Central Michigan University authorized 56 public charter schools in 2011-12, including some of the top schools in the state.

**Quantity with Quality** (Figure 1)
Michigan’s former governor, John Engler, was naturally attracted to charter schools. He had seen for too long how school districts treated students as their property and the state as an endless funding source, and he wanted that to change. Engler saw the chartering strategy as a politically viable means for gaining leverage over school districts and other interests that he felt were not serious about improving education. He believed that chartering could foster choice and competition within public education. And, as in the business world, he hoped the creation of an education marketplace would provide compelling incentives for schools to continuously improve or risk being put out of business.

A key step in establishing a charter-school sector is identifying the institutions that can authorize would-be founders to create these new public schools and grant them charters. Authorizers are charged with evaluating charter applicants, awarding and overseeing charter contracts, assessing whether the school is improving student achievement and fulfilling the goals in its charter contract, renewing charter contracts for schools that perform, and closing schools that do not.

Engler figured that for the chartering strategy to work in Michigan, he could not “just put authorizing in the hands of traditional school districts.” He says, “The superintendents were far more defensive about and married to the status quo than anybody else we were dealing with…” Just as it would be an inherent conflict to put McDonald’s in charge of determining whether or not others should be allowed to open a new restaurant nearby, Engler reasoned that charter school authorizers should be outside the control of the traditional K–12 system. He designed Michigan’s charter-school law to allow community colleges and the state’s 15 public universities to authorize charter schools, along with school districts.

By JAMES N. GOENNER
Engler signed Michigan’s charter-school law into effect on January 14, 1994, and in August of that year, Central Michigan University (CMU) became the first university in the nation to authorize a charter school. Ironically, the same day CMU’s board of trustees authorized its first three charter schools, a group spearheaded by the Michigan Education Association, called the Council of Organizations and Others for Education About Parochiaid, along with two members of the state board of education, filed a lawsuit challenging the law’s constitutionality.

Founded in 1892, CMU had a long history of preparing teachers and school administrators. Thus, its decision to authorize charter schools riled many of its alumni who were teaching in traditional public schools across the state. Some of them even notified the university that they would no longer donate to their alma mater because of the leadership role it was playing with charter schools. One now-infamous controversy arose when the superintendent of a school district in southeast Michigan wrote CMU’s president notifying him that his district would no longer accept student teachers from CMU, hire CMU graduates, or recommend their high-school graduates attend CMU.

W. Sidney Smith, who chaired CMU’s board of trustees at the time, recalls that the president was out of town when the letter arrived. Not wanting to let the situation get out of hand, Smith says he “called a ‘war room’ together to strategize a response. We had over 200 CMU alumni attend the district’s board meeting. They were wearing CMU colors and making it very clear that their children should be able to live, work, play and go to school wherever they choose and that the superintendent deserved to be reprimanded.” The strategy worked, and the district and the superintendent soon recanted and apologized for the letter.

This story illustrates the pressure that is brought to bear on those who disrupt the status quo and its existing arrangements, which is exactly what the chartering strategy is supposed to do. This is why alpha authorizers, chartering agencies that operate independently of school districts, are so desperately needed.

At the start of 2012, CMU served as authorizer to 56 of the 250 Michigan charter schools; the CMU charters educate about 30,000 students.

The Key to Quality

Ten years after Engler’s departure, Michigan is home to more than 250 charter schools educating some 115,000 students or 8 percent of the state’s public-school students. At the start of 2012, CMU served as authorizer to 56 of the schools, which educate about 30,000 students (see Figure 1). The top-performing public school in Michigan for each of the past five years has been a charter school authorized by CMU, and three high schools authorized by CMU have been recognized by U.S. News & World Report as among America’s best. CMU schools have performed extremely well on state exams. Despite serving a substantially greater proportion of students from low-income families and minorities than district schools, a higher percentage of CMU schools
Early on, the role of charter school authorizers seemed so straightforward that little focus was placed on them, while the politics of chartering and the action surrounding the schools themselves consumed most of the attention. But as the charter schools movement spread across the country, more and more observers began to grow concerned about the wide variances in how charter schools were being approved to open, what quality standards they were measured against, and whether or not those that failed to perform were being held accountable, as promised.

By nature, the chartering strategy is not a prescriptive policy for improving schools. Rather, it is a way for policymakers to challenge the “givens” of the existing system by harnessing the powerful dynamics created by choice, competition, standards, and accountability. But having a strategy and getting it properly implemented are two different things. As the University of Michigan’s David K. Cohen so aptly put it, “Once upon a time, students of American politics believed that policy turned out as intended. But they have recently concluded that intentions are an inconsistent guide to results.”

Since policymakers have empowered authorizers to actually do the chartering, how they perform their role will have a defining impact on how well the chartering strategy is implemented and refined over time.

In 2006, the Thomas B. Fordham Institute brought national attention to the idea that authorizing matters when it released a report called “Trends in Charter School Authorizing.” The report said, “Over the past decade or so, we and others have often claimed that charter schools are the most promising innovations in American education. We were wrong. Charter school authorizing and the act of chartering schools are the most promising contemporary educational innovation. After all, there’s little you can find in the nation’s charter schools that doesn’t also exist somewhere in the vast and varied world of public and private schools. But the process of authorizing new schools—allowing them to open, overseeing their progress, shutting them down if necessary, but not actually running them—is entirely new.

The Fordham Institute’s observation was right on: authorizing matters. In fact, charter school authorizers are now expected to play an even more assertive role in ensuring that charter schools offer parents high-quality choices and not simply more choices for their children’s education. Regrettably, though, too many authorizers lack either the will or the capacity to up their game.

The Case for Alpha Authorizers
If the chartering strategy depends on disrupting the existing arrangements for how public education functions, then most charter laws have a structural flaw that will dramatically limit the ability of charter schools to deliver real change for educators and students. The flaw is relying on school districts to be authorizers. This is happening in far too many parts of the country. For example, the annual report released by the National Association of Charter School Authorizers (NACSA), “The State of Charter School Authorizing 2011,” shows that of the nation’s nearly 1,000 authorizers, more than 850 are school districts. These districts, or LEAs (Local Education Agencies), authorize just over half (52 percent) of all charter schools. With the frequent reports of school districts doing a poor job of fulfilling their authorizing duties and school districts’ authorizing over half of the nation’s charter schools, it is easy to see how the real power of the chartering strategy is being negated.

This structural flaw runs counter to the original idea of chartering, allowing an entity other than the local school district to establish new schools. Further, it is unlikely that district authorizers will move beyond the regulatory-driven, compliance-based accountability systems that are the hallmark of public education or the troubling hit-and-miss formation of new schools that is raising questions about the ability of charter schools to deliver improvement on the scale that our country needs.

Even more concerning is the fact that school-district authorizers may be hostile to the charter idea itself. To understand why, one must understand the strategy Ted Kolderie, an early advocate of charters schools, outlined to lawmakers in a 1990 article titled, “The States Will Have to Withdraw the Exclusive.” Kolderie’s premise was that it was futile for lawmakers to
continue trying to “improve existing schools within existing arrangements.” He wrote,
The existing arrangement has been...a checkerboard pattern of districts financed by taxes and appropriations, each with an “exclusive franchise” to offer public education within its boundaries. With customers required by law to use the service and assigned to the organization serving their “district,” such an arrangement effectively guarantees the organizations and the people in them most everything important to their material success: their enrollments, their revenues, their jobs, their incomes—and their existence.

Kolderie argued that this regulated public-utility model had led states to demand improvements and districts to promise improvements, in an endless exchange of money for promises. For this to change, he argued, lawmakers would have to enact policies that would no longer allow districts to take “students for granted.” So he exhorted lawmakers to consider “chartering,” as a way to allow entities other than school districts to establish new public schools that would be open to students regardless of where they lived, thereby beginning to withdraw the monopoly school districts held over the provision of public education. For the chartering strategy to improve the whole of public education, we need to think strategically about what institutions we want authorizing schools. We need to support the emergence of more alpha authorizers, those who are independent of the K–12 system and have the courage and tenacity to serve as change agents, market makers, and forces for quality, while reliably performing the core functions of authorizing mentioned above.

In December 2011, after a decade-long political battle, Michigan’s legislature removed the cap restricting the number of charter schools that could be authorized by universities. Functioning as a market maker, CMU played a key role. Over the years, CMU was involved in establishing numerous organizations that would provide the support necessary to expand Michigan’s chartering strategy. For example, in 1996 CMU saw the need for charter schools to have representation in the state capitol and with the media, which led to the founding of the Michigan Association of Public School Academies, which now serves as the unified voice for Michigan’s charter schools and was a major advocate for removing the cap.

Several years later, CMU played a founding role in the establishment of both the Michigan Council of Charter School Authorizers and the National Association of Charter School Authorizers. Each organization now publishes oversight and accountability standards that serve as a guide for quality authorizing. On another front, CMU founded the Michigan Resource Center for Charter Schools and in 2001 facilitated its transition to the National Charter Schools Institute so that it could support the development and performance of the entire charter-school sector.

Advance Performance-Based Accountability
Alpha authorizers can lead the way in transitioning the oversight and accountability of charter schools from a compliance- to a performance-based approach. This process begins by fostering a welcoming regulatory environment. It means protecting the integrity of the charter application process by making it competitive, transparent, and merit-based. Alpha authorizers can also develop innovative ways to make it easier for groups with a demonstrable track record of success to replicate and scale their operations by bypassing some of the
selection procedures untested applicants must go through. For example, charter applicants that have been previously vetted and operate outstanding schools could be pre-qualified or fast-tracked so that they don’t have to resubmit the same paperwork or follow a pre-established process each time they seek to start a new school. At the same time, alpha authorizers need to conduct sound due diligence and avoid being mesmerized by applicants who have political, financial, or star power, but lack the competencies necessary to open and operate a high-quality school.

Finally, alpha authorizers must ensure the charter contracts they issue are arm’s-length, conflict-free performance agreements that contain clear, meaningful, and measurable academic, financial, and operational standards. For example, although the schools CMU chartered were required by law to administer the state testing system, the Michigan Educational Assessment Program or MEAP, the results were wholly inadequate for making high-stakes decisions like closing schools. To address this situation, CMU required schools to administer a computer adaptive test during a common testing window at the beginning and at the end of the school year. To minimize the burden on schools, CMU paid for the tests using a portion of the 3 percent school oversight fee that funds its authorizing operations.

Share Sustainable Systems
Alpha authorizers can enhance the value of the systems and processes they create by sharing them with school leaders and other authorizers.

Although the tests described above were created to measure the performance of schools, CMU shared with the schools ways in which they could use the data generated to improve teaching and learning. As the schools learned how to interpret this diagnostic information, many began using the system to individualize instruction, assess teachers, and pay for performance. Then, in conjunction with the National Charter Schools Institute, CMU developed a growth-to-standard assessment model, called Elevate360, using the ACT’s definition of college readiness as the standard: students have at least a 50 percent probability of earning a B or better, or a 75 percent probability of earning a C or better in their first-year English, algebra, biology, and social science classes. For students to meet this definition of college readiness, they need to earn the following subject-matter scores when taking the ACT exam: English 18; math 22; reading 21; and science 24.

Sadly, in 2010, of the 1.57 million high-school students who took the ACT, only 24 percent met the definition of college readiness. For African American students, the numbers are alarming. Only 4 percent met the standard in science, 7 percent in math, 14 percent in reading, and 25 percent in English. To begin tackling this problem, CMU backward-mapped from the ACT’s definition of college readiness to establish grade-level achievement targets for grades 2–8 that can be used with Northwest Evaluation Association’s Measures of Academic Progress (MAP) or the Performance Series by Global Scholar. This student growth and achievement system is now available for use by any authorizer or school in the country through the National Charter Schools Institute.

Finally, when CMU designed the Authorizers Oversight Information System (AOIS), the goal was to streamline and automate the regulatory reporting process so the schools could more easily fulfill their compliance obligations, thereby leaving them with more time to spend on their primary mission of serving students. Today, AOIS is being used by authorizers in 11 other states and the District of Columbia to oversee almost 500 schools.

Hard Work Ahead
If the integrity of the chartering strategy is to be upheld, authorizers need to do a better job of closing schools that fail to deliver results for students. Alpha authorizers can show the way by having the courage to tackle the politics associated with closing underperforming schools and knowing how to document the facts in order to prevail in the court of law and public opinion.

Of course, there is a risk that alpha authorizers could turn into overbearing, bureaucratic machines that stifle innovation and entrepreneurship. To guard against this, policymakers should encourage and enable multiple entities to serve as authorizers. Just as choice and competition are good for students and schools, choice and competition are good for authorizers.

James N. Goenner is the president and CEO of the National Charter Schools Institute and a former chairman of the National Association of Charter School Authorizers.