

# Policy Differences Between Charter and Traditional Schools

Evaluation Report  
March 2013

Office of Performance Evaluations  
Idaho Legislature



Report 13-04

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Elaine Smith

Rakesh Mohan, Director  
Office of Performance Evaluations

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# Office of Performance Evaluations Idaho Legislature

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**Rakesh Mohan**  
Director

March 17, 2013

**Joint Legislative  
Oversight  
Committee**

Members  
Joint Legislative Oversight Committee  
Idaho Legislature

**Senators**  
Dean M. Mortimer,  
cochair  
Clifford R. Bayer  
Elliot Werk  
Les Bock

When charter school law was established in 1998, legislative intent was written to identify specific elements that would distinguish a charter school from a traditional school. As public education in Idaho has evolved, we found that the elements once intended to distinguish a charter from a traditional school have become less clear.

**Representatives**  
Shirley G. Ringo,  
cochair  
Maxine T. Bell  
Gayle L. Batt  
Elaine Smith

We provide policymakers with two steps to consider as they continue to reform public education in Idaho:

- Consider whether the elements intended to distinguish charter schools from traditional schools are still relevant. If so, consider creating a formalized, statewide mechanism to measure and track the desired outcomes linked to those elements.
- As Idaho continues to make advancements in educational data collection, policymakers may wish to commission a comprehensive comparative study of student performance between charter and traditional schools.

We thank the Governor, the Board of Education, the Department of Education, and the Public Charter School Commission for providing their formal responses to this evaluation. These responses, along with our comments to further clarify our evaluation approach, are included at the end of this report.

Sincerely,

A handwritten signature in blue ink that reads "Rakesh Mohan".

Rakesh Mohan



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## *Executive Summary*

# **Policy Differences Between Charter and Traditional Schools**

Idaho's K–12 public education system consists of two options, charter schools and traditional schools. Both school options are publicly funded and must comply with specific state and federal requirements. Students attending either school option must participate in standardized testing and meet the same graduation requirements. However, charter schools were designed in 1998 with several distinct differences—to provide students and families with expanded choices and to provide educators and administrators with autonomy and flexibility in developing and delivering innovative education.

Over the past 15 years, charter schools in Idaho have grown, both in the number of schools operating throughout the state and in the total number of enrolled students. During academic year 2012–2013, approximately 18,000 students were enrolled in charter schools. Although that number represents 6 percent of total public school enrollment, it is nearly twice the number of students enrolled in charter schools just five years ago. As charter schools become a larger part of the public education discussion, legislators and stakeholders have raised questions about the role and value of charter schools within the existing education system.

## **Current Laws Do Little to Distinguish Charter Schools from Traditional Schools**

Charter schools were originally intended to serve as learning laboratories with hope that successes could potentially be applied throughout the larger public education system. Innovation and dissemination were reoccurring themes as the charter school movement emerged, but those themes are not defined in statute and have not been revisited by policymakers to determine whether innovation and dissemination have occurred as intended.

For example, legislative intent in Idaho Code § 33-5202 was written to outline the distinct elements that would set charter schools apart from traditional schools. However, identifying those different elements is not a required component of a charter school petition and measuring those intended differences is not a part of a charter school's ongoing oversight. The absence of a formalized, statewide mechanism to measure those distinguishing elements has created a disconnect between Idaho's initial vision for charter schools and its ability to assess how well that vision has been met.

As public education policies have changed, we found that the elements intended to distinguish charter schools are no longer as distinct. In many cases, traditional schools have found ways to offer many of the expanded choices once available at charter schools. Now students in both charter and traditional schools are offered additional opportunities such as specialized curricula, different instructional methods, and online instruction.

## **Perspectives Are Mixed About How and When Policy Differences Add Value to Public Education**

We initially designed our evaluation to assess how the policy differences between charter and traditional schools add value—value to charters schools, to traditional schools, or to public education as a whole. When statewide measurable data did not exist to evaluate how or when a difference added value, we relied on interviews and surveys with public education stakeholders. We found that consensus within and among groups was minimal, and that stakeholders often had differing perspectives about whether charter or traditional schools benefitted from any policy differences. We have included examples of stakeholder perspectives throughout our report to highlight the range of feedback we received and to reinforce that value added is often subjective and difficult to quantify.

## **Policymakers May Wish to Consider a Review of the Intent Behind Charter School Laws and a Study to Compare Student Performance**

Charter schools are part of Idaho’s larger K–12 public education system, but the differences that once set charters apart from traditional schools no longer clearly exist. Policymakers could consider whether the elements intended to distinguish charter schools from traditional schools are still relevant and then consider creating a formalized, statewide mechanism to measure and track the outcomes linked to each of the seven elements listed in Idaho Code § 33-5202. These steps will give policymakers and education stakeholders a better sense of how charter schools add value in ways other than providing expanded choices.

During the course of our study, some public school officials and stakeholders, including commissioners of the Public Charter School Commission, suggested analyzing available student performance data to determine how charter schools add value. As Idaho continues to revise its charter school laws, a comparative study of student performance between charter and traditional schools may be the next logical step. Policymakers may wish to commission such a study in the near future. Results from the study could help improve the public education system.

## **Acknowledgements**

We appreciate the assistance we received from the following entities: the Board of Education, the Department of Education, the Public Charter School Commission, Legislative Audits, legislative Budget and Policy Analysis, the Legislative Reference Library, the Idaho Association of School Administrators, the Idaho School Boards Association, the Idaho Education Association, the Idaho Charter Schools Network, and the Colorado League of Charter Schools.

Hannah Crumrine and Amy Lorenzo of the Office of Performance Evaluations conducted this study, and Margaret Campbell copy edited and desktop published the report. Dr. Kathleen Sullivan, professor and former director of the Center for Educational Research and Evaluation at the University of Mississippi, conducted the quality control review.



# Introduction

## Legislative Interest

Charter schools have been frequent topics of discussion each legislative session as legislators and stakeholders revise Idaho’s charter school laws. During the 2012 legislative session, the Joint Legislative Oversight Committee approved a request for our office “to evaluate the differences between our charter schools and our traditional schools to measure if the goals of changing the [education] system are being met.” The requestor asked us “to measure the outcomes of the differences especially as we [lawmakers] contemplate expansion of the charter system,” and to determine whether differences have “added value to the system.”

Our study compares the operational differences between charter and traditional schools as outlined in state laws and policies, and answers the following questions:

- How do charter schools differ from traditional schools?
- Why do these differences exist?
- Since the passage of the original charter school legislation, how have charter school policies evolved?
- Given Idaho’s current charter school policies, what opportunities and challenges can charter and traditional schools expect in the future?

## Defining a Charter School

Idaho’s charter school laws passed in 1998.<sup>1</sup> The legislation was drafted by an interim committee, appointed by Legislative Council, to study potential charter school laws after attempts to enact legislation had failed in previous sessions. The final charter school legislation reflected input from many stakeholders who had spoken in the committee’s seven public meetings across the state. The decisions made by the interim committee to distinguish charter schools from traditional schools are discussed in chapter 1.

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<sup>1</sup> IDAHO CODE § 33-52.

Charter schools are semiautonomous public schools that offer expanded choices to students and families. Charter schools must be a nonprofit corporation and operate with an independent governing board. A petition to establish and operate a charter school is typically initiated by parents or community members who share common goals. An authorizing entity, also referred to as an authorizer, is responsible for approving or denying the charter school petition.

Throughout the country and in Idaho, charter schools are exempt from some of the state laws governing public education. This exemption is intended to give them more flexibility than traditional schools in decisions about curriculum, budgets, and staffing. In exchange for flexibility, charter schools are accountable for meeting specific educational standards written in their approved petition, such as student absenteeism quotas or reading-level achievement. A charter school that fails to demonstrate that the conditions of its approved petition are met runs the risk of having its authorization revoked and the school permanently closed.

Idaho serves approximately 18,000 students through 43 charter schools operating in all six educational regions. Seven of these schools are virtual schools rather than brick and mortar schools.<sup>2</sup> Since the charter school laws were enacted in 1998, seven charter schools have closed primarily because of financial difficulties.<sup>3</sup> Four more charter schools will begin serving students in academic year 2013–2014.

## Study Approach

The request for this study specifically asked for (1) a comparative analysis of state law and policies as they relate to the operation of charter and traditional schools, and (2) an evaluation of whether the policy differences add value. In developing our study approach, we were limited by three key factors:

- The types and levels (schools, district, state) of data available to answer the study questions about operational differences
- The availability of valid, measureable data outside of student performance to determine how operational differences add value to the public education system
- The different operational approaches used within both charter and traditional schools

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<sup>2</sup> Approximately 5,600 students are enrolled in virtual schools.

<sup>3</sup> After its closure, the Hidden Springs Charter School was converted to a traditional school by the Boise School District.

We often found that the data needed to address the study questions was not available, particularly when determining value added. To supplement limited data, we conducted a variety of surveys and interviews to better understand stakeholder perspectives about how policy differences influence the operations of charter and traditional schools.

### ***Appropriate Comparisons***

Charter schools are unique in that they are a single school and operate independent of any school district with their own governing board. Because charter schools are independent governance entities, their operational structure is often a combination of a school and a district. Many charter schools are also considered a local education agency.<sup>4</sup> When applicable, we compared the structure and operations of charter schools with school districts. In other instances, we highlighted differences between charter and traditional schools.

### ***Methodology***

To better understand the operational differences between charter and traditional schools, we used research methods within five categories of inquiry:

#### **Legal Analyses**

- Reviewed Idaho Code, Idaho Administrative Code, and Department of Education manuals.
- Examined amendments to Idaho’s charter school laws.

#### **Literature Reviews**

- Reviewed national literature about charter schools.
- Studied policy briefs published by the National Conference of State Legislatures about charter school enrollment caps, facilities, finance, and authorizers.
- Examined past studies about charter schools in Idaho.
- Reviewed 20 components of a strong charter school law as identified by the National Alliance for Public Charter Schools. The components are commonly known as the model law and are referenced by many of Idaho’s public education stakeholders.

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<sup>4</sup> A local education agency is any public board of education or public authority legally recognized by the state as an administrative agency for its public elementary or secondary schools. Of the 43 charter schools currently in operation, 29 are considered local education agencies.

## Data Analyses

- Analyzed data from the Department of Education and our survey results for enrollment trends, per-pupil funding allocations, funding sources, transportation services, charter school closures, and facilities and amenities.
- Used data from the Department of Education to compare student demographics of charter schools with traditional schools. We focused on income, racial or ethnic groups, special education, and limited English proficiency.
- Reviewed and analyzed data collected by the Colorado League of Charter Schools about facilities funding. The league granted us permission to use its data with the following understanding:

Data presented in this report was collected for and with the Idaho Charter School Network and is the joint intellectual property of the Colorado League of Charter Schools (“League”) and the US Department of Education “The Department” through a contract with the National Charter School Resource Center. The League and the Department are not responsible for the analysis conducted herein, nor do any statements presented reflect the views, opinions, or expertise of the Department or League staff or members of the League’s Board of Directors. Nor do any statements reflect the views of the Idaho Charter School Network’s staff or board of directors.

## Interviews and Meeting Attendance

- Met with officials and staff from the Department of Education and the State Board of Education.
- Interviewed officials and staff from the Public Charter School Commission and attended commission meetings.
- Consulted with legislative Budget and Policy Analysis staff and Legislative Audits staff about funding and finances for public schools.
- Interviewed representatives of education stakeholder groups: the Idaho Education Association, the Idaho School Boards Association, the Idaho Association of School Administrators, the Idaho Charter School Network, and the Coalition of Idaho Charter School Families.
- Interviewed the former cochairs of the 1997 interim committee that drafted the original charter school laws. We also interviewed current legislators about the development of Idaho’s charter school laws and legislative intent.

- Interviewed four charter school administrators and six school district superintendents about the operational differences between charter and traditional schools and how those differences add value. We selected interviewees according to district or charter school size, region, authorizer, and status as an authorizer.
- Attended task force meetings hosted by the Department of Education about developing charter school legislation for the 2013 legislative session.
- Attended part of a two-day workshop sponsored by the Department of Education about starting a charter school.

### Surveys

- Conducted an online survey of charter school administrators, school district board chairs, and school district superintendents about school amenities, professional relationships, authorizer duties, contracts and a renewal process, and characteristics which distinguish a charter from a traditional school. The surveys were conducted in November 2012.
  - We sent one survey to 43 charter school administrators; 18 completed the survey for a response rate of 42 percent.
  - We sent a second survey to 107 chairs of district school boards; 27 completed the survey for a response rate of 25 percent.
  - We sent a third survey to 114 superintendents; 50 completed the survey for a response rate of 44 percent.
- Conducted an e-mail survey of the Public Charter School Commission's seven commissioners about characteristics that distinguish a charter from a traditional school, authorizer duties, and contracts and a renewal process. The survey was conducted in January 2013. Five commissioners completed the survey for a response rate of 71 percent.

## Report Organization

The report is organized into six chapters:

- Chapter 1 is an overview of why charter schools were introduced to Idaho's K–12 public education system and offers a historical assessment of the charter school laws.

- Chapter 2 describes the authorization process for charter schools and the roles and responsibilities of state authorizers, including statutory distinctions and stakeholder perspectives.
- Chapter 3 discusses governance differences between charter and traditional schools, including statutory distinctions and stakeholder perspectives.
- Chapter 4 discusses enrollment differences between charter and traditional schools, including statutory distinctions and stakeholder perspectives.
- Chapter 5 provides funding differences between charter and traditional schools, including statutory distinctions and stakeholder perspectives.
- Chapter 6 outlines potential next steps for policymakers to consider.

## **Chapter 1**

# **Charter School Laws in Idaho**

Charter schools were created to offer expanded choices and innovation to Idaho’s K–12 public education system with the intention that charter school successes could then be applied to traditional schools. Over time, the education system as a whole has continued to change. Although we found both similarities and differences between the charter and traditional school frameworks, questions remain as to how these differences add value.

### **Charter Schools Were Created with Specific Goals**

Our review of documents from 1998 and our interviews with stakeholders and current and former legislators revealed that statutory differences, as well as similarities, originally existed to achieve specific goals. The introduction of charter schools was intended to offer expanded choices in Idaho’s K–12 public education system. In order to offer expanded choices, charter schools were given some degree of autonomy. With autonomy came a different type of accountability—that of an authorizing entity.

### ***Choice and Innovation***

We reviewed the meeting minutes of an interim committee appointed by Legislative Council in 1997 to study potential charter school laws and draft legislation. The minutes reflected that public education stakeholders including the business community, teachers, school districts, and the Legislature were supportive of the potential for innovation. For instance, the Idaho Education Association supported the opportunities and possibilities charter schools could provide for educators.

In meeting minutes, the association had said that “charter schools tend to be exciting and creative places of teaching and learning, and they encourage innovation and experimentation within a school district.” The former dean of the School of Education from Boise State University said that “charter schools are... one way of addressing...opportunity for diversity and achievement.” Other stakeholders, however, pointed out that some districts were already providing choices through alternative schools or changes in curriculum.

## ***Autonomy and Flexibility***

As part of the initial discussions to establish charter schools, the interim committee agreed that charter schools would receive a level of autonomy not afforded to districts and traditional schools. The meeting minutes showed that the committee discussed the idea of autonomy as one reason charter schools would be successful in realizing innovative or creative teaching methods.

Also within the meeting minutes, stakeholders commented on other benefits or concerns. Some linked the concept of autonomy with the flexibility to design a curriculum, implement a specific schedule, and control funds. Conversely, other stakeholders were concerned about removing local control from school district boards regardless of whether they supported the concept of charter schools.

## ***Accountability***

The interim committee discussed that although the central concept behind the establishment of charter schools was autonomy, specific accountability standards also needed to be in place. The committee agreed that charter schools would develop their own accountability goals and submit progress reports to their authorizers. When charter schools were created, their added layer of accountability was typically seen as a tradeoff for their extra level of autonomy and flexibility. As part of law, this added layer of review would provide legislators and stakeholders with assurances that charter schools would demonstrate their success.

## **Amendments to Charter School Laws Have Changed the Original Intent**

Our analysis of legislation specific to Idaho Code § 33-52 and all statutory amendments from 1998 to 2012 found that Idaho's charter school laws have changed from their original design. At present, Idaho Code, specifically legislative intent, does little to distinguish a charter school from a traditional school.

### ***Statutory Amendments***

As legislators work to revise programs or streamline policies, state laws are amended periodically. Idaho's charter school laws are no exception—they have been amended 84 times. The charter school laws were first amended in 1998, the same year that the original legislation was passed, and have been amended most recently in 2012. At the time of this printing, two bills amending the charter school laws had passed the House floor in the 2013 legislative session.

The charter school laws have been amended 84 times since 1998.

According to the Idaho legislative librarian, 84 amendments in 15 years are not unusual but are rather high. Some charter school amendments simply clarified language or made subtle word changes to ensure consistency throughout code. Some amendments added new sections of code, such as the creation of the Public Charter School Commission in 2004. Other amendments better defined processes, such as how a lottery system for student enrollment should work, and still other amendments removed sections of code such as the renewal process, which was reintroduced in the 2013 legislative session under House Bill 221.

### ***Statutory Elements for Expanded Choices and Innovation***

When the Legislature established the charter school laws, it identified six elements of legislative intent that charter schools should accomplish. Each charter school was required to meet *all* six elements.<sup>1</sup> In 2004 Idaho Code § 33-5202 was amended to specify that charter schools may accomplish *any* of the elements:

It is the intent of the legislature to provide opportunities for teachers, parents, students and community members to establish and maintain public charter schools which operate independently from the existing traditional school district structure but within the existing public school system as a method to accomplish *any* [emphasis added] of the following:

- (1) Improve student learning;
- (2) Increase learning opportunities for all students, with special emphasis on expanded learning experiences for students;
- (3) Include the use of different and innovative teaching methods;
- (4) Utilize virtual distance learning and online learning;
- (5) Create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site;
- (6) Provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system;
- (7) Hold the schools established under this chapter accountable for meeting measurable student educational standards.

Although intended to separate a charter from a traditional school, the legislative intent written in Idaho Code does little to distinguish the two options in today's education system. Currently, Idaho lacks measurable outcomes that would allow policymakers and public education stakeholders to assess how a charter school has met any of the elements of legislative intent in a way that adds value to the public school system. For example, the third element states that charter schools may include the use of different and innovative teaching methods, yet innovation is not defined.

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<sup>1</sup> In 2001 statute was amended to include a seventh element, "utilize virtual and online learning."

The seventh element, specific to the laws written in the charter school statute, holds charter schools accountable for meeting measurable educational standards or face closure. However, processes are now in place that also hold traditional schools accountable for meeting measureable educational standards. For instance, the No Child Left Behind Act has added another layer of accountability that was not present in 1998. Additionally, districts have found ways to expand choices through options like magnet schools and curricula changes. Changes in public education over the past 15 years have made many of the elements that were intended to separate charter schools from traditional schools now available through either school option.

Idaho does not have a statewide mechanism to measure outcomes that link to legislative intent.

We found that no formalized, statewide mechanism exists to measure potential outcomes linked to each of the seven elements. As outlined in Idaho Code, charter school petitioners must include 22 specific objectives in their petition. However, we found that none of the 22 objectives are systematically linked with any of the seven elements listed in Idaho Code § 33-5202. As a result, schools do not have to explicitly demonstrate how or when they will align their operations with any of these elements. Without this mechanism, we cannot determine how the addition of charter schools has had an impact on the education system as legislation had intended.

### ***Stakeholder Perspectives***

We interviewed state officials, legislators, and public education stakeholders and asked them how Idaho Code specifically distinguished a charter school from a traditional school. These stakeholders mainly referred to the sixth and seventh elements:

- The ability to offer students and families expanded education choices
- The added accountability of measureable student educational standards that, if not followed, could result in closure of the school

The other five elements were rarely, if ever, identified. Chapters 2 and 3 discuss how districts also offer expanded choices and whether charter school authorizers have the tools needed to enforce accountability.

In an open-ended survey question, we asked charter school administrators, district superintendents, and school district board chairs what distinguished a charter school from a traditional school. We found that opinions varied among the groups and present the two most commonly reported ideas from each of the three groups.

- Of the 16 charter school administrators who answered the open-ended question:

- 7 reported that charter schools are held more accountable than districts and face revocation
- 5 reported that charter schools offer innovation
- Of the 32 district superintendents who answered the open-ended question:
  - 10 reported that charter schools serve a limited, elite, or presumably superior student population
  - 8 reported that very little or no difference exists between charter and traditional schools
- Of the 21 school district board chairs who answered the open-ended question, 9 reported that charter schools can meet a specific need or offer a specialized curriculum and 5 reported that charter schools serve a limited or elite student population.

Although not specifically mentioned in Idaho Code, stakeholders who were knowledgeable of the reasons for enacting the charter school laws mentioned that charter schools were originally intended to be learning labs that would disseminate new ideas to other schools to improve public education. Stakeholders were mixed as to whether the dissemination of new ideas is occurring as intended. During our interviews, some charter school stakeholders said that districts did not want to hear new ideas or that charter schools did not have the time to work more closely with other schools in their districts. Officials at the Department of Education and the Public Charter School Commission cautioned against mandating the sharing of ideas.

In our survey of charter school administrators and district superintendents who have a charter school operating in their district, we asked about the dissemination of innovative teaching methods. The following tables list the responses from each group.

Charter school administrators

**With which of the following entities does your charter school share innovative teaching methods or operational best practices? (Select all that apply.) (N=18)**

Other charter schools in Idaho	14
Other traditional schools in Idaho	6
Other traditional schools in my district(s)	2
My charter school does not share but would like to in the future	2
Other charter schools in my district(s)	1
None	0
Don't know	0
Other	5

District superintendents

**With which of the following entities does your district share innovative teaching methods or operational best practices? (Select all that apply.) (N=24)**

Other charter schools in Idaho	3
Other traditional schools in Idaho	19
Other traditional schools in my district(s)	15
My district does not share but would like to in the future	2
Other charter schools in my district(s)	2
None	1
Don't know	0
Other	2

## **Charter Schools and Districts Have Statutory Similarities and Differences**

Although we found that the elements of legislative intent currently do little to distinguish a charter from a traditional school, other sections of Idaho Code do identify some differences as well as certain similarities. As discussed in the introduction, because charter schools function as districts, our comparisons are made either between charter and traditional schools or charter schools and districts. Chapters 2 through 5 of the report discuss the operational similarities and differences found between charter schools and districts or traditional schools.

### ***Similarities***

The Idaho Constitution requires that charter schools and districts ensure that all students have access to a free, uniform, and thorough public education.<sup>2</sup> Exhibit 1.1 lists the similarities of charter schools and districts or traditional schools. Although some public education stakeholders viewed charter schools as a separate school system, identifying the similarities reminds us that charter schools are part of Idaho’s larger K–12 public education system as written in Idaho Code § 33-5203(1): “public charter schools shall be part of the state’s program of education.”

As shown in this exhibit, both charter schools and districts must comply with state and federal education laws and participate in the same statewide testing, and are primarily funded through state general funds.

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<sup>2</sup> Idaho Constitution, section 1, article IX.

**EXHIBIT 1.1 SIMILARITIES AND DIFFERENCES BETWEEN CHARTER AND TRADITIONAL SCHOOLS OR DISTRICTS**

<b>Similarities</b>	
<ul style="list-style-type: none"> <li>• Are part of the K–12 public education system</li> <li>• Comply with state and federal laws</li> <li>• Participate in statewide testing</li> <li>• Employ certified teachers</li> <li>• Primarily funded through state general funds</li> </ul>	<ul style="list-style-type: none"> <li>• Are nondiscriminatory</li> <li>• Conduct annual financial audits</li> <li>• Maintain accreditation standards</li> <li>• Conduct background checks on personnel</li> <li>• Provide educational options</li> </ul>
<b>Differences</b>	
<i>Charter Schools</i>	<i>Traditional Schools or Districts</i>
<p><b>Authorization</b></p> <ul style="list-style-type: none"> <li>• Exempt from some Board of Education rules</li> <li>• Have flexibility with curriculum, calendar, and salary schedule</li> <li>• Intended to expand choices</li> </ul> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Operated by a nonprofit corporation</li> <li>• Self-selected or elected board members</li> <li>• May have authorization revoked by its authorizer</li> <li>• Held accountable for meeting self-identified education standards</li> </ul> <p><b>Enrollment</b></p> <ul style="list-style-type: none"> <li>• May cap enrollment and use a lottery process</li> </ul> <p><b>Funding</b></p> <ul style="list-style-type: none"> <li>• Cannot generate local tax revenue for facilities</li> <li>• Have flexibility for spending authority of instructional staff allowances</li> <li>• Not eligible for protected support units when average daily attendance decreases 3 percent or more</li> <li>• Not eligible for small district staff allowance</li> </ul>	<p><b>Authorization</b></p> <ul style="list-style-type: none"> <li>• Subject to all Board of Education rules</li> <li>• Must conform to district-wide curriculum, calendars, and salary schedules</li> </ul> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Operated by a district board</li> <li>• Elected board members</li> <li>• Cannot be closed by an outside entity</li> </ul> <p><b>Enrollment</b></p> <ul style="list-style-type: none"> <li>• May not cap enrollment<sup>a</sup></li> </ul> <p><b>Funding</b></p> <ul style="list-style-type: none"> <li>• May generate local tax revenue for facilities</li> <li>• Have limited flexibility for spending instructional staff allowances<sup>b</sup></li> <li>• May receive protected support units when average daily attendance decreases 3 percent or more</li> <li>• May receive small district staff allowance</li> </ul>

Source: Office of Performance Evaluations, 2013.

<sup>a</sup> Some districts offering open enrollment to students may cap enrollment to accommodate capacity restrictions.

<sup>b</sup> Chapter 5 discusses the level of flexibility offered to districts.

## ***Differences***

The provisions outlined in charter school laws intentionally created operational differences between charter and traditional schools. The differences tend to focus on the flexibility that charter schools receive to implement the objectives described in the approved charter school petition. Through interviews with officials from the Public Charter School Commission and the Department of Education and our review of Idaho Code, we identified operational differences in the following four areas:

- Authorization
- Governance
- Enrollment
- Funding

These areas of difference are discussed in subsequent chapters of this report.

## **Have Changes to Charter School Laws Added Value?**

The charter school laws were originally written to foster innovation and strengthen Idaho's public education system through expanded choices and accountability. We found that many of the elements of legislative intent, which were designed to set charter schools apart from traditional schools, are now found throughout public education. We also found that public education stakeholders are often divided about what purpose charter schools serve within the system. Idaho does not have a formalized, statewide mechanism to measure how the differences between charter and traditional schools have added value to improve the learning experience for students.

## Chapter 2

# Authorization

Charter schools must receive authorization to operate. The authorization process helps ensure charter schools are adequately prepared to meet the needs of the students they will serve. After a charter school petition is approved, the authorizer typically plays a key role in promoting accountability through ongoing oversight. However, we found that authorizers may not have the tools needed to enforce charter school accountability as legislation intended.

### Charter Schools Must Receive Authorization to Operate

Idaho Code § 33-5202A defines school district boards or the Public Charter School Commission as charter school authorizers. Groups or individuals interested in opening a charter school must develop a comprehensive charter school petition that clearly outlines how the school will operate in addition to describing the instructional method used by the school. The petition is then submitted to the Department of Education for a sufficiency review.<sup>1</sup> After the review, petitioners submit the petition to an authorizer for approval—brick and mortar school petitions are initially submitted to a school district board, and virtual school petitions are submitted to the Public Charter School Commission. Exhibit 2.1 outlines the process.

After receiving a brick and mortar school petition, the school district board may approve, deny, or refer the petition to the Public Charter School Commission, which may approve or deny the petition.<sup>2</sup> If the petition for a new charter school is denied, statute outlines an appeal process. An approved petition is commonly referred to as a charter.

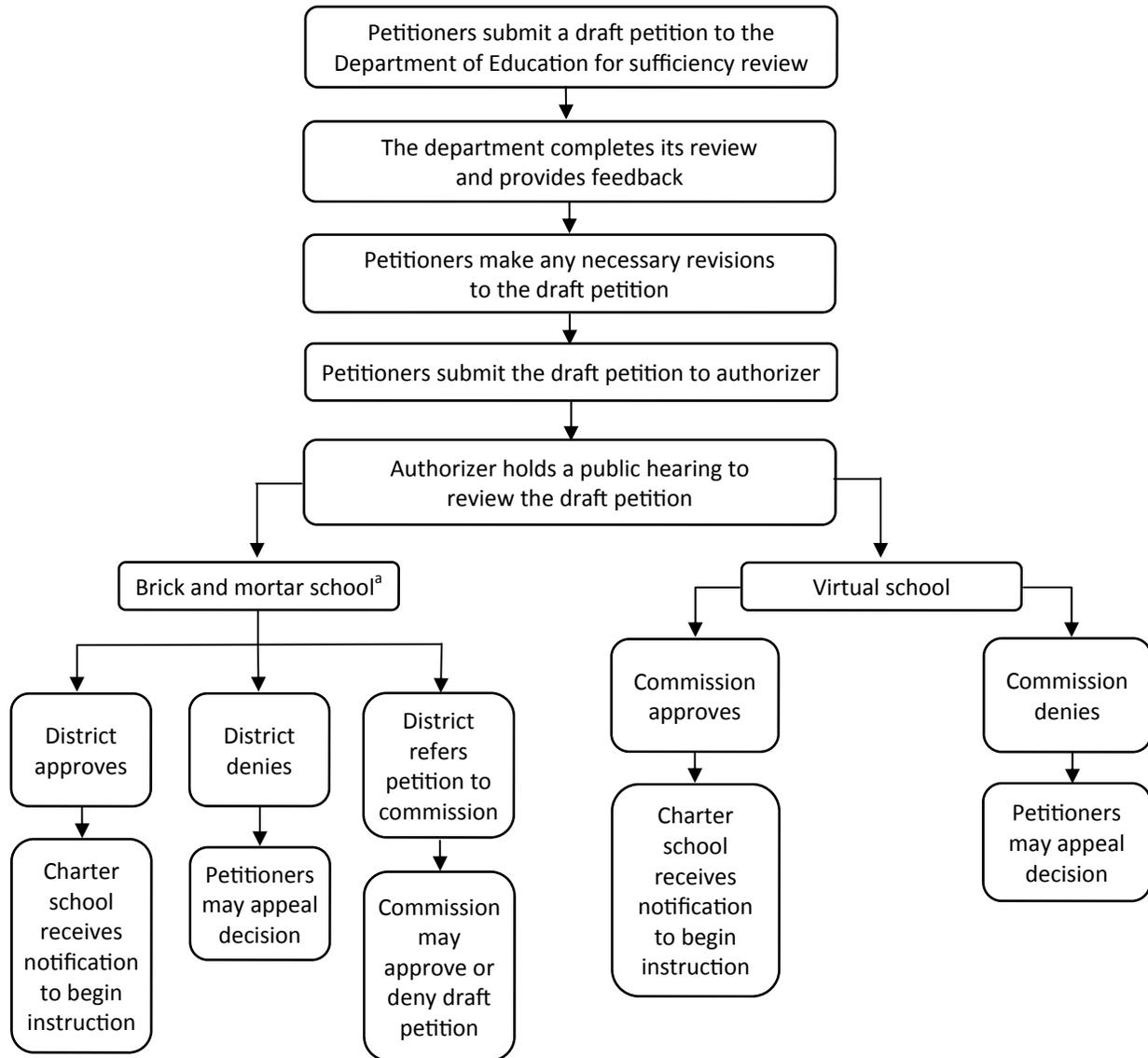
An approved petition is commonly referred to as a charter.

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<sup>1</sup> The Department of Education reviews all draft petitions to ensure that specific statutory objectives are present in the petition and that they are fully addressed. If the petition is found insufficient, petitioners may make revisions.

<sup>2</sup> A different authorization process is required for the conversion of a traditional school to a charter school.

**EXHIBIT 2.1 AUTHORIZATION PROCESS FOR A NEW CHARTER SCHOOL**



Source: Idaho Code § 33-52, IDAPA 08.02.04, and the Department of Education Charter School Development Manual 2011–2012.

<sup>a</sup> Petitioners may withdraw the petition from the district board and seek authorization from the Public Charter School Commission if the two parties have not reached a mutual agreement after 75 days or if the district board has not made a good faith effort to review the petition.

The process for establishing a new traditional school is significantly different than that of a charter school. The district makes a decision to add a new traditional school after looking at criteria such as the availability of funding, the need to accommodate additional students, and taxpayer support.

Idaho currently has 13 charter school authorizers: 12 school district boards and the Public Charter School Commission. The commission oversees 29 charter schools, and the 12 districts authorize the remaining 14 charter schools. Appendix B provides a complete list of charter schools and authorizers.

### ***Public Charter School Commission***

The Public Charter School Commission was created in 2004. According to its director, the commission was created in part because districts were denying petitions and petitioners had no other authorization options. The seven-member commission has 2.5 staff and was allocated \$259,700 in fiscal year 2013. Commissioners are supported in their work by the director of the commission, who works full time with the commissioners, petitioners, and authorized schools. The commission ensures that charter schools authorized by the commission are compliant with state laws and the terms and conditions of their petition. The commission meets regularly to resolve issues and receive updates from schools.

### **Approved Petitions Give Autonomy to Charter Schools**

Idaho Code § 33-5205(3)(a–v) lists 22 objectives that must be present in the approved petition, including the charter school’s academic vision and operational plan.<sup>3</sup> Statute also requires that the approved petition describes the educational program and governance structure for the charter school. Within those basic 22 objectives, a charter school defines its individual curriculum, method for instruction, academic calendar, level of parental involvement, procedures for hiring teachers and staff, and governance board and policies. The ability to define these objectives allows charter schools to actualize their autonomy and flexibility through their approved petition.

Statute allows a charter school to determine how it will be held accountable based on measureable student education standards described in its approved petition. The standards should be linked to the goals of the charter school’s educational program and must demonstrate the extent to which all students have met the standards. Establishing student standards gives charter schools autonomy, but those standards alone are not necessarily an indication of how well the school will perform or how closely its operations will align with the standards it created.

An approved petition identifies the educational program and standards all students must meet.

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<sup>3</sup> Petitions for new virtual schools require additional objectives.

For instance, one charter school may create exceptionally high standards and later realize those standards are unattainable. Another charter school might develop poorly written standards that become difficult to measure.<sup>4</sup> Nonetheless, the authorizer must hold the charter school accountable for meeting those standards.

## The Authorizer Provides Ongoing Oversight and Accountability

The authorizer of a charter school is responsible for ensuring that the school operates in accordance with its approved petition. In this role, the authorizer helps ensure and enforce accountability—the seventh element listed in legislative intent, which is intended to distinguish charter schools from districts. Charter schools and districts are held accountable to the Board of Education and must submit data to the Department of Education throughout the year. However, a charter school must also prove annually to its authorizer that it meets the specific measurable education standards described in its approved petition and that it is financially strong.

Two Department of Education officials and one official from the Public Charter School Commission told us that charter schools had extra reporting responsibilities and were held more accountable than districts. Because charter schools must meet the education standards described in the approved petition, they have reporting responsibilities different from that of a district. Charter schools submit an annual financial audit to the Department of Education just as districts do.

However, charter schools must also submit the same annual financial audit to their authorizer plus undergo an annual programmatic audit conducted by an outside entity assessing their educational program and student achievement data. Some authorizers conduct an annual site visit and require the charter school to present an annual summary to the authorizer. A charter school that fails to provide proof that the standards are being met can have the approved petition revoked by the authorizer, as written in Idaho Code § 33-5209.

Charter schools have different reporting responsibilities from districts.

According to Department of Education officials, districts and their traditional schools do not experience a similar risk of revocation. For instance, if a district becomes unable to operate because of financial difficulties, the Board of Education would have the ability to intervene, but it could not close or dissolve the district. This

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<sup>4</sup> Charter schools and authorizers may enter into negotiations to revise the approved petition at any time.

provision is outlined in Idaho Code § 6-2212. Likewise, if a traditional school repeatedly fails to make progress toward academic goals, the state could impose a number of restructuring methods to assist the school. According to their interpretation of the law, Department of Education officials said that they do not believe they could shut down a district or a traditional school for financial difficulties or poor academic performance.

### ***Stakeholder Perspectives***

We found that public education stakeholders generally agreed that charter schools had more reporting requirements than districts, but their responses were mixed as to whether the additional reporting requirements increased accountability.

## **Current Processes Do Not Enforce the Accountability of Charter Schools**

As outlined in Idaho Code § 33-5202, legislative intent states that charter schools are held accountable for meeting the measureable student educational standards written in their approved petition, which are in addition to the requirements of a traditional school or district. Charter schools must annually prove they meet those standards to their authorizer. However, an authorizer's ability to enforce accountability is limited by two factors:

- Idaho does not have a renewal process for charter schools.
- Idaho does not issue a fixed-term contract between the charter school and its authorizer.

Accountability is cited by the National Conference of State Legislatures as important to success for both the charter school and its authorizer. Given the growing role that charter schools continue to play in Idaho, the use of a renewal process and the development of fixed-term contracts may help strengthen Idaho's charter school laws by clearly defining roles and responsibilities and fostering accountability for both the school and its authorizer.

### ***Renewal Process***

According to the National Alliance for Public Charter Schools, a strong charter school law should have clear processes for renewal, nonrenewal, and revocation decisions. In 2004 Idaho removed its provision for a charter school renewal process.<sup>5</sup> Officials at the Department of Education and the Public Charter School

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<sup>5</sup> Our review of legislative committee minutes and journals from 2004 did not find a reason for the removal of the renewal process. The director of the Public Charter School Commission told us the renewal process was removed from statute for two reasons: (1) the potential for nonrenewal was preventing charter schools from securing financing, and (2) some districts may have been abusing the process.

Commission expressed concern that in the absence of a renewal process, the current revocation process limits the ability of authorizers to close poor performing charter schools until the situation becomes dire.

Seven charter schools have closed since the charter laws were passed, as shown in exhibit 2.2. According to information we received from the Department of Education, two schools were not renewed by their district authorizer before the renewal process was removed from statute in 2004. The remaining five schools closed because of financial problems. Of those five, only one school actually had its approved petition revoked by its authorizer; two schools mutually agreed with their authorizer to close, and two schools made an independent decision to close.

**EXHIBIT 2.2 CHARTER SCHOOLS THAT HAVE CLOSED SINCE 1998**

Charter School	Year Opened	Year Closed	Authorizer	Location	Reason
Lost Rivers Charter School	1998	2001	Butte County School District	Arco	Not renewed
Renaissance Charter School	1999	2004	Moscow School District	Moscow	Not renewed
Hidden Springs Charter School	2001	2009	Boise School District	Boise	Financial
Idaho Leadership Academy	2002	2008	Snake River School District	Pingree	Financial
Nampa Classical Academy	2009	2010	Public Charter School Commission	Nampa	Financial
Owl Charter Academy	2010	2011	Nampa School District	Nampa	Financial
DaVinci Charter School	2006	2013	Public Charter School Commission	Boise	Financial

Source: Department of Education, 2013.

Note: District authorizers chose not to renew Lost Rivers Charter School and Renaissance Charter School before the renewal process was removed from statute during the 2004 legislative session.

Reinstating the renewal process would allow authorizers to more effectively enforce the accountability concept on which charter schools were founded. For example, a renewal process could outline that any of the following conditions be required of the charter school or its board:

- A statement of the specific student outcomes that will be reached as a result of the unique offerings of the proposed charter school.
- Procedures to ensure that charter schools are approved only if they offer distinctive curricula or other experiences that provide opportunities over and above those offered in traditional schools, and that these curricula or experiences are supported by evidence demonstrating that the anticipated student outcomes can reasonably be expected to occur as a result of the designated curricula or experiences.
- Provisions requiring collection and review of quantitative and qualitative evidence of the extent to which the anticipated outcomes have occurred.

- Procedures that ensure nonrenewal if the school fails to accomplish its stated purpose or reach its intended outcomes.

### ***Performance-Based Contracts***

Although an approved petition acts as the binding document between a charter school and its authorizer, the petition is more comparable to an application than a contract. The approved petition describes the school's academic vision and operational plan rather than the working relationship between the charter school and the authorizer. Additionally, the approved petition does not specify a fixed-term agreement that is subject to renewal by the authorizer. As a result, the relationship between the charter school and its authorizer focuses on enforcing the teaching method rather than reciprocal and defined responsibilities.

The Public Charter School Commission director said that the current statutory framework requires authorizers to micromanage schools. For example, a charter school operates with an approved petition requiring students to use a specific textbook. If the charter school later decides to discontinue use of that textbook without revising the petition, the authorizer could, under law, issue a notice of defect because the school is not operating in accordance with the approved petition.

The National Alliance for Public Charter Schools advocates the required use of performance-based charter school contracts between the school and its authorizer. The contract should define the roles, responsibilities, powers, and performance expectations for the charter school and the authorizer. Rather than limit the oversight function of the authorizer to enforcing details of the operational plan, a renewable contract would allow the authorizer to focus on whether the charter school meets the education performance standards and other agreed upon responsibilities or expectations. Perhaps most importantly, the contract would be renewable with a fixed term of operation, thus providing an agreed upon framework for the renewal process.

### ***Stakeholder Perspectives***

In our survey of charter school administrators, district superintendents, and school district board chairs, we found that 43 of 94 respondents supported a regularly scheduled renewal process for charter schools. Additionally, all five commissioners from the Public Charter School Commission who responded to our survey supported the use of a renewal process.

**Would your charter school or district support a regularly scheduled renewal process based on criteria outlined in a contract for all charter schools?**

	Yes	No	Don't Know
Charter school administrators (N=18)	4	9	5
School district board chairs (N=27)	15	2	10
District superintendents			
Never authorized (N=45)	20	6	19
Current authorizer (N=4)	4	–	–

We also asked charter school administrators, district superintendents, and school district board chairs whether they supported the use of a contract. Of the 94 survey respondents, 30 supported the use of a contract and 20 opposed it. We posed the same question to the commissioners of the Public Charter School Commission; all five respondents said they supported the use of a contract.

**Would your charter school or district support the use of a performance-based contract outlining academic performance measurements, operational expectations, and rights and duties for both the charter school and the authorizer?**

	Yes	No	Don't Know
Charter school administrators (N=18)	5	6	7
School district board chairs (N=27)	7	3	17
District superintendents			
Never authorized (N=45)	14	11	20
Current authorizer (N=4)	4	–	–

House Bill 221 was introduced in February 2013. If passed, the bill would require the use of fixed-term, renewable contracts between charter schools and their authorizer and would clarify the distinction between a petition and a contract. The bill would also add a new section of code outlining accountability measures and a renewal process.

## **Districts May Need More Resources to Carry Out Authorizer Duties**

As needed, the Department of Education trains and supports current district authorizers and districts that are considering the authorization of a charter school. The department publishes links to authorizing resources on its website. By law the department is required to provide technical support to current charter schools and resources for prospective charter school petitioners—which the

department fulfills, in part, through quarterly workshops.<sup>6</sup> Mandatory attendance at one workshop is required of all charter school petitioners. The state, however, does not require training for district authorizers, nor does it designate an oversight entity for authorizers or offer financial assistance to authorizers.<sup>7</sup>

The commission director said that the Public Charter School Commission would like more district authorizers, which would allow more charter schools and districts to benefit from shared or consolidated services. The director also said that districts may need incentives to approve petitions, such as assistance in paying for the cost of authorizing and overseeing the charter school.

All petitions for a new charter school, with the exception of virtual schools, must first be submitted to a district board for review. In recent years, district boards have tended to refer more petitions to the commission than they approve, which is a possible indicator of whether a board thinks it has the capacity to effectively oversee a charter school. During academic year 2011–2012, six petitions were being considered by district boards; three of which were referred to the commission. Of the remaining petitions under consideration by the districts, one has been approved to open in fall 2013, one has been resubmitted with a revised petition, and one has been withdrawn and submitted to the commission.

### ***Stakeholder Perspectives***

Given the lower number of district-authorized charter schools, districts may not be receiving sufficient information describing the roles and duties expected of a charter school authorizer. For instance, in our survey of superintendents and school district board chairs, 32 of 76 respondents reported they did not receive information from the Department of Education about authorizing a charter school, even though four of those districts currently authorize a charter.

**Has your district received any information about authorizing a charter school from the Department of Education?**

	Yes	No	Maybe	Don't Know
School district board chairs (N=27)	1	10	–	16
District superintendents				
Never authorized (N=45)	11	18	5	11
Current authorizer (N=4)	–	4	–	–

<sup>6</sup> IDAHO CODE § 33-5211.

<sup>7</sup> The National Alliance for Public Charter Schools cited adequate funding for authorizers as a component of a strong charter school system.

When asked whether their district would authorize a new or additional charter school if the state provided more resources such as staffing, training, or funding, 23 respondents said “no.” However, more than half of the 76 respondents selected “maybe” or “don’t know,” which may indicate their uncertainty about being adequately prepared.

**Would your district consider authorizing a new or additional charter school(s) if the state provided additional resources such as staffing, training, or funding for district authorizers?**

	Yes	No	Maybe	Don't Know
School district board chairs (N=27)	1	11	10	5
District superintendents				
Never authorized (N=45)	8	11	12	14
Current authorizer (N=4)	1	1	2	–

These responses to our survey suggest that some district boards may be willing to authorize a new or additional charter school with more staffing, training, or funding. House Bill 206 was introduced in February 2013. If passed, the bill would require charter schools to pay their authorizers an annual fee to defray the authorizer’s cost of providing oversight to the school, which might incentivize more districts to authorize charter schools.

## **Does the Authorization Process Add Value?**

Charter school petitioners have the flexibility to design a proposed school in a way that will best meet the needs of the students who will eventually attend that school. Authorizers are vital in ensuring that the approved petition not only aligns with state laws, but also is feasible and sustainable. The authorization process and opening of a new charter school varies significantly from what often drives the opening of a new traditional school, which is more closely linked to population growth and budget considerations within the district.

We found that the framework for the initial authorization and operational oversight does add value to the extent that it holds charter schools accountable for the terms outlined in the petition. However, our surveys indicated that some districts may not be receiving the resources needed to adequately prepare them for the role of authorizer. Additionally, district authorizers are not offered financial assistance to authorize a charter school whereas the Public Charter School Commission was established with dedicated resources to authorize and oversee charter schools.

Idaho discontinued the use of a renewal process for charter schools in 2004. Authorizers hold charter schools accountable for meeting the provisions of the

approved petition, but statute does not require the use of fixed-term, renewable contracts. The absence of a contract and a renewal process may prevent authorizers from holding charter schools accountable as legislation intended.



## Chapter 3

# Governance

The governance structure of charter schools is different from that of districts. However, those differences have a minimal impact on the general operations of a charter school. Additionally, stakeholders told us that the differences we found may be reflective of district size compared with charter school size rather than governance structure.

### Governance Differences Are Minimal

Similar to a district, Idaho Code § 33-5204(1) considers charter schools to be a separate governance entity. In most instances, charter schools function completely independent of districts.

All charter schools must be managed and organized as nonprofit corporations.

As written in Idaho Code § 33-5204(1), each charter school, whether authorized by a district or the Public Charter School Commission, must be managed and organized as a nonprofit corporation with a board of directors. Charter boards are responsible for the governance, finances, and legal oversight of their charter school. Unlike school district boards that must be elected, charter boards may be self-selected. Our review of charter school petitions from 43 schools found that 12 schools have self-selected boards, 10 schools have elected boards, and 5 schools have mixed boards (self-selected and elected).<sup>1</sup> Our review of charter school legislation found that each year from 2003 to 2006, numerous bills failed that would have required charter school board members to be elected.

Charter school board members may be self-selected.

### *Distribution of Federal Funds*

The distribution of federal funds is determined by whether a charter school is classified as a local education agency. The 29 charter schools authorized by the Public Charter School Commission are statutorily designated as local education

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<sup>1</sup> Specific information about the selection of board members was not listed in seven charter school petitions. Two schools select board members using other methods outlined in their petitions and seven schools did not provide information that would have allowed us to determine whether the board members were self-selected or elected.

agencies whereas the remaining 14 charter schools authorized by a school district board are not local education agencies separate from the district.

Charter schools that are local education agencies receive federal funds directly. Charter schools authorized by a school district board receive federal funds through the district, and the district has the authority to determine how federal funds will be distributed among its traditional and charter schools. Both charter schools and districts receive state funds directly.

### ***Standards of Thoroughness***

Specified in Idaho Code § 33-5210(2), charter schools must comply with the same state educational standards of thoroughness as traditional schools. As part of that thoroughness, charter schools are required to assess students using the same standardized tests given to all public school students. Both charter schools and districts are subject to meeting requirements of the No Child Left Behind Act, and are rated using the state's new Five-Star Rating System.<sup>2</sup> Additionally, under the federal Individuals with Disabilities Act, charter schools must meet the special education needs of all eligible students.<sup>3</sup> The demographics of students receiving special education services are discussed in chapter 4.

### ***Stakeholder Perspectives***

In our interviews with four charter school administrators and six superintendents, we asked them to share their views on any perceived governance differences. We identified two common areas of interest among interviewees:

- Half of the superintendents questioned whether a self-selected board added value to the charter school structure or potentially compromised the integrity of its decision making.
- The majority of charter school administrators said that the small size of charter schools gives them more flexibility to make decisions; one superintendent mirrored this observation. These interviewees said that the sheer size of a district often meant that decisions or changes took longer to make.

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<sup>2</sup> The Five-Star Rating System is a new accountability system within the Department of Education that measures multiple factors of success. Public schools can earn a rating from one to five stars.

<sup>3</sup> For charter schools authorized by a district, the district ensures the delivery of special education services.

## Differences in Governance Do Not Prevent Districts from Offering Expanded Choices

Charter schools were established to expand choices to students and families. Since the charter school laws were passed, however, Idaho Code has been revised to give school districts more opportunities to expand choices to students and families. Districts offer choices through implementing specific or innovative curricula, adjusting the academic calendar, or offering online learning opportunities.

Some districts have developed focus schools and programs that offer choices and opportunities to students in specific areas of study. For instance, the Boise School District offers programs and schools focused on math and science, dual language immersion, and international studies. According the Department of Education, at least six districts operate magnet schools and two districts provide focus schools or programs.<sup>4</sup> Also according to the department, at least 76 alternative schools are currently operating in Idaho.<sup>5</sup> Some districts have been able to meet the needs of students and families by offering preschool programs and after-school programs. Exhibit 3.1 lists other ways that districts offer choice.

If a single traditional school wished to implement a focus program or school, it would have to work with the district to get approval and make changes. Similarly, a single traditional school would not be able to implement its own curriculum without working with the district.

Districts are finding more ways to be responsive to student and family needs.

### EXHIBIT 3.1 SURVEY RESPONSES ABOUT CHANGES MADE BY DISTRICTS TO EXPAND CHOICES TO STUDENTS AND FAMILIES

	Superintendent Responses (N=50)	Percentage of Respondents
Adjusted the academic calendar	28	56
Changed a school's philosophy and curriculum	22	44
Built an alternative school	16	32
None of the above	8	16
Built a magnet school	5	10
Other	11	22

Source: Office of Performance Evaluations' analysis of survey data, 2012.

Note: Percentages do not sum to 100 because respondents could select all that apply.

<sup>4</sup> Magnet schools focus on a particular education model, topic, or discipline. Unlike charter schools, admission is based on specific requirements.

<sup>5</sup> The total does not include charter schools that might be considered alternative.

## ***Stakeholder Perspectives***

In our interviews with four charter school administrators and six superintendents, we asked them to share their views on any perceived differences in the ability to implement a curriculum of their choosing. Responses were consistent among most interviewees:

- Charter school administrators and superintendents placed little importance on the ability of a charter school to implement its own curriculum because a district is afforded the same opportunity.
- Charter school administrators emphasized that differences were found in the flexibility to *deliver* their curriculum rather than the curriculum itself. For instance, the statewide standards of thoroughness require that certain components be present in all curricula. An approved charter petition provides a detailed explanation of how its curriculum will be implemented in a way that meets those standards.

According to an official at the Department of Education, charter school teachers typically have the flexibility to deliver the curriculum at their own pace and style.

## **Charter Schools Are Subject to Some of the Same Professional Standards Required of Districts**

School districts are governed by Board of Education rules. Although charter schools are exempt from most of these rules, all charter schools are required to follow Board of Education rules for four professional standards:

- All instructional staff must be certified to teach
- All secondary schools serving grades 9–12 must be state accredited
- Schools may qualify for alternative school support for student attendance at an alternative school
- All school employees must undergo a criminal history background check

Like districts and their traditional schools, charter school employees and board members must comply with the ethical and conduct standards of public officials, as well as the professional codes and ethical standards approved by the Board of Education. Charter school teachers must be covered by the Public Retirement System of Idaho (PERSI) and receive health benefits.

## Collective Bargaining Rights

Idaho Code § 33-5205(3)(q) states that teachers employed by a charter school are considered a separate unit for the purposes of collective bargaining. This section of code does not, however, prevent charter school staff from joining the Idaho Education Association, the state advocacy group for educators. Staff at charter schools may create a local chapter (also called an affiliate), representing the majority of staff, to negotiate with their charter school board. According to the executive director of the Idaho Education Association, some charter school staff are members of the association, but no charter schools currently have an active affiliate.<sup>6</sup> The executive director also expressed concern that charter school teachers have been incorrectly told they cannot join the association.

Charter school staff may join the teachers union.

## Teacher Salary Schedule

Charter schools, like districts, adopt a salary schedule which must comply with the statutory instructional minimum salary as written in Idaho Code § 33-1004E.<sup>7</sup> Our analysis of 2011–2012 salary data from the Department of Education found that charter school teachers and traditional school teachers receive comparable salaries. For instance, on average, charter school teachers make \$42,000 annually compared with traditional school teachers who make \$43,000 annually.

## Professional Requirements for Charter Administrators Are Different from District Superintendents

Charter schools are independent governance entities; their operational structure is often a combination of a school and a district. Even though the operations of charter schools can be similar to that of a district, the professional requirements for charter school administrators are different from those of district superintendents. District superintendents must have a superintendent endorsement; charter school administrators are only required to have a principal certificate.

The operational structure of a charter school is often a combination of a school and a district.

In our analysis of endorsements held by charter school administrators, we found that out of 38 individuals categorized as charter administrators by the Department

<sup>6</sup> According to the executive director, two charter schools have created affiliations that are currently inactive.

<sup>7</sup> Chapter 5 discusses the additional flexibility afforded to charter schools to determine the number of teachers hired.

of Education, 4 had a superintendent endorsement. We also analyzed endorsement data for 98 superintendents and found that 96 held a superintendent endorsement; 2 individuals assigned as superintendents had principal endorsements.<sup>8</sup>

Our analysis of 2011–2012 salary data from the Department of Education found that charter school administrators received an average salary comparable to elementary school principals.

**Average Salary for School Administrators, Academic Year 2011–2012**

Charter school administrator	\$69,000
Elementary principal	\$70,000
Secondary principal	\$74,000
District superintendent	\$87,000
District superintendent (small and very small)*	\$75,000

\* Districts or charter schools serving fewer than 499 students are considered very small, and those serving from 500 to 1,499 students are considered small. Most charter schools are either small or very small.

### ***Stakeholder Perspectives***

We heard throughout the course of our study that charter school administrators have worn many hats and may not have had the resources needed to fill such a wide range of duties. Although we did not specifically ask about charter school administrator duties and training as part of our interviews or surveys, public education stakeholders expressed concerns about the capacity of charter school administrators to deal with the daily operations of a charter school. In general, stakeholders said they believed charter school administrators must be sufficiently trained to make difficult decisions about how to best govern their schools.

### **Do Governance Differences Add Value?**

Charter schools were designed to be semiautonomous and therefore operate as independent nonprofit corporations. Charter school boards have the choice to be self-selected and have the flexibility to make decisions they believe best support the mission and vision of the school. However, we found that the governance structure adds value by helping to ensure charter schools do not deviate from terms outlined in the approved petition without prior approval.

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<sup>8</sup> Data was not available for all districts or charter schools. Additionally, some charter schools have more than one location and in some instances more than one administrator.

Although charter schools must comply with the same educational standards, they are exempt from most Board of Education rules. We found that governance differences are minimal and have little impact on operations in general. Stakeholders agreed that the small size of charter schools made decision making easier. Other stakeholders shared concerns that charter school administrators were juggling many responsibilities without adequate resources or training.



## **Chapter 4**

# **Enrollment**

As part of the public education system, charter schools are required to provide a uniform, thorough, and free education to all students they enroll. Charter schools have the ability to place a cap on their enrollment and use a lottery process for student enrollment each school year. Some stakeholders have questioned whether enrollment caps and the lottery process have affected the types of students enrolled at charter schools. We analyzed potential enrollment differences between charter and traditional schools in the areas of special education, racial or ethnicity groups, limited English proficiency, and low-income status.

### **Charter Schools May Cap Student Enrollment**

Charter schools may place a cap on student enrollment and use a lottery process outlined in Idaho Code § 33-5205(3)(k) to determine enrollment when the number of potential students is greater than the enrollment capacity. Our analysis of charter school petitions found that 40 of 43 schools had a specified enrollment cap in place. We also found that three virtual charter schools did not use enrollment caps and two virtual charter schools allowed the board to determine capacity annually.

In our analysis of charter school petitions, we found that all schools have a defined lottery process to enroll students. The use of a lottery system ensures that all students have equal access to charter schools as part of Idaho's K–12 public education system, and the process is intended to prevent charter schools from hand selecting specific student populations for enrollment.

The lottery process allows for some admission preferences. For example, a statutorily determined percentage of a charter school's enrollment may be designated for children of founders and full-time employees. Admission preferences may also be given to returning students, siblings, and prospective students residing in the school's primary attendance area. The admission preferences are optional and a charter school wishing to incorporate them into the lottery process must include admission procedures in its petition. Our analysis of charter school petitions found that 42 of 43 schools used at least one admission preference.

Idaho Administrative Code 08.02.02.110 provides class-size ratio goals which help districts to determine class size. In our 2013 report *Workforce Issues Affecting Public School Teachers*, we found that class size was sensitive to many factors which can significantly vary among districts. In this same report, we also found that the Department of Education did not collect data in a way that would allow us to readily or accurately compare the class size of charter schools with traditional schools.

Enrollment caps are not generally extended to districts; however, some districts with open enrollment policies may use caps. Open enrollment allows students and families who live both inside and outside of the district to request admission to a traditional school. Similar to charter school admission, Idaho Code § 33-1402 requires interested students to submit an application to the district. In some instances, districts must cap open enrollment to accommodate capacity restrictions, and then use a lottery process to determine student enrollment. The Department of Education does not track the number of districts offering open enrollment, but after receiving our request for the information, it is looking into how it might track open enrollment in the future.

### ***Stakeholder Perspectives***

In our interviews with four charter school administrators and six superintendents, we asked them to share their views on any perceived enrollment differences. Of those who had an opinion, responses focused on how enrollment caps affected decision making:

- One charter school administrator and one charter school official told us that the enrollment cap could sometimes be advantageous to charter schools that wished to promote small or limited enrollment.
- One superintendent said that using the cap to maintain small class sizes in charter schools may be appealing to some students and families.
- One charter school official said that managing class size using the enrollment cap was necessary because charter schools could not pass levies or issue bonds for facilities funding and could not grow or expand enrollment without funding to support growth.

## **Charter and Traditional Schools Vary in Student Demographics**

Many external factors may influence why a student or family might select to enroll in a charter school or a traditional school. Although we did not compare student demographics in relation to operational differences, we did analyze some demographic data for charter schools and districts or their traditional schools.

The following sections provide an overview of students in four categories: low income, ethnicity, special needs, and limited English proficiency.

### ***Students from Low-Income Families***

The Department of Education does not collect poverty data for individual students. However, data collected by the department’s Title I-A program can be used to determine the average low-income status of student populations within charter and traditional schools.<sup>1</sup> The Title I-A program uses the income eligibility guidelines for the national school lunch program in part to determine Title I-A eligibility.

Using the Title I-A data from academic year 2011–2012, we calculated the average poverty rate among 32 charter schools.<sup>2</sup> As shown in exhibit 4.1, the average poverty rate for charter schools was 46 percent. In comparison, the average poverty rate for 624 traditional schools was 50 percent.

**EXHIBIT 4.1 AVERAGE POVERTY RATES IN CHARTER AND TRADITIONAL SCHOOLS, ACADEMIC YEAR 2011–2012**

	Percentage Range	Statewide Average (%)
Charter schools (N=32, represents 78% of student enrollment)	0–78	46
Traditional schools (N=624, represents 96% of student enrollment)	0–100	50

Source: Office of Performance Evaluations’ analysis of data from the Department of Education.

Note: Data was not available for all charter and traditional schools.

### ***Ethnic Diversity of Students***

We analyzed Department of Education ethnicity data from academic year 2011–2012 to determine whether any differences in student ethnicity exist between charter and traditional schools. Data was available for 30 charter schools authorized by the Public Charter School Commission.

As shown in exhibit 4.2, we found some racial or ethnic group differences between charter schools and districts as reported to the Department of Education. For instance, white students made up an average of 78 percent of the student population in traditional schools as compared with 87 percent in charter schools.

<sup>1</sup> Under the No Child Left Behind Act, Title I-A funding is distributed to districts with the greatest populations of high-poverty students to reduce gaps in knowledge and achieve academic standards. However, data was not available for *all* charter and traditional schools.

<sup>2</sup> The average poverty rate represents the average percentage of families below poverty.

### EXHIBIT 4.2 DISTRIBUTION OF CHARTER SCHOOL AND DISTRICT STUDENTS BY RACIAL OR ETHNIC GROUP, ACADEMIC YEAR 2011–2012

	Charter Schools <sup>a</sup> (N=30)(%)	Districts (N=115)(%)
White	87	78
Black	1	1
Hispanic	8	17
Native American	1	1
Hawaiian or Pacific Island	0	0
Asian	1	1
Two or more races	2	2

Source: Office of Performance Evaluations' analysis of data from the Department of Education.

<sup>a</sup> Student data for racial or ethnic groups for charter schools authorized by a district are reported at the district level and are not included in the charter school totals.

### *Students Requiring Special Education Services*

Both charter schools and districts must adhere to federally mandated special education laws and provide special education services to all eligible students. Special education services fall under 16 categories that are reported in aggregate to the Department of Education. Our analysis of special education data found that charter schools and districts served a similar percentage of special education students.<sup>3</sup> As shown in exhibit 4.3, districts averaged 10 percent of students requiring some type of special education service, while the average for brick and mortar charter schools was 8 percent. Virtual charter schools fell in middle, with an average of 9 percent.

### EXHIBIT 4.3 PERCENTAGE OF CHARTER SCHOOL AND DISTRICT STUDENTS RECEIVING SPECIAL EDUCATION SERVICES, ACADEMIC YEAR 2010–2011

	Percentage Range	Statewide Average (%)
Charter schools (N=19)	3–40	8
Virtual charter schools (N=6)	3–48	9
Districts (N=115)	0–23	10

Source: Office of Performance Evaluations' analysis of data from the Department of Education.

<sup>3</sup> Special education services provided by charter schools that are authorized by a district are reported at the district level rather than by individual charter schools.

## ***Students with Limited English Proficiency***

Students with limited English proficiency are protected under federal law, and both charter schools and districts must enroll and serve these students. Our review of data for limited English proficiency from the fall fund allocations of academic year 2011–2012 found that nearly 70 percent of districts received at least some funding for students with limited English proficiency compared with less than 25 percent of charter schools.<sup>4</sup> Districts reported 16,247 students with limited English proficiency and received \$3,492,905 in federal and state funding. Charter schools reported 33 students with limited English proficiency and received \$7,095 in federal and state funding. Putting these numbers into percentages, 6 percent of total district students were identified with limited English proficiency compared with less than 0.5 percent of total charter school students.

## ***Stakeholder Perspectives***

In our survey results and interviews with stakeholders, some individuals questioned whether charter schools may have inadvertently excluded low-income families and students with special needs while attracting families with high levels of parental involvement and academically gifted students. We found that traditional school stakeholders believed they must accept every student while charter schools were allowed to choose the best students, possibly creating differences in the student populations served.

## **Do Enrollment Differences Add Value?**

Charter schools are permitted to determine the number of students served and may cap student enrollment. Because charter schools cannot generate local revenue to fund facilities (discussed in the next chapter), the enrollment cap may be necessary for some schools.

In instances where the number of interested students is greater than the available openings, charter schools rely on a standardized lottery system. Within that lottery system, a certain percentage of admission preferences are allowed by law, giving charter school founders, staff, and current families an added advantage. Enrollment caps and a defined lottery process add value by preventing a charter school from enrolling more students than its capacity will allow and by preventing a charter school from hand selecting the students it accepts.

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<sup>4</sup> Limited English proficiency data is reported at the district level. Data for district-authorized charter schools providing services to students with limited English proficiency is included in their district totals.

Some stakeholders voiced concerns that the demographics for charter school students varied widely from that of traditional schools. Our analysis of four specific student demographics found some differences between charter and traditional schools or their districts. However, our analysis did not reveal large disparities between the two school options with the exception of spending for limited English proficiency.

## Chapter 5

# Funding

Charter schools have the same fiscal responsibilities as school districts and must submit the same annual financial audit to the Department of Education. Both charter schools and districts receive state funding for instruction using the same funding formula for teacher salaries and benefits. However, charter schools are not granted the authority to pass levies or issue bonds. In addition to this larger difference, some slight funding variations exist between charter schools and districts.

### Differences Within Funding Structure Do Exist

Public schools are primarily funded through state general funds. Salary-based apportionment provides salaries and benefits for instructional, administrative, and classified staff in charter schools and districts.<sup>1</sup> Both charter schools and districts receive discretionary funding, which may be used for regular and reoccurring operating costs. When eligible, charter schools and districts also receive additional funding distributions for specific programs.<sup>2</sup>

The salary-based apportionment formula is the same for all charter schools and districts with two exceptions: (1) the apportionment for professional-technical regional charter schools is the statewide average index for charter schools, and (2) the minimum divisor used to determine the number of support units for secondary students.<sup>3</sup>

### ***Secondary Student Divisor***

Idaho Code does not specify a divisor for districts with an average daily attendance (ADA) of fewer than 100 secondary students; rather, it sets a minimum of 8 support units. For example, a district with 99 secondary students would receive 8 support units, as would a district with 85 students.

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<sup>1</sup> The salary-based apportionment includes the cost of employer-paid benefits (PERSI and FICA) but not the cost of employee health benefits.

<sup>2</sup> Additional distribution funds are allocated in a variety of ways. For example, the state allocates funds to districts for students to take college entrance exams, implement remediation efforts, and employ additional information technology staff.

<sup>3</sup> The Advanced Regional Technical Coalition (ARTEC) is the only regional professional-technical charter school in the state.

In the case of charter schools with an ADA of fewer than 100 secondary students, a divisor of 12 is used in calculating support units. Idaho Code specifies this divisor to discourage charter schools from limiting enrollment for the purpose of generating more funding per student. For example, a charter school with 99 secondary students would receive 8.3 support units ( $99/12=8.3$ ), and a charter school with 85 students would receive 7.1 support units.

The charter school divisor of 12 restricts the maximum support units a charter school of fewer than 100 secondary students can receive to 8.3. Unlike districts of the same size, a charter school serving secondary students would never generate more funding per student by enrolling fewer than 99 students.

### ***Virtual Schools***

According to Idaho Code § 33-5208(8), virtual charter schools may determine ADA for funding purposes in one of two ways:

- Actual hours of attendance
- Percentage of work completed

ADA funding is based on whichever option is more advantageous to the virtual charter school, with a maximum of up to one full-time student equivalent.<sup>4</sup>

Charter schools that provide transportation services receive the same reimbursement percentage as districts. Although virtual charter schools do not technically provide transportation services, they are eligible to receive transportation funding for the previous year's cost of providing educational services, such as internet connections and computer equipment.<sup>5</sup> Appendix B provides more information about charter schools and transportation services.

### ***Advance Payments in July***

Eligible charter schools may receive an advance payment in July of 25 percent of their estimated annual apportionment for the first year of their operation. This advance payment helps charter schools in their initial startup year. Charter schools that see an increase in student population of 20 or more students each year may continue receiving a July advance payment, which is determined by the school's estimated annual apportionment. According to Department of Education officials, 20 charter schools received an advance payment in July 2012. In contrast, districts do not receive advance payments in July.

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<sup>4</sup> IDAPA 08.02.01 defines full-time kindergarten attendance as a minimum of 2.5 hours of instruction per day and full-time attendance for grades 1–12 as a minimum of 4 hours of instruction per day.

<sup>5</sup> According to data we received from the Department of Education, three virtual charter schools currently receive transportation reimbursements: Idaho Virtual Academy, INSPIRE Connections Academy, and iSucceed Virtual High School.

## Average Daily Attendance Funding Varies Among Charter Schools and Districts

To learn more about any differences in funding, we reviewed the distribution of ADA funding among charter schools and districts. The Department of Education divides ADA funding for public schools into three categories: highest third, middle third, and lowest third. We found that regardless of size, most charter schools fell in the middle category of funding. Districts, on the other hand, were distributed less evenly among size. Exhibit 5.1 shows that a greater percentage of very small districts fell in the highest category for ADA funding.<sup>6</sup>

Most charter schools are in the middle category of ADA funding.

**EXHIBIT 5.1 PERCENTAGE OF CHARTER SCHOOLS AND DISTRICTS IN HIGH, MEDIUM, AND LOW AVERAGE DAILY ATTENDANCE FUNDING CATEGORIES, ACADEMIC YEAR 2010–2011**

	Lowest Third \$3,952–\$4,969 (%)	Middle Third \$4,990–\$6,051 (%)	Highest Third \$6,073–\$19,881 (%)
<b>Very large: 15,000+ students</b>			
Charter schools (N=0)	–	–	–
Districts (N=3)	100	0	0
<b>Large: 5,000–14,999 students</b>			
Charter schools (N=0)	–	–	–
Districts (N=9)	100	0	0
<b>Medium: 1,500–4,999 students</b>			
Charter schools (N=1)	100	0	0
Districts (N=23)	96	4	0
<b>Small: 500–1,499 students</b>			
Charter schools (N=6)	33	67	0
Districts (N=32)	22	78	0
<b>Very small: 1–499 students</b>			
Charter schools (N=29)	24	45	31
Districts (N=49)	0	14	86

Source: Office of Performance Evaluations’ analysis of data from the Department of Education.

Note: Categories show the total average daily attendance funding per student. Data was available for 36 charter schools and all 115 districts.

<sup>6</sup> Charter schools are not eligible to receive the instructional and administrative allowances given to small districts. This difference might explain why most very small charter schools fell in the middle category while a larger percentage of very small districts fell in the highest category.

Department of Education officials pointed out that any differences in ADA funding are a result of the state's basic funding formula. The formula is driven by the experience and education of the individuals who are hired by charter schools or districts, by the qualified student groups they teach, and by the number of students they teach. Our analysis of ADA funding from fiscal year 2010 found that any differences in funding could not be predicted by whether the entity is a charter school or a district.

ADA funding cannot be predicted by a school option.

### ***Protective Support Units***

Idaho Code § 33-1003(1) protects districts from a sharp decrease in ADA. Any district that experiences a 3 percent or more decrease of total ADA from its previous academic year is eligible to receive funding of 97 percent of the previous year's ADA. In the following academic year, funding would be based on the actual ADA of the previous year (the year the 97 percent protective factor was applied). As of February 2013, 23 districts have received protection under this statutory provision.

Unlike districts, charter schools are not protected from a decrease in ADA. Department of Education officials told us that in academic year 2011-2012, six charter schools would have qualified for the ADA funding protection if the provision extended to charter schools.

### ***Stakeholder Perspectives***

In our interviews and surveys, some public education stakeholders questioned whether charter schools may have benefitted by receiving greater ADA funding because they limited their enrollment. In an open-ended question of our survey, we asked school board chairs what value charter schools added to Idaho's K-12 education system. As part of their responses, eight school board chairs said that charter schools drew funding away from districts. According to Department of Education officials, this possibility may have been true before the creation of the Public Education Stabilization Fund in fiscal year 2004, but all money is now distributed using a formula.<sup>7</sup>

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<sup>7</sup> Before fiscal year 2004, all reserve funds were distributed evenly among all districts, which may have benefitted some charter schools.

## **Charter Schools Do Not Have the Ability to Levy Taxes or Issue Bonds**

Idaho Code § 33-5206(1) prohibits charter schools from levying local taxes or issuing bonds to fund facilities.<sup>8</sup> Charter schools are also prohibited from participating in the state's bond levy equalization program, which is available to districts with bond levies.<sup>9</sup> Districts can generate facilities funds by receiving taxpayer approval for nine different levy options. The following information from the Department of Education represents the number of districts with each type of levy in place for academic year 2012–2013.<sup>10</sup>

- Bond levy (84 districts)
- Budget stabilization maintenance and operation levy (5 districts)<sup>11</sup>
- Cooperative services agency levy (4 districts)
- Emergency levy (16 districts)<sup>12</sup>
- Plant facility levy (48 districts)
- Supplemental maintenance and operation (M&O) levy (86 districts)<sup>13</sup>
- Tax refunding and judgment levy (none)
- Tort levy (101 districts)
- Tuition levy (6 districts)

According to Department of Education data, the current levies total approximately \$420 million in additional revenue. Although charter schools may not generate local revenue through levies or bonds for facilities, they must meet the maintenance match requirements using any available funds. Charter schools are eligible to receive additional funding distributions from the state for facility maintenance as written in Idaho Code § 33-1019.<sup>14</sup>

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<sup>8</sup> A levy is a tax on the residential and commercial property within a particular district.

<sup>9</sup> The bond levy equalization program assists districts in paying back bonds that were passed on or after September 15, 2002. Assistance is based on county unemployment, per capita income, and district property value, all of which are used to calculate a value index. Districts with a value index of 1.5 or higher are not eligible for a payment. Districts with a high value index receive a minimum level of assistance while districts with a low value index receive a greater level. All districts with eligible bonds will receive assistance for no less than 10 percent of the average annual bond interest.

<sup>10</sup> Districts may generate revenue from more than one type of levy at a time.

<sup>11</sup> Voter approval is not required.

<sup>12</sup> Voter approval is not required, but districts must have an increase in ADA from the previous year.

<sup>13</sup> A supplemental maintenance and operation levy provides additional funding to districts for maintenance and operation and specifies a time limit not to exceed two years. The levy requires approval from a majority of taxpayer votes.

<sup>14</sup> Charter schools and districts must annually allocate at least 2 percent (less state funds received for building maintenance) of the replacement value of the school building or buildings. Funds allocated for building maintenance must be used exclusively for maintenance purposes.

House Bill 206 was introduced in February 2013. If the bill passes, it would provide charter schools with limited facilities funding.

### ***Stakeholder Perspectives***

In our interviews with four charter school administrators and six superintendents, we asked them to share their views on any perceived funding differences. Their responses highlighted a range of opinions:

- Two superintendents and two charter school administrators expressed frustration with inequities that levies create among districts, believing the state should adequately fund all schools.
- One charter school director pointed out that families of charter school students paid levy taxes but their children did not benefit from that revenue.
- One superintendent questioned how charter schools would levy funds for facilities without district boundaries.

Many charter school administrators we surveyed and interviewed reported that the inability to pass levies or issue bonds was their greatest obstacle, and eight respondents to our charter school administrator survey commented in an open-ended question that funding facilities was one of their greatest challenges.

**In general, what do you think is your greatest challenge as a charter school? (Open-ended question where respondents could provide more than one answer.) (N=16)**

Facilities funding	8
General funding	7
Lack of support services	2
Challenges similar to districts	2
Lack of staff	1
Developing positive relationships with districts	1
Labeled as elitist or discriminatory	1
Outside influences to change original mission	1
No challenges	1

To determine how many charter schools in Idaho own their facilities, we analyzed survey data collected in spring 2012 by the Colorado League of Charter Schools. The league published its findings, based on Idaho’s brick and mortar charter school facilities, in a September 2012 report *An Analysis of the Charter School Facility Landscape in Idaho*. Our analysis included both the number of charter school respondents and the number of facilities operated by those

respondents. For instance, one charter school reported facility information for each of its three campuses. Our analysis of the data found that 14 (34 percent) of 41 facilities were owned by the charter schools.<sup>15</sup>

We also surveyed charter school administrators and superintendents about the facility amenities generally offered in their schools or districts to determine whether any differences exist. Our survey results indicated that large discrepancies existed between the standard amenities and educational spaces provided by charter schools and those provided by districts.

**Which of the following rooms or equipment are accessible to students with disabilities at your charter school? (Respondents could select more than one answer)**

	Brick and Mortar Charter Schools (N=15) (%)	Districts (N=50) (%)
Art room	33	82
Athletic field	7	98
Auditorium	20	62
Cafeteria	47	98
Computer room	60	100
Gymnasium	27	96
Health clinic	0	14
Kitchen	33	92
Library	47	98
Music room	47	98
Playground	80	98
Resource room	67	92
Other	13	14

## **“Use It or Lose It” Exemption Offers Charter Schools Flexibility**

Although charter schools may not generate local tax revenue, they receive other preferences not currently available to districts. Most notably, charter schools are exempt from Idaho Code § 33-1004 that reduces funds for instructional staff when the school employs fewer individuals in these positions than it receives in

<sup>15</sup> Our analysis of the league’s data included all charter schools in Idaho whereas the league’s analysis included data specific to brick and mortar charter schools. As such, our findings differ from those of the league.

funding. The commonly referred to clause “use it or lose it” means that charter schools may reduce the number of instructional staff without losing funding for the reduction. This exemption affords charter schools more autonomy and flexibility to allocate its instructional staff allowance to other operating costs. A charter school may, in some instances, choose to hire fewer teachers and use its instructional staff allowance to pay for other operating or facility expenses.

The recently repealed Students Come First laws provided districts with some flexibility to spend the instructional staff allowance differently. Before the laws were repealed in November 2012, districts were allowed to spend up to 15 percent of instructional staff allowances to pay another district or charter school for instructional services or to defray the cost of providing virtual education coursework. The laws also allowed districts to employ 7 percent fewer positions than was funded in fiscal year 2012 and 9.5 percent fewer positions than was funded in fiscal year 2013 without losing those funds.

House Bill 65 was introduced on January 28, 2013, and if passed, would reinstate the 9.5 percent spending flexibility for fiscal year 2013 only.

### ***Stakeholder Perspectives***

In our interviews with four charter school administrators and six superintendents, we asked them to share their opinions about the “use it or lose it” exemption. Responses about the exemption were mixed:

- One charter school administrator said this exemption was the school’s greatest advantage.
- One superintendent and one charter school director agreed the exemption was afforded to charter schools as a way to balance the inability to generate local tax revenue for facilities funding.
- Two superintendents said they would have liked more spending flexibility, and one charter school director questioned why the same flexibility was not offered to districts.

One retired superintendent we also spoke to said that the exemption is a burden to some charter schools because they have to decide whether to support a lower student-teacher ratio or divert the funds to facilities. Survey data we analyzed from the Colorado League of Charter Schools found that out of 29 charter schools, 21 (72 percent) did not report saving ADA funds during academic year 2011–2012 for the purchase, renovation, or construction of a facility.<sup>16</sup>

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<sup>16</sup> Our analysis of the league’s data included all charter schools in Idaho whereas the league’s analysis included data specific to brick and mortar charter schools. As such, our findings differ from those of the league.

## **Do Differences in Funding Add Value?**

We found that the distribution of ADA funding varied both within and among charter schools and districts. We also found that sections of Idaho Code are intended to specifically eliminate incentives for charter schools to cap enrollment in a way that is advantageous to the school. Many charter school stakeholders said they believed the inability to generate local revenue through levies and bonds was their greatest challenge and had put them at a disadvantage in comparison with districts.

Charter schools are granted spending flexibility through the exemption of Idaho Code § 33-1004, a benefit that allows charter schools to reduce staff without forfeiting funds. The “use it or lose it” exemption adds value by providing charter schools flexibility to spend certain funds to cover operating costs because they do not receive facilities funding. Our interviews with superintendents found that some districts would have liked the same flexibility when determining how to spend instructional staff allowances.



## **Chapter 6**

# **Next Steps**

Since the passage of charter school laws in 1998, the landscape of public education in Idaho has changed significantly in terms of expanding choices for students and families. In spite of the growth in the number of charter schools, public education stakeholders have mixed views on the value that charter schools add. This chapter offers two considerations for policymakers as they work to improve the public education system.

### **Review Legislative Intent**

Charter schools were established to serve as learning laboratories with hope that successes could potentially be applied throughout the larger public education system. Both innovation and dissemination were recurring themes as the charter school movement emerged, but those themes are not defined in statute and have not been revisited by policymakers to determine whether innovation and dissemination have occurred as intended. We found that many of the seven elements in Idaho Code § 33-5202 intended to distinguish a charter from a traditional school are now found in traditional schools throughout the state.

Policymakers may wish to consider whether the elements intended to distinguish charter schools from traditional schools are still relevant and then consider creating a formalized, statewide mechanism to measure and track the outcomes linked to each of the seven elements. These steps will give policymakers and public education stakeholders a better sense of how charter schools add value in ways other than providing choice.

### **Compare Student Performance**

Given the specific questions presented in the study request, an evaluation comparing student outcomes was not within the scope of our study. However, some public education officials and stakeholders, including commissioners of the Public Charter School Commission, questioned whether we could determine how charter schools add value without analyzing available student performance data. As Idaho continues to revise its charter school law, a comparative study of

student performance between charter and traditional schools may be the next logical step.

The Department of Education has recently rolled out the Idaho System for Educational Excellence, a longitudinal data system that provides policymakers and public education stakeholders with information about academic growth and proficiency, participation in test taking, and postsecondary and career readiness for the twelfth grade over multiple years. The department has also implemented a new accountability system, the Five-Star Rating System, to measure academic performance among all public schools. These two systems may eventually bring Idaho closer to having more comprehensive student performance data for all public schools.

For example, when we looked at the five-star ratings (five being the best rating) for academic year 2011–2012, we found that traditional schools averaged a 3.5 rating and charter schools averaged 3.3.<sup>1</sup> As shown in the table below and in exhibit 6.1 on the next page, both charter and traditional schools most frequently received four stars.

**Five-Star Ratings, Academic Year 2011–2012**

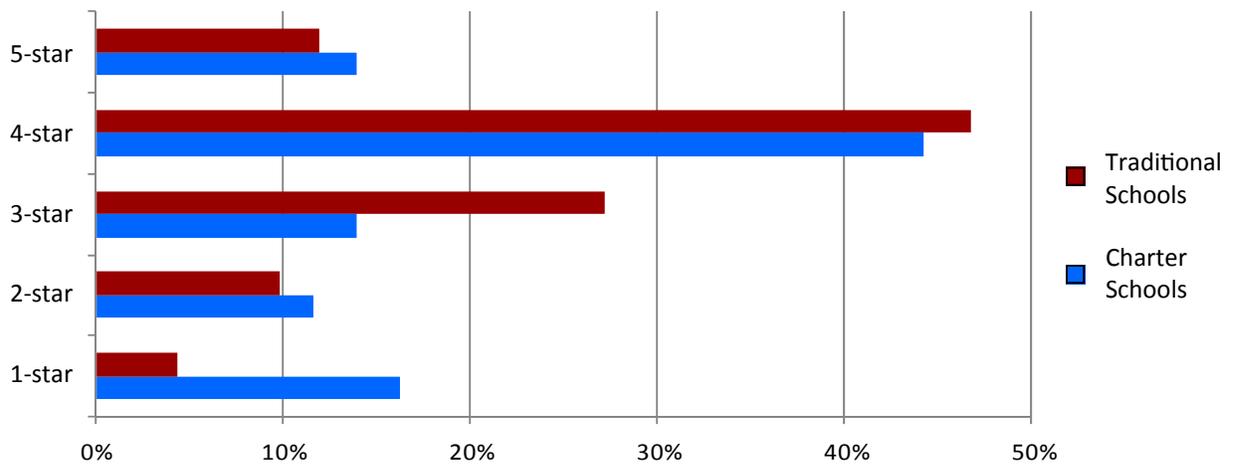
Rating	Number of Charter Schools	Number of Traditional Schools
5-star	6	72
4-star	19	282
3-star	6	164
2-star	5	59
1-star	7	26

Given the recent availability of more comprehensive data, the Legislature may wish to commission a future study using academic performance to further determine the value that charter schools add to Idaho’s K–12 public education system.

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<sup>1</sup> According to department data, 36 schools (35 traditional schools and 1 charter school) did not receive a determination and were excluded from our analysis. The Canyon-Owyhee Special Services Agency and the Idaho School for the Deaf and Blind were also excluded.

**EXHIBIT 6.1 FIVE-STAR RATINGS OF CHARTER AND TRADITIONAL SCHOOLS, ACADEMIC YEAR 2011–2012**



Source: Office of Performance Evaluations' analysis of data from the Department of Education.



## Appendix A

# Idaho Authorizers and Charter Schools

Idaho currently has 12 school district board authorizers and the Public Charter School Commission. Together, the 13 authorizers oversee 43 charter schools. Exhibit A.1 is a complete list of each authorizer and charter school.

### EXHIBIT A.1 IDAHO AUTHORIZERS AND CHARTER SCHOOLS, ACADEMIC YEAR 2012–2013

Authorizer	Charter School	Year Authorized	Grades Offered
Boise School District	Anser Charter School	1998	K–8
Coeur d'Alene School District	Coeur d'Alene Charter Academy	1999	6–12
Emmett School District	Payette River Technical Academy	2010	9–12
Lake Pend Oreille School District	Forrest M. Bird Charter School	2001	6–8
Meridian Joint School District	Meridian Medical Arts Charter High School	2003	9–12
	Meridian Technical Arts Charter High School	1999	K–12
	North Star Charter School	2003	K–9
Minidoka County Joint School District	ARTEC Charter School	2006	9–12
Moscow School District	Moscow Charter School	1998	K–6
Nampa School District	Idaho Arts Charter School	2005	K–12
Pocatello/Chubbuck School District	Pocatello Community Charter School	1999	K–8
Salmon School District	Upper Carmen Public Charter School	2005	K–5
Vallivue School District	Thomas Jefferson Charter School	2004	K–10
Whitepine Joint School District	Idaho Distance Education Academy	2004	K–12

*Continued on next page*

*Exhibit A.1—continued*

Authorizer	Charter School	Year Authorized	Grades Offered
Public Charter School Commission	Another Choice Virtual Charter School	2010	K–12
	Blackfoot Community Charter Learning Center	2000	K–6
	Compass Public Charter School	2005	K–9
	Falcon Ridge Public Charter School	2005	K–8
	Heritage Academy	2011	K–6
	Heritage Community Charter School	2011	K–12
	Idaho Connects Online School	2009	6–12
	Idaho Science and Technology Charter School	2009	6–8
	Idaho Virtual Academy	2002	K–12
	INSPIRE Connections Academy	2005	K–11
	iSucceed Virtual High School	2008	9–12
	Kootenai Bridge Academy	2009	11–12
	Legacy Charter School	2011	K–8
	Liberty Charter School	1999	K–12
	Monticello Montessori School	2010	K–2
	North Idaho STEM Charter Academy	2012	5–8
	North Valley Academy	2008	K–8
	Palouse Prairie School	2009	K–6
	Richard McKenna Charter High School	2002	9–12
	Rolling Hills Public Charter School	2005	K–9
	Sage International School of Boise	2010	K–8
	Taylor's Crossing Public Charter School	2006	K–10
	The Academy at Roosevelt Center	2006	K–8
	The Village Charter School	2011	K–8
	Victory Charter School	2004	K–10
	Vision Public Charter School	2007	K–7
	White Pine Charter School	2003	K–8
	Wings Charter Middle School	2009	6–9
	Xavier Charter School	2007	K–8

Source: Department of Education.

## Appendix B

# Transportation Services and National School Lunch Programs

Through the course of our fieldwork, we found that requirements exist for transportation services and lunch programs, which govern whether a school offers the services.

### Charter Schools, Like Districts, Are Required to Provide Transportation Services

Idaho Code § 33-1501 through § 33-1514 requires that charter schools and districts provide transportation to eligible students where practicable. The Department of Education defines practicable as “capable of being carried out or put into effect.” Charter school petitions must provide a proposal for transportation services. As shown in exhibit B.1, 24 of 36 brick and mortar charter schools currently provide transportation services (all 115 districts provide transportation services).<sup>1</sup> Although not all charters schools currently provide transportation services, department officials told us that they do not believe the department has the authority to enforce the development of a transportation program if one does not exist.

Three of the seven virtual charter schools receive transportation funding for the previous year’s cost of providing educational services, such as internet connections and computer equipment:

- Idaho Virtual Academy
- INSPIRE Connections Academy
- iSucceed Virtual High School

Twenty-four of 36 brick and mortar charter schools provide transportation services.

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<sup>1</sup> As allowed under Idaho Code § 33-1503, three districts provide transportation reimbursement to families rather than provide bus service.

**EXHIBIT B.1 TRANSPORTATION SERVICES BY BRICK AND MORTAR CHARTER SCHOOLS**

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Provides Transportation Services	Does Not Provide Transportation Services
Blackfoot Community Charter Learning Center	Anser Charter School
Compass Public Charter School	ARTEC Charter School
Falcon Ridge Public Charter School	Coeur d'Alene Charter Academy
Forrest M. Bird Charter School	Meridian Medical Arts Charter High School
Heritage Academy	North Idaho STEM Charter Academy
Heritage Community Charter School	Palouse Prairie School
Idaho Arts Charter School	Pocatello Community Charter School
Idaho Science and Technology Charter School	Richard McKenna Charter High School
Legacy Charter School	Rolling Hills Public Charter School
Liberty Charter School	Sage International School of Boise
Meridian Technical Arts Charter High School	The Academy at Roosevelt Center
Moscow Charter School	The Village Charter School
Monticello Montessori School	
North Star Charter School	
North Valley Academy	
Payette River Technical Academy	
Taylor's Crossing Public Charter School	
Thomas Jefferson Charter School	
Upper Carmen Public Charter School	
Victory Charter School	
Vision Public Charter School	
White Pine Charter School	
Wings Charter Middle School	
Xavier Charter School	

Source: Department of Education data and Office of Performance Evaluations' survey results, 2012.

According to staff at the Department of Education, no other virtual charter schools meet the size requirements in Idaho Code § 33-1006(6) to receive transportation funding. Additionally, our survey results from charter school administrators found that four of the charter schools listed in exhibit B.1 partner with a district to provide transportation services:

- Liberty Charter School
- Meridian Technical Arts Charter High School
- Moscow Charter School
- Payette River Technical Academy

Of those four charter schools, Liberty Charter School is the only school to also receive transportation funding as indicated by data we received from the Department of Education.

## **Idaho Does Not Require Public Schools to Offer Lunch Programs**

Unlike some states, Idaho Code does not mandate that national school lunch programs be offered in public or private schools. To determine how many charter and traditional schools participate in a national school lunch program, we analyzed Department of Education data. Data for lunch programs are collected by the number of school buildings. Of the 728 school buildings statewide, 45 are charter school buildings and 683 are traditional school buildings.<sup>2</sup> We found that 49 percent of charter school buildings participated in a lunch program compared with 96 percent of traditional school buildings during academic year 2011–2012.<sup>3</sup>

Our survey of charter school administrators found that at least five charter schools reported partnering with a district to provide food services to students:<sup>4</sup>

- Blackfoot Community Charter Learning Center
- Meridian Technical Arts Charter High School
- Monticello Montessori School
- Moscow Charter School
- Payette River Technical Academy

We also calculated the percentage of students at both charter and traditional schools who participated in a free or reduced-price lunch program, determined by low-income status, during academic year 2011–2012. As shown in exhibit B.2, charter schools generally have a lower percentage of students receiving free or reduced-price lunches than traditional schools, with a statewide average of 43 percent for charter schools and 51 percent for traditional schools.

As discussed in chapter 5, the Colorado League of Charter Schools surveyed Idaho’s charter schools and released its report in 2012. The league found that more than 65 percent of Idaho’s brick and mortar charter schools lacked federally approved kitchen facilities. A federally approved kitchen facility would allow the school to provide meals to be prepared onsite that would qualify for the free or reduced-price lunch program subsidies from the federal government. This finding may explain the lack of free or reduced-price lunch programs offered by charter schools in Idaho.

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<sup>2</sup> Total includes alternative schools.

<sup>3</sup> According to Department of Education data, one charter school, The Academy at Roosevelt Center, was excluded from the count because its lunch program is sponsored by a local church.

<sup>4</sup> Although they provide lunch services, two schools, Meridian Technical Arts Charter High School and Payette River Technical Charter, do not participate in a USDA lunch program.

**EXHIBIT B.2 PERCENTAGE OF CHARTER SCHOOL AND TRADITIONAL SCHOOL STUDENTS RECEIVING FREE OR REDUCED-PRICE MEALS, ACADEMIC YEAR 2010–2011**

	Percentage Range	Statewide Average (%)
Charter schools (N=22)	15–84	43
Traditional schools <sup>a</sup> (N=646)	8–95	51

Source: Office of Performance Evaluations' analysis of data from the Department of Education.

<sup>a</sup> Traditional schools without total enrollment data were removed from the data set. Entities identified as nonpublic schools, such as St. Mark's Catholic School, were excluded from the analysis.

# **Responses to the Evaluation**





C.L. "BUTCH" OTTER  
GOVERNOR

March 15, 2013

Dear Director Mohan,

I have reviewed OPE's report titled *Policy Differences Between Charter and Traditional Schools* and I appreciate the thoughtful work that went into its generation.

When the parents of Idaho's children choose a school, they have the opportunity to choose the education that they believe will be best for their children. Regardless of the school environment chosen, education is the key to economic and social well-being and Idaho's future prosperity.

High-quality traditional and charter schools help advance Idaho toward becoming a global leader. They help ensure a responsive, relevant and cost-effective 21<sup>st</sup> century education to our youngest citizens – one that prepares them to thrive in their careers and communities.

I am committed to working with the Public Charter School Commission to help foster innovation, creativity and the development of education options that work for Idaho students and Idaho communities.

Thank you once again for your report and your commitment to improving life in Idaho for all our citizens.

As Always – Idaho, "Esto Perpetua"

A handwritten signature in black ink that reads "C.L. Butch Otter".

CLO/sp

C.L. "Butch" Otter  
Governor of Idaho





## IDAHO STATE BOARD OF EDUCATION

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March 13, 2013

Rakesh Mohan  
Director, Office of Performance Evaluation  
700 West State Street  
PO Box 83720  
Boise, ID 83720-005

Dear Mr. Mohan:

Thank you for the opportunity to respond to the Office of Performance Evaluation's report, *Policy Differences Between Charter and Traditional Schools*. As indicated in your report sufficient data is not available to measure the effectiveness of charter schools as part of Idaho's public education system. The State Board of Education is dedicated to using data to make policy decisions and would be receptive to any tools that would allow for additional data collection to make policy decisions regarding Idaho's public schools, including charter schools.

Respectfully,

A handwritten signature in blue ink that reads "Tracie Bent".

Tracie Bent  
Chief Planning and Policy Officer





P.O. Box 83720  
Boise, ID 83720-0027

**STATE OF IDAHO**  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
**Mr. Tom Luna**

Phone (208) 332-6815  
Fax (208) 332-6836

March 13, 2013

Rakesh Mohan  
Office of Performance Evaluations

Dear Rakesh:

Thank you for the opportunity to review this report and provide our feedback.

In many ways, this report highlights some of the challenges Idaho's public charter schools and traditional school districts have faced for many years and supports the reasons why the state and educational stakeholders are working to improve the public charter school law. Over the past year, we at the State Department of Education have worked with representatives of educational stakeholder groups to not only identify the challenges but find solutions. That is why you see proposals to change Idaho Code and improve the charter school law before the Idaho Legislature today. Each proposal has been carefully vetted by stakeholders and compared to model charter school laws in other states. These changes to Idaho Code may not necessarily change long-held philosophies in the arguments over expanding school choice, but they will provide more quality choices and accountability within Idaho's public education system and address the concerns highlighted in this report to ensure the State of Idaho is truly meeting the needs of all Idaho students – no matter which public school a child attends.

Having said that, I must express my concern with OPE's use of an open-ended survey to accomplish its assigned task: "to evaluate the differences between our charter schools and our traditional schools to measure if the goals of changing the [education] system are being met." I believe opinion and feedback have a place in research; however, by using open-ended surveys, rather than scientific methods, this report dealt more with perception than fact as it analyzed many parts of the public charter school law, the spirit behind it and how it has been implemented statewide.

For example, multiple times throughout the report individuals expressed concerns in the survey that they believe public charter schools have not met their intended purpose to act as learning labs that would disseminate new ideas to other schools to improve public education. The report does not point to any such ideas that have actually been disseminated from charter schools to traditional public schools; however, I can point to several.

First, look at the growth of magnet schools, alternative schools, open enrollment, focus schools or programs, and other opportunities that have expanded school choice within our traditional public school districts since public charter schools began to operate in 1998. According to the Department's records, the first magnet school opened in 2004. We now have 23 magnet schools in Idaho. The state also has 10 focus schools and programs currently across Idaho.

Second, the expansion of virtual education opportunities within public schools districts can directly be attributed to Idaho's public charter schools. In 2008, a group of superintendents approached me asking for flexibility within

Idaho Code to operate virtual programs within their districts to better compete with public charter schools in the state. In 2009, we made this possible. The Legislature passed House Bill 303, providing local school districts with flexibility in the funding they receive to use for virtual programs to serve students. Three local school districts are currently using this flexibility for virtual programs.

Bonneville School District was the first to take advantage of this flexibility when they created the Bonneville District Virtual Academy. They started with five students in August 2009 and have quickly grown to serving more than 200 students this year. Seven students will graduate this May. In a presentation to district superintendents in 2010, Bonneville School District Superintendent Chuck Shackett said it is a great way to reintroduce homeschool students and others to the local school district.

Third, the report states the following: "Although not specifically mentioned in Idaho Code, stakeholders who were knowledgeable of the reasons for enacting the charter school law mentioned that charter schools were initially intended to act as learning labs that would disseminate new ideas to other schools to improve public education. Stakeholders are mixed as to whether the dissemination of new ideas is occurring as intended." While Idaho Code does not require Idaho's public schools – whether traditional or charter – to share best practices, the state has made concerted efforts to disseminate the innovative ideas from public charter schools to traditional school districts with federal grant funding we received in previous years. Specifically, we started the Charter Star Awards program to recognize best practices in public charter schools and share these ideas with the general public and traditional public school districts. Anser Charter School and Idaho Arts Charter School both have received this award.

In addition, we provided specific dissemination grant funds for several public charter schools to work with traditional public schools to share ideas and best practices. Here are some of the grants we awarded in previous years:

- Meridian Technical Charter School provided technical certification training for Meridian district certified staff and provided equipment and training for Meridian Academy to work toward a one-to-one environment and use of Moodle for classroom instruction.
- Academy at Roosevelt Center developed Professional Learning Communities with North Gem School District centered around reading instruction and data analysis best practices.
- Idaho Arts Charter School provided Arts Integration workshops for schools and teachers in the Nampa area. Art, music, communications and general education teachers from all areas of the state participated in their workshops.
- ARTEC provided two weeklong training opportunities for professional-technical and subject area teachers designed to integrate professional-technical topics into core areas. Approximately 140 non-ARTEC teachers attended each training.

These are just a few examples of ways in which innovative ideas from Idaho's public charter schools have been disseminated and implemented in traditional public schools since 1998.

Another example in the report is many traditional school administrators expressed concerns that public charter schools are allowed to pick and choose students to enroll; therefore, public charter schools have fewer low-income students and students with special needs. While this may be the perception, it is once again not the reality. The data, which is included in this report, shows the average poverty rate for charter schools was 46 percent, and the average poverty rate for traditional schools is 50 percent. The analysis of special education data also showed that charter schools and districts serve a similar percentage of special education students: about 10 percent in traditional school districts, 8 percent in brick-and-mortar charter schools and 9 percent in virtual charter schools.

Based on this information, I am convinced this report would have been better served if it had only utilized measurable data in answering the question that was originally asked, rather than drawing conclusions from open-ended, non-scientific surveys to try and achieve its goals.

In addition, the report suggests more than once that the Legislature may want to conduct a future study comparing student outcomes between public charter schools and traditional public schools. This research already exists and was made available to the Office of Performance Evaluations while they were preparing this report. Education Northwest has conducted this research for the State of Idaho in previous years. The data is readily available on our website at [http://www.sde.idaho.gov/site/charter\\_schools/research\\_reports.htm](http://www.sde.idaho.gov/site/charter_schools/research_reports.htm).

Thank you again for your time and attention to this issue, and I hope you will take these suggestions into consideration for this report and future reports.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Luna", with a long horizontal flourish extending to the right.

Tom Luna  
Idaho Superintendent of Public Instruction



# Office of Performance Evaluations' Comments to the Department of Education's Formal Response

## ***Collaboration and Technical Review Process***

Our evaluations are a collaborative process. Throughout the charter school study, we worked closely with the department's school choice coordinator. She was helpful and responsive in providing input on a wide range of topics. We also received valuable input from the deputy superintendent for public school finance on a number of issues related to school funding. As part of our standard evaluation process, we gave the department an opportunity to review our draft report and provide feedback on inaccuracies or incomplete information.

The comments we received from the school choice coordinator and the deputy superintendent for public school finance did not raise questions about our methodology, request an inclusion of additional details about the department's dissemination efforts, or mention the availability of data that would allow for comprehensive comparisons of student performance. Had these issues been raised, we would have worked with the department to resolve any misunderstandings.

## ***Stakeholder Perspectives and Quantitative Data***

Throughout our report, stakeholder perspectives are appropriately presented under each relevant section. The stakeholders we interviewed and surveyed were education professionals whose responses represented a wide range of views. At no point in our report did we use stakeholder perspectives as the sole basis for any finding. We used stakeholder input to supplement the discussion, particularly when addressing the issue of value added. Because the state has not set prescriptive goals for charter schools other than the seven elements listed as legislative intent in Idaho Code, stakeholders played an important role in providing information where data was either limited or did not exist.

We strive to provide the best evidence available when conducting evaluations. In the charter school study, we evaluated various quantitative data sources that are relevant to Idaho's charter schools, and specifically, data that is relevant to the study questions. As the department's response points out, available data can provide counts on several factors relevant to charter schools such as the number

of charter schools in operation or student enrollment. We used such quantitative data where appropriate.

The types and quality of data that were available for our evaluation were either unsuitable or insufficient for answering the questions posed to us by the Legislature. Because of the nature of the questions we were asked to evaluate, we determined that we would need to supplement our data analysis with a combination of survey research and stakeholder outreach.

### ***Outcomes of Dissemination Efforts***

As the department indicated, we did not list any dissemination grant recipients in our report. Through the course of our evaluation, department staff had noted that the outcomes of the grants might have had varying levels of success. The department did not provide us with data to support potential outcomes linked to dissemination efforts. At no point in our report do we suggest that innovation or dissemination are not taking place. Rather, we make the point that innovation and dissemination have not been revisited in a way that would allow us to measure or further define what those terms mean.

### ***Data Limitations and Determining Causation***

The department suggests that the expanded school choices in traditional schools is a result of the dissemination of charter school ideas. In its response, the department states, "...the first magnet schools opened in 2004. We now have 23 magnet schools in Idaho." Without researching the exact motives that led districts to make these decisions, however, one cannot definitively conclude that charter schools caused this expansion. This lack of data was a limitation to our study, and we were careful to not make any generalizations that were potentially unfounded or could not be substantiated. In conducting any evaluation, we recognize that correlation does not necessarily equal causation.

### ***Future Study of Student Academic Performance***

The department questioned our suggestion to the Legislature to consider a comparative study of student academic performance. We suggested a future study of student performance for several reasons:

- Our study request did not ask us to evaluate student performance; however, a number of stakeholders, including commissioners from the Public Charter School Commission, questioned the value of any study that did not address this element.
- The most recent comparative achievement data that the department lists on its website for charter schools is for academic year 2009–2010. Since that time, ten charter schools have opened and three have closed. Using

outdated or incomplete data would not provide policymakers with the most relevant and comprehensive information available.

- The department has developed a more comprehensive student data system that will eventually allow for more meaningful comparisons of a wide range of student performance data. Throughout the course of our evaluation, department officials suggested the state's new Five Star Rating System would be a more comprehensive measure for all schools, which we included in our report to help inform future discussions.

As an independent, objective office, we provide the Legislature with the most relevant, timely, and accurate information available. In doing so, we recognize the value stakeholders play in providing the context and perspective that quantitative data alone cannot provide.





## IDAHO PUBLIC CHARTER SCHOOL COMMISSION

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March 12, 2013

Rakesh Mohan, Director  
Office of Performance Evaluations  
INTER-AGENCY MAIL

Re: Public Charter School Commission Response to OPE Report Titled *Policy Differences Between Charter and Traditional Schools*

Dear Mr. Mohan:

Thank you for the opportunity to respond to the Office of Performance Evaluation's (OPE) report on the subject of policy differences between Idaho's traditional public schools and public charter schools. We enjoyed working with your staff during the development of the report and are pleased to offer this response to your findings.

As Idaho's largest authorizer of public charter schools, the Public Charter School Commission (PCSC) has put extensive effort into the study and application of best practices regarding charter school authorizing. Our work, influenced by research from the National Association of Charter School Authorizers, the National Alliance for Public Charter Schools, the Center for Education Reform, the Thomas B. Fordham Institute, and others, supports the observations of the OPE's report with regard to:

- Periodic charter renewals,
- Performance-based contracts, and
- Importance of adequate resources for authorizers, including district authorizers.

The PCSC places high value on the first legislative intent contained in Idaho's public charter school statute: Improve student learning. To ensure a healthy charter sector within our public education system, it is important that authorizers both encourage innovative ideas and have the ability to eliminate those "educational laboratories" whose persistent underperformance proves them unsuccessful. The implementation of renewals and performance contracts would increase authorizer willingness to take risks on innovative ideas while better protecting student and taxpayer interests through the application of high quality standards. It would also improve public charter schools' autonomy by shifting authorizer focus from the means by which schools educate students to the end results achieved through those means.

Additionally, the PCSC appreciates the report's acknowledgement that many of Idaho's traditional school districts have increased their educational choice options in recent years. This appears to be one way in which public charter schools have positively impacted public education as a whole, though by a less direct route than may have been anticipated by the drafters of our state's charter legislation. Even in the light of increased choice within traditional district, however, it is important to note that public charter schools continue to provide a unique opportunity through which members of a community may propose additional educational options that their districts are unwilling or unable to offer.

Thank you again for your thoughtful work on the subject of Idaho's public charter schools. Please feel free to contact me any time I may be of further assistance to you.

Kind regards,



Tamara L. Baysinger  
Director

Cc. Alan Reed, PCSC Chairman  
Tracie Bent, Office of the State Board of Education

## Office of Performance Evaluations Reports, 2010–Present

Publication numbers ending with “F” are follow-up reports of previous evaluations.

<b>Pub. #</b>	<b>Report Title</b>	<b>Date Released</b>
10-01	Operational Efficiencies in Idaho’s Prison System	January 2010
10-02	Increasing Efficiencies in Idaho's Parole Process	February 2010
10-03F	Use of Average Daily Attendance in Public Education	March 2010
10-04	Governance of EMS Agencies in Idaho	November 2010
10-05F	Governance of Information Technology and Public Safety Communications	November 2010
11-01	Distribution and Sale of Liquor in Idaho	January 2011
11-02	Coordination and Delivery of Senior Services in Idaho	February 2011
11-03F	Increasing Efficiencies in Idaho’s Parole Process	February 2011
11-04F	Idaho Transportation Department Performance Audit	March 2011
11-05	Delays in Medicaid Claims Processing	March 2011
11-06	Equity in Higher Education Funding	November 2011
11-07	Idaho’s End-Stage Renal Disease Program	November 2011
11-08F	Distribution and Sale of Liquor in Idaho	November 2011
12-01	Reducing Barriers to Postsecondary Education	January 2012
12-02F	Delays in Medicaid Claims Processing	January 2012
12-03	Lottery Operations and Charitable Gaming	February 2012
12-04	Establishing an Efficiency Commission	February 2012
12-05F	Coordination and Delivery of Senior Services in Idaho	February 2012
12-06F	Operational Efficiencies in Idaho’s Prison System	February 2012
12-07F	Idaho’s End-Stage Renal Disease Program	March 2012
12-08F	Idaho Transportation Department Performance Audit	March 2012
12-09F	Delays in Medicaid Claims Processing	November 2012
12-10F	Increasing Efficiencies in Idaho’s Parole Process	November 2012
13-01	Workforce Issues Affecting Public School Teachers	January 2013
13-02	Strengthening Contract Management in Idaho	January 2013
13-03	State Employee Compensation and Turnover	January 2013
13-04	Policy Differences Between Charter and Traditional Schools	March 2013
13-05F	Coordination and Delivery of Senior Services in Idaho	March 2013

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