

Written Testimony of Greg Richmond
President and Chief Executive Officer
National Association of Charter School Authorizers (NACSA)
Before the House Committee on Appropriations Subcommittee on Labor, Health
and Human Services, Education, and Related Agencies
Wednesday, March 18, 2009
10 am

Chairman Obey, Ranking Member Tiahrt, Members of the Subcommittee, my name is Greg Richmond, and I am the President and Chief Executive Officer of the National Association of Charter School Authorizers (NACSA). Thank you for the opportunity to testify before your Subcommittee on actions that the federal government can take to improve quality within the charter school sector.

The National Association of Charter School Authorizers (NACSA) is the trusted resource and innovative leader for charter school quality. With nearly a decade of experience in cities and states across the country - from Chicago to Denver, from New Orleans to Oakland - NACSA is leading efforts to create and sustain high quality charter schools by providing training, consulting, and policy guidance to authorizers and education leaders.

Authorizers are the entities empowered by state charter school laws to approve, oversee, and evaluate charter schools. Across the country, state departments of education, school districts, institutions of higher learning, nonprofit organizations, and municipal offices are fulfilling this important role. When done thoughtfully, purposefully, and professionally, authorizing creates an innovative, public market space for autonomous, accountable public schools. Authorizers determine who can enter this new market space, how these schools will be permitted to operate, and which schools will be allowed to remain open and expand.

Just last week during an address to the US Hispanic Chamber of Commerce, President Obama addressed the need for strong authorizing, stating, “the expansion of charter schools must not result in the spread of mediocrity, but in the advancement of excellence. And that will require states adopting both a rigorous selection and review process to ensure that a charter school's autonomy is coupled with greater accountability – as well as a strategy, like the one in Chicago, to close charter schools that are not working.”

Since 1995, the US Department of Education has spent more than \$1.7B on its federal Charter School Program (CSP). While these funds have promoted the growth of the charter school sector, they have done less to promote consistent quality within that sector. In fact, the CSP has no quality controls related to school academic performance and has weak quality controls related to school operations and finance.

Currently, the CSP requires charter schools that receive CSP funds to meet very few requirements – such as admitting students via random lottery and following civil rights laws. Absent are critical standards and practices that would help to strengthen charter school quality. Congress should take several small but important steps to immediately

put academic and financial quality controls in place within the federal program. These quality controls can be achieved through four steps: contracts, student performance requirements, audits, and proper monitoring.

1) Contracts - The “charters” held by charter schools are multi-year, multi-million dollar arrangements under which charter schools provide public education services in exchange for receiving public funds. These arrangements should be defined in a contract that details the rights and responsibilities of two parties: the school and its authorizer.

By our estimate, between 10% and 20% of charter schools across the nation do not have a contract that spells out either the school’s or the authorizer’s rights and responsibilities. In this day and age, it is inappropriate to distribute millions of dollars for public education without clear, transparent contracts. The lack of a contract makes it difficult for an authorizer to protect the public’s interests and leaves the charter school vulnerable to over regulation.

The CSP should require charter schools in states that receive CSP grants to have a contract, executed by school and authorizer, which defines each party’s rights and responsibilities. The contract should be for a defined term and should be considered a privilege, not a property right.

2) Student Performance Requirements - Accountability is at the core of the charter school philosophy. Charter schools that fail to meet high performance standards should be closed. Yet too many low-performing charter schools remain open because accountability standards in the charter sector are often too vague, subjective, and not centered on student performance.

This often occurs because most states first passed their charter school laws before the enactment of the No Child Left Behind (NCLB) Act in 2001. As a result, many states have vague statutory language that says charter schools should “make progress” toward achieving pupil performance standards identified in the school’s charter application, rather than actually requiring charter schools to achieve those standards. The disconnect between the charter school statute and subsequent NCLB requirements causes confusion and uncertainty when poor performing charter schools come up for renewal. This confusion is often resolved by taking the legally safe route of keeping the school open.

The CSP should require that the states receiving CSP grants hold their charter schools to the same measurable student performance standards as other public schools in the state.

3) Audits and Public Information - Sound financial practices and systems are essential to maintain the viability of a charter school and to assure the public that its resources are being used appropriately. Some of the most troublesome problems in the charter sector have occurred due to a lack of adequate financial controls.

The CSP should require charter schools in states that receive CSP grants to annually retain a qualified, independent auditor to conduct an annual audit of the charter school’s

financial statements and practices and to file that audit with its authorizer. CSP recipients should be subject to the open meetings and freedom of information laws that apply to all public schools.

4) Proper Monitoring - Finally, we know that passing new, strong laws that incent quality is only the first step. Laws are of little value if no one is monitoring or enforcing them. The role of the charter school authorizer is to provide that oversight on behalf of the public. To this end, Congress should require that a portion of CSP funds be used to improve the quality of authorizing.

Since the CSP's inception, state education agencies have been allowed to use 5% of their grant funds for their own administration. These funds have almost always been used by SEAs to balance the bottom line of their own operating budget. Instead, a portion of these funds should be used to improve the practices of authorizers.

The CSP should be amended to reallocate the 5% administrative funds as follows:

- (a) 1.5% of all federal charter funds should be retained nationally for authorizer improvement initiatives, which may include an authorizer certification pilot or enhanced data collection;
- (b) 2% of CSP funds should be used by SEAs to improve the quality of authorizing in their state, as set forth in each state's applications, for planning, training, and systems development; and
- (c) 1.5% of CSP funds should be retained by SEAS for administration to administer the program.

Taken together, these small but important steps - contracts, student performance requirements, audits, and proper monitoring - will go a long way towards achieving the shared goal of President Obama, US Secretary of Education Duncan, business leaders, civil rights advocates, and innovative educators to promote, support, and strengthen the charter school sector.

I appreciate this opportunity to testify on the need for quality controls among charter school authorizers. Too many students graduate from high school without the skills necessary to succeed in college or compete in the global marketplace, and some fail to complete high school at all.

By establishing quality controls within the charter school sector, we will take a strong step forward in our efforts to provide all of our students with the greatest educational opportunities possible. We should not accept anything less. We owe it to our children. Thank you.