations with a complementary quality agenda.
Other organizations interested in having only high-quality charter schools serving students are important allies, and they should be enlisted to help advance policy and apply pressure on authorizers and schools to avoid negative

shopping. See the following section, "What Other Organizations Can Do," for examples.

Connect with policymakers.
Collaboration between policymakers and authorizers helps in enacting new policies that address bad actors and protect autonomy. With frequent turnover in state legislatures, authorizers will continually need to educate policymakers on developments in the field. Action steps could include convening potential policy partners for initial discussions about the extent and nature of the problem; ensure awareness of, and problems with, shopping; and collectively discuss, debate, and craft customized solutions for local contexts.

Work with the media.
Authorizers should engage media outlets to ensure that they have stories that illustrate problematic authorizing and counteract political pressure that authorizers may face to take on well-connected-but-failing schools. Action steps could include identification of media contacts focused on charter school and accountability issues; convening initial meetings to discuss quality authorizer principles and authorizer shopping; and establishing ongoing lines of communication for notification, should the issue arise in the future.

WHAT OTHER ORGANIZATIONS CAN DO
State education agencies, policy advocacy organizations, charter support organizations, community organizations, and funders can also play a vital role in combating authorizer shopping by employing the following practices:

- Contribute to and demand transparency, through reports, ratings, and other means of making data and results public to raise awareness of the issue
- Support high academic standards for all schools by publically elevating schools with outstanding results
- Support closure as the solution to chronically low-performing schools, including supporting authorizer closure decisions[9]
- Support authorizer collaboration by being a resource, sounding board, and partner of quality authorizers
- Support the development of authorizer accountability systems that explicitly include indicators of authorizer shopping[10]
- Influence policy to strengthen authorizer quality
- Encourage media coverage of strong authorizing

ENDNOTES

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EXAMPLE 1: RECYCLING—WHEN IS A NEW SCHOOL REALLY NEW?

Sometimes a school operator falls short, and a school must close. And in some of those instances, the operator might try again, applying the lessons it learned to a new school. But when is a school really new? And when is it just the same old thing with a new wig?

WHAT HAPPENED?

In 2011, Buckeye Community Hope Foundation, a not-for-profit authorizer located in Columbus, Ohio, granted Imagine Schools, at the time a national for-profit education management company,[1] a charter to operate Academy of Columbus charter school.

IMAGINE COLUMBUS PRIMARY ACADEMY (ORIGINALLY ACADEMY OF COLUMBUS) 2013-14	
Students Enrolled	125
Grades Served	K–8
% Free and Reduced Lunch	72%
% Minority	81%
Year of Original Charter	2005
Educational Management Organization	Imagine Schools

Source: Ohio School Report Cards

- The school failed to meet academic standards, falling into "Academic Emergency" in 2011 and 2012 under the state's accountability system.
- In addition to academic concerns, the school's facilities costs accounted for more than half of the school's annual state funding.[2] Imagine rented the facility from one of its subsidiaries, SchoolHouse Finance.
- Under Ohio law, authorizers are required to close schools if they fall into "Academic Emergency" for two of the three most recent years. With support from Buckeye Community Hope Foundation, the Academy of Columbus board moved to close the school in spring 2013.[3]
- Then, however, the North Central Ohio Educational Service Center[4] agreed to authorize the school after Imagine promised parents, teachers, and the public that things would improve.[5] The Academy of Columbus reopened in fall 2013 as Imagine Columbus Primary Academy.
- When the school switched authorizers, it brought on a new board and principal and replaced half the staff.[6]
- Imagine Schools continued to run the school and continued to lease the facility to the school through SchoolHouse Finance.

HOW IS THE SCHOOL DOING NOW?

In 2013-14, the first year the school operated as Imagine Columbus Primary Academy, it performed worse than 98 percent of Ohio's public schools. It also received an F for proficiency and a C for student growth on the state report card.[7]

RESULTING POLICIES

Legislation passed in 2015 in Ohio prohibits authorizer shopping for any school that has its charter non-renewed or terminated, and sets strict and specific requirements for other schools that seek to switch authorizers, including finding an authorizer rated "effective" or having a higher rating than their current authorizer, having not requested to change authorizers in the past, and gaining approval from the Ohio Department of Education prior to switching authorizers. In addition, the Ohio Department of Education will implement a new system this year to evaluate authorizers based on authorizing practices and the academic performance of the charter schools they sponsor. Authorizers receive ratings, with consequences for poor performance.

EXAMPLE 2: SHOPPING OR FINDING THE BEST FIT?

Ideally, a state's charter authorizing structure discourages authorizer shopping, while still providing at least two authorizing options for every school. This allows for legitimate changes in authorizers, which might include escaping a hostile district authorizer or finding a better "fit" with a certain authorizer based on mission, philosophy, or the kinds of support it offers. These issues can make it difficult to distinguish a school that is finding the best fit from one shopping to avoid accountability—either on the front end through a rubber-stamp application process or on the back end once a school is targeted for closure. This is especially true when authorizers are grappling with how to evaluate their schools' academic quality, especially those serving alternative populations.

WHAT HAPPENED?

- In 2008, the Guided Online Academic Learning (GOAL) Academy received a charter granted by the Colorado Charter School Institute (CSI), an independent agency within the Colorado Department of Education established to authorize Colorado charter schools.

GUIDED ONLINE ACADEMIC LEARNING (GOAL) ACADEMY 2013-14	
Students Enrolled	3,149
Grades Served	9–12
% Free and Reduced Lunch	67%
% Minority	58%
Year of Original Charter	2008
Educational Management Organization	N/A

Source: Colorado Department of Education

- GOAL Academy is a high-technology, high-touch school in which teachers deliver instruction primarily via the Internet, but frequently meet with students to provide one-on-one tutoring, mentoring, life skills, workforce guidance, and academic reinforcement. As a school with an alternative designation, GOAL Academy is eligible for alternative performance metrics, to be adopted in agreement with its authorizer.
- CSI and GOAL could not agree on a set of academic performance expectations prior to renewal in 2013. GOAL's leaders felt that CSI was inflexible, while CSI determined that the optional measures within the Alternative Education Campus (AEC) school performance framework proposed by GOAL lacked sufficient coverage of its pupils (for example, measures were proposed that reflected performance of one to two percent of its entire population), lacked rigor, and did not align with the intent of the state's evaluation system. GOAL was not eligible to apply for renewal due to their failure to meet the expectations for the optional measure development process as stipulated by the CSI board.
- As a designated AEC, GOAL Academy's leaders claimed that they were looking for flexibility on performance metrics so that the school could be evaluated fairly.
- The GOAL board of directors transferred GOAL's charter to Falcon District 49, a Colorado LEA designated as a Colorado "innovation district."[8]

HOW IS THE SCHOOL DOING NOW?

In Colorado, districts set performance targets for schools with AEC designations. According to its AEC School Performance Framework, GOAL met or was approaching all four of its performance indicators in 2014 and received a performance rating of "AEC: Improvement." Based on the points used to calculate state accountability ratings, GOAL ranked in the 55th percentile compared with all Colorado AECs serving high school students.[9] However, proficiency rates at GOAL fall well below both Falcon District 49 and high schools statewide.

	PROFICIENCY RATE: READING			PROFICIENCY RATE: MATH		
	2011–12	2012–13	2013–14	2011–12	2012–13	2013–14
GOAL	40%	42%	39%	4%	6%	4%
Falcon District 49	75%	72%	61%	50%	35%	25%
State	68%	69%	68%	46%	37%	37%

RESULTING POLICIES

While Colorado provides many options for AEC accountability, there has been no additional guidance to address disagreements between authorizers and charter schools about performance expectations. The ability to change authorizers can provide schools with options for a better fit in terms of mission, but can also allow schools to shop for lower accountability expectations.

EXAMPLE 3: AUTHORIZER SHOPPING IN A VIRTUAL WORLD

Unless special provisions limit who can authorize virtual charter schools, virtual charters may choose to be authorized by—or switch to—any district (or entity) in the state. Cross-district student transfers, when they are required, and any contractual enrollment cap would be the only enrollment restrictions they would face. That context—the potential for wide geographic opportunities and many authorizers to choose from—makes virtual schools particularly prone to authorizer shopping.

WHAT HAPPENED?

- The Adams 12 Five Star district authorized the Colorado Virtual Academy (COVA) for its first decade of operation, starting in 2003.

COLORADO VIRTUAL ACADEMY (COVA) 2013-14	
Students Enrolled	2,672
Grades Served	K–12
% Free and Reduced Lunch	17%
% Minority	34%
Year of Original Charter	2003
Educational Management Organization	K12 Inc.

Source: Colorado Department of Education

- COVA was operated by K12 Inc., a publicly traded, for-profit, online education company headquartered in Virginia, with schools in 37 states.[10]
- In advance of its 2013 renewal, COVA submitted a charter application to the Charter School Institute (CSI), an independent agency within the Colorado Department of Education. The CSI evaluation report recommended a denial of the transfer application because of student performance, student turnover, curriculum adjustments needed to address an increased number of at-risk students, and concerns that K12, not the school's board, was in control of the school.[11] Additionally, with an estimated 77 cents of every taxpayer dollar going to K12 as part of the management contract, some former teachers said they were overwhelmed and lacked the resources needed to perform their jobs.[12] (COVA formally withdrew their application prior to a vote by the CSI board.)
- At renewal in 2013, the Adams 12 Five Star district granted COVA a new charter for just one year, citing performance concerns, and indicated that it would not renew the charter the following year.[13]
- During the 2013-14 school year, COVA implemented many changes, including terminating the management contract with K12 (though COVA continues to contract with K12 for online content). It hired a senior executive with control over marketing and allowed the board to retain more funds to improve teacher salaries, teacher-to-student ratios, and pre-enrollment processes to make sure students were ready for rigorous online work.[14]
- At end of the 2013-14 school year, COVA received a charter to continue operations from the Byers School District, while K12 contracted with a regional Board of Cooperative Educational Services (Colorado Digital BOCES) to open an additional (non-charter) online school, Colorado Prep Academy.

HOW IS THE SCHOOL DOING NOW?

Proficiency rates at COVA decreased slightly in reading and remained unchanged in math from 2011-12 to 2013-14, the first year under the authorization of Byers School District. COVA's proficiency rates fall below statewide average performance and rates at both Adams 12 Five Star and Byers School District. In its first year, the new K12 contract school, Colorado Prep Academy, performed below the state average in both reading and math.

	PROFICIENCY RATE: READING			PROFICIENCY RATE: MATH		
	2011–12	2012–13	2013–14	2011–12	2012–13	2013–14
COVA	61%	60%	59%	35%	34%	45%
Adams 12 Five Star School District	64%	64%	65%	54%	54%	55%
Byers School District	72%	72%	61%	56%	53%	47%
Colorado Prep Academy	–	–	63%	–	–	31%
State	69%	70%	69%	56%	57%	56%

Source: Colorado Department of Education

RESULTING POLICIES

In 2014, the Colorado Department of Education formed a task force to address accountability for virtual schools. The task force recommendations addressed the challenges of multi-district virtual charter schools, but the legislature did not take action to strengthen accountability for virtual schools.

To address concerns that charter schools can erase a history of poor performance by changing authorizers, new regulations in Colorado require that if a new school opens with 50 percent of its students having transferred from a closed school, it must inherit the accountability history of the closed school. Actual enforcement of this provision remains untested and unproven.

EXAMPLE 4: UNINTENDED CONSEQUENCES OF INCREASED ACCOUNTABILITY

With an increase in charter school accountability comes an increase in the motivation to authorizer shop, especially in states with inconsistent performance expectations across authorizers and no barriers to new authorizers coming on board. Examples such as the Indiana schools below have prompted advocates for authorizer quality to consider ways to stop authorizer shopping in tandem with efforts to increase academic performance expectations. They have also led to serious conversations about authorizer practices and authorizer accountability.

WHAT HAPPENED?

- In 2011, Ball State University (BSU) increased performance expectations of its charter schools. The BSU Charter Office worked with NACSA to set clear expectations through new performance frameworks. In 2013, it did not renew the charters of seven chronically low-performing schools, but three of those schools found new authorizers and remained open:
    - **Charter School of the Dunes (CSD):** Calumet College of St. Joseph (Calumet) authorized CSD in July 2013 with limited management changes. The school hired a new principal and severed ties with its founder.[15] CSD operates in a new, $13 million facility. In fall 2015, CSD closed its high school and now serves only K-8 students, part of a restructuring process approved by the Indiana Department of Education.[16]
    - **Timothy L. Johnson (TLJ) Academy:** After TLJ was not renewed by BSU in early 2013, East Allen County Schools (a local school district) rejected its charter application. In June 2013, Trine University approved the charter. Trine required TLJ to switch to a year-round calendar, reduce class sizes, provide for additional educator planning time, and offer expanded professional development opportunities to its staff.
    - **Imagine Life Sciences Academy–West (ILSAW):** Trine University granted ILSAW a three-year charter in June 2013, reopening the school as Indiana Life Sciences Academy. Trine planned to take a more active role in the school.
- These two new authorizers, Calumet and Trine, expressed their intention to facilitate turnaround efforts in the schools. Neither Calumet nor Trine had authorized charter schools before 2013; CSD, TLJ, and ILSAW were the first schools ever authorized by those entities.

	CHARTER SCHOOL OF THE DUNES (CSD) 2013–14	TIMOTHY L. JOHNSON (TLF) ACADEMY 2013–14	INDIANA LIFE SCIENCES ACADEMY 2013–14
Students Enrolled	534	303	573
Grades Served	K–10*	K–8	K–8
% Free and Reduced Lunch	28%	96%	85%
% Minority	97%	99%	97%
Year of Original Charter	2003	2002	2009
Educational Management Organization	Mosaica Education, Inc.	The Leona Group	Imagine Schools

Source: Indiana Department of Education

*Now serves K–8

- Career Academy–another persistently underperforming school authorized by Ball State University–was due to go through Ball State's renewal process in 2015-2016. The school successfully switched to the authorization of Trine University in fall 2015.

HOW ARE THE SCHOOLS DOING NOW?

In 2013–14, the first year under new authorizers, all three schools received state grades of F.

	2011–12	2012–13	2013–14
CHARTER SCHOOL OF THE DUNES	F	F	F
TIMOTHY L. JOHNSON ACADEMY	D	D	F
INDIANA LIFE SCIENCES ACADEMY—WEST	C	D	—
INDIANA LIFE SCIENCES ACADEMY	—	—	F

Source: Indiana Department of Education State Report Cards

RESULTING POLICIES

In 2013, Indiana instituted new authorizer quality, charter school accountability, and authorizer accountability statutes that create disincentives for poor authorizing practices. In 2015, Indiana passed a bill requiring an authorizer that receives an application from an existing charter school to notify the current authorizer in writing and requiring those authorizers to consult with each other prior to making any decisions.[17] It also requires new, non-district authorizers to get approval from the Indiana State Board of Education before they can authorize any charter schools.

EXAMPLE 5: MANY AUTHORIZERS, LITTLE CONSISTENCY

The perfect storm for authorizer shopping is a high number of authorizers and no State-level oversight of authorizer quality. Bad actors are free to shop for the least rigorous oversight and the lowest performance expectations.

WHAT HAPPENED?

- Informal interviews with Ferris State University indicate that they were not planning to renew the charters of Francis Ray Academy and George Crockett Academy at the end of the charter contract in 2014 and that the schools were aware that they were unlikely to receive a renewal.

	FRANCIS RAY ACADEMY	GEORGE CROCKETT ACADEMY
Students Enrolled	460	352
Grades Served	K–8	K–8
% Free and Reduced Lunch	98%	97%
% Minority	98%	100%
Year of Original Charter	1999	1999
Educational Management Organization	The Leona Group	The Leona Group

Source: 2012–13 NAPCS Dashboard

- Both schools moved to the authorization of Northern Michigan University (NMU) in fall 2014.
- NMU said in a campus publication: "We have looked at this from a mission-specific perspective as we determine the growth of charter schools at NMU…If you look at those we have chartered, they are in high-need areas with low-performing traditional schools. Rather than take the traditional system out of place, the charter schools offer a competitive balance intended to provide families with a choice and improve academic performance."[18]

HOW ARE THE SCHOOLS DOING NOW?

	PROFICIENCY RATE: READING				PROFICIENCY RATE: MATH			
	2010–11	2011–12	2012–13	2013–14	2010–11	2011–12	2012–13	2013–14
Francis Ray Academy	32%	40%	34%	31%	13%	17%	18%	6%
George Crockett Academy	35%	40%	47%	52%	14%	16%	12%	8%

Source: Michigan Department of Education

RESULTING STATE POLICY PROPOSAL

The Michigan Council of Charter School Authorizers (MCCSA) supports a state policy proposal to require approval by the authorizer community for any transfer of a school from one authorizer to another. In practice, the MCCSA has adopted voluntary standards prohibiting low-performing schools from authorizer shopping, and those standards apply to all authorizers who choose to participate in the MCCSA.

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