Introduction

School districts and county offices of education are charged with providing all students with high-quality educational programs that prepare them for college, career, and civic life. Locally elected school boards and county boards of education play a major role in ensuring that the school options available to students—including charter schools—offer a rigorous educational program, provide equal access, and are safe places to learn.

This brief is the second in a series aimed at supporting governing boards to ensure that the charter schools they oversee meet the conditions of quality, equity, and access. It follows Charter Schools in Focus, Issue 1: Managing the Petition Review Process, and focuses on effective monitoring practices that can help authorizers ensure that their charter schools are meeting the goals and obligations agreed upon through the charter petition process. Throughout the brief, the terms “authorizers” refers to school districts and county offices of education, while “authorizing boards” and “authorizer staff” refer to their governing board and staff, respectively. Ultimately, if a charter school is authorized by a board (of either a school district or county office of education), then that board becomes responsible for its performance and impact on students.

Guidelines for Effective Oversight

As the granting authorities of charter schools, school districts and county offices of education should have guidelines in place for monitoring their charter schools’ performance in relation to the goals in the charter agreement. The Charter Schools Act allows authorizers to require that the record keeping, financial reporting, and programmatic review procedures be enumerated in the charter agreement and the memoranda of understanding (MOUs) included within it.

Specifically, the Charter Schools Act requires authorizers to do the following for every charter school under their authority:¹

» Identify at least one staff member as a contact person for the charter school

This brief will answer the following questions:

» What are the requirements and some recommended practices for effective oversight of charter schools?

» What are some important questions that authorizers should ask as part of effective oversight for:  
  › Equity and access?  
  › Student outcomes?  
  › Governance and transparency?  
  › Fiscal soundness?

» What are some of the capacity and expertise concerns for authorizers to consider with respect to meeting oversight responsibilities?

» What is the role of county offices of education in charter oversight?

» What is the role of the State Board of Education in charter oversight?
» Ensure that the charter school complies with the submission of all reports required by law, including the Local Control and Accountability Plan (LCAP) and annual update to the LCAP

» Monitor the fiscal condition of the charter school

» Provide timely notice to the California Department of Education if a renewal of the charter is granted or denied, the charter is revoked, or if the school will close for any reason

These guidelines set the minimum conditions for oversight, which can be complemented with additional requirements. For all of these practices, assigning staff with the appropriate experience and training is critical. Incorporating the following, more specific, practices can ensure that all charter schools in the district or county are held to high standards.

Site Visits

While authorizers are only required to visit each charter school annually, they may inspect or observe any part of a charter school at any time. It is recommended that authorizer staff visit their charter schools at least two to three times during the year. Charter schools should have procedures in place for inquiries and visits from both the public and their authorizers. Authorizer staff may want to develop a protocol for visits that is congruent with site visits to other district or county office of education schools. These protocols may include a document review, scheduled interviews (with administrators, charter school board, staff, parents and guardians, and students), classroom observations, and a facility walk-through. As part of the agenda, a document review checklist should be provided to charter schools beforehand that outlines all of the Education Code requirements for oversight. While authorizer staff should schedule most of their visits with their charters, they may also consider making unannounced visits.

Requirement to Respond to Reasonable Inquiries

While the reporting of specific information by charter schools to their authorizers is required by law, authorizers can require additional information. Charter schools are required to promptly respond to all reasonable inquiries from their authorizing boards, from the county office of education that has jurisdiction over the authorizing board, or from the State Superintendent of Public Instruction, who has the authority to request information at any time. Charter schools can consult with their authorizing board, their county office of education, or the State Superintendent of Public Instruction regarding any inquiries.

Yearly Review and Documentation

CSBA encourages reviews by authorizer staff of all charter schools within their jurisdiction at least once a year and recommends that these reviews address each of the areas covered in this brief. Where feasible, authorizing boards should review the performance of each of their charter schools in a public meeting to ensure that there is alignment with community expectations and transparency in the process. This review helps ensure that there are no surprises during the petition renewal process, or if the board moves to revoke the charter.

Authorizer staff should maintain a file for each charter school, documenting completed reviews and any letters of concern or praise issued to their charters. These documents create a record that can be used when considering renewal, material revisions, or revocation.

Process for Accountability

The decision of authorizing boards to renew, not renew, or even revoke a charter should reflect a transparent process based on clear expectations. The exception might be a decision to revoke a charter in extreme circumstances. There are many intermediate actions that authorizing boards can take, including notifying charter schools of unacceptable performance or conditions that could lead to closure. Expectations and concerns should be clearly communicated and include timelines for improvement. For more information on the renewal process, revocations, and closure, see Charter Schools: A Guide for Governance Teams.

The following sections cover three areas of charter school oversight for authorizers to consider: 1) access and equity; 2) student outcomes; and 3) governance and transparency, and fiscal soundness.

Monitoring for Access and Equity

All public schools, including charter schools, are accountable for being accessible to and serving all students. According to the Education Code, charter schools must admit all students who wish to attend and cannot charge tuition or discriminate on the basis of race, gender, socioeconomic status, special education status, sexual orientation, or immigration status. In addition, all students enrolled in charter schools, just like any public school, should have essential supports to meet their needs, and have equal opportunity to participate in all of the courses and services that each
school has to offer. Authorizers should keep these guidelines in mind when reviewing practices and policies related to enrollment, suspensions, and expulsions.

To effectively monitor for access and equity, authorizers should conduct a review of relevant data, policies and practices, and programs. In addition, authorizers should consider their charter schools’ responsiveness to the needs of the communities they hope to serve.

Review of Data on Enrollment, Suspensions, and Expulsions

Authorizing boards can request student enrollment spreadsheets (which may include each student’s address or attendance zone) at the beginning, middle, and end of the school year. This data allows authorizers to evaluate whether each of their charter schools serves a student population that is comparable to that of district schools, county office of education schools, or the community in which each charter is located. In determining if their charter schools enroll a comparable student population, authorizers should consider multiple factors including students’ socioeconomic status, ethnicity, English learner status, identification for special education services, and academic achievement at time of enrollment. In addition, authorizers should review data related to student suspensions and expulsions, aggregated by student group. Enrollment data should also be analyzed multiple times during the school year to ensure that their charter schools maintain steady attendance and do not “counsel out” students at any time during the school year. For example, if authorizer staff find a significant number of students leaving a school (whether or not tagged as a suspension or expulsion), they should consider the demographics of those students and the timing of their departure to ensure equitable treatment of all students.

Review of Policies and Practices Related to Enrollment, Suspensions, and Expulsions

While a review of data can uncover what is happening in each charter school, a review of policies and practices can help determine why. During the petition process, each charter school must provide, as part of the petition’s 15 required elements, a reasonably comprehensive description of the following practices that can impact which students attend the school:

» “The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.”

» “Admission requirements, if applicable.”

» “The process by which pupils can be suspended or expelled.”

In reviewing these descriptions, authorizing boards should ensure that charter schools make clear commitments related to their recruitment practices, admission requirements, and suspension and expulsion practices. It is the responsibility of charter schools to follow the policies and practices that are legally required and in their charter agreement, and to notify their authorizing boards if policies and practices are changed. Within each charter agreement, authorizers can consider the following:

» Under “the means by which the school will achieve a racial and ethnic balance,” authorizers can consider the methods by which their charter schools recruit students. For example, does each charter school provide information about their programs in a manner that is accessible to all parents in the community, including to parents who do not speak English?

» Authorizers should determine reasonable expectations for student enrollment “that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.” While these expectations might differ based on the nature of each school, board members can ensure that reasonable expectations are established for all charters, including those that are countywide.

» While a recent court decision held that charter schools did not need to comply with the expulsion procedures of the Education Code, they can still be required to comply with these procedures if included as part of the charter agreement.

Report on Discriminatory Practices

According to a 2016 report by the ACLU and Public Advocates, over 20 percent of California’s charter schools were found to have exclusionary practices. These practices included denying enrollment based on academic achievement, expelling students based on academic achievement, denying enrollment based on English proficiency, requiring student or parent essays as part of enrollment, requesting social security numbers or citizenship information prior to enrollment, or requiring students or parents to volunteer or donate money. All of these practices are discriminatory and illegal under the Charter Schools Act. View the report at http://bit.ly/2t7Pez8.
Authorizers should also ensure that appropriate practices are consistently followed, and when necessary, intervene when something illegal or inappropriate is happening. For example, periodic reviews of the charter school’s website can help uncover inappropriate practices that the charter school may be able to easily correct. Interventions can range from a formal request for a charter school to correct an inappropriate practice to potential revocation or non-renewal in the most egregious cases.

Review of Programs and Services Impacting Equity

In reviewing the responsibility of each charter school to provide equal access to all students who wish to attend, authorizers should ask questions about school programs that may impact the ability of some students to fully participate in the curriculum and culture of the school. While charter schools have the flexibility to opt out of certain requirements, given their importance for many students, authorizers can request that charter schools participate in designated programs or have a robust plan for serving students in their absence. To facilitate this, authorizers and charter schools may establish agreements to use district or county office of education programs on a contract basis. For example, a charter school can provide meals to students through a contract with their district’s food services department or allow students to participate in the district’s athletic programs.

Course Access and Placement

A review of data related to course access and placement, broken down by student groups, should also be considered by an authorizer. This analysis can uncover gaps in programs and services that can disproportionately hurt students of color, socioeconomically disadvantaged students, English learners, students identified for special education services, and others. Recent issues related to unequal access to advanced coursework and even electives for students within the same school highlight the importance of this data for all public schools, including charters.

Some examples of programs that can impact equity and access in charter schools include, but are not limited to:

» **Free and Reduced Price Meals.** The absence of these programs can have a negative impact on the health and academic achievement of economically disadvantaged students. Moreover, many low-income families depend on these programs for much of their child’s daily food. These factors can discourage families from enrolling or lead to their dropping out of a charter school.

» **Coursework.** Authorizers should consider how the course offerings of their charter schools can impact student progress from middle school to high school and college. For example, a charter school serving grades 7–8 should provide students with the courses required to seamlessly transfer to the high school of their choice in the district. For high school students, charter schools should provide all students with the opportunity to meet University of California, California State University, and California Community College entrance requirements.

» **Skilled Staff.** Highly skilled staff at all levels (principals, teachers, counselors, etc.) is critical to ensuring that students receive a quality education. Considerations for hiring staff should include their knowledge of content, experience, education, and cultural competence. Staff should also have the skills and preparation to meet the needs of English learners, students identified for special education services, and other students that wish to attend. In cases where charter schools do not require staff certification, the charter agreement should indicate what skills and knowledge they will require and how they will determine if staff are adequately prepared. Charter schools should also have a professional development and support plan for staff at all levels.

» **Transportation.** Students’ ability to access schools of choice, including charter schools, is extremely important, especially when considering the location of charters in relation to the students they wish to serve. Unequal access to charter schools may arise when only children whose parents can drive them to school or pay for transportation can attend. Therefore, the authorizing boards should maintain reasonable expectations regarding the transportation provided by charter schools—expectations comparable to those of district-run schools.

» **Special Education Services.** Authorizers should ensure that charter schools have a plan for providing special education services that are of equal or greater quality to those provided by the school district or county office of education. While charter schools have the flexibility to enroll in the Special Education Local Plan Area (SELPA) of their choice, authorizers should understand the reasoning for that choice and ensure that the services available are appropriate and accessible to students, especially when the selected SELPA is not in the district or county in which the charter school is located.
In providing oversight for access and equity, board members should seek answers to the following questions:

1. Do the demographics of the charter school match those of the school district, county, or surrounding community?
2. What are the demographics of students being suspended, expelled, or leaving the charter school? How does this compare with discipline data from district or county office of education schools?
3. What are the reasons for the rates of suspension, expulsion, or student transfer of any kind?
4. What are the enrollment practices of the charter school? Do these practices provide equal access to all families that wish to enroll their children?
5. Are there any programs that the charter school does not provide that may discourage certain student groups from participating in the school? Does the charter school have a plan to address the needs of all students in the absence of these services?

Monitoring for Student Outcomes

Charter school petitions must provide, as part of the petition’s 15 required elements, a comprehensive description of their annual goals for all numerically significant student groups—both identified in the LCAP and the charter agreement—as well as specific annual actions to achieve those goals. These goals should be set for each of the required state priorities identified by the Local Control Funding Formula (LCFF) statute, and can also include additional school-specific goals. Charter schools must also describe the method by which progress in meeting these student outcomes will be measured.

Authorizing boards should ensure that staff conduct an annual review of their charter schools’ progress toward meeting the goals established in their petition and that student outcome goals are being met for all student groups. In conducting this review of student outcomes, authorizers can use the LCAP for each charter as a starting point. Charter schools are required to submit, by July 1 of each year, their LCAP and annual update to the school district board and county superintendent of schools. The LCAP and annual update, along with any other information provided by charter schools, should include a review of the progress toward the goals included in their charter agreement, an assessment of the effectiveness of the specific actions described in the agreement, and a description of changes that will be made as a result of the review. While there is no legal requirement for authorizing boards to provide input to or approve their charters’ LCAPs or annual updates, their level of involvement can be clarified in the charter agreement (or through a charter amendment for an already-established charter).

Authorizer staff can also perform their own review of student outcomes in each of their charter schools as compared to similar students’ outcomes in district or county office of education schools. California Assessment of Student Performance and Progress (CAASPP) results and the measures in the California School Dashboard can be used in this analysis (each charter school will receive a yearly Dashboard report). Staff can also use other student outcome measures important to the district or county office of education, such as graduation rates, suspension rates, school climate, or access to a well-rounded education. Student groups considered in this analysis should include all numerically significant student groups in the district or county and not be limited to only those that generate supplemental and concentration funding under the LCFF.

In addition, when monitoring for student outcomes and for access and equity (discussed in the previous section), authorizers should consider the academic achievement of students at the time of enrollment. This will allow them to determine if there are any major differences between the achievement profile of students in each charter school and similar students in district or county schools. For example, a 2017 analysis found that while Oakland charter schools and district-run schools enrolled similar numbers of economically disadvantaged and English learner students, the charter schools enrolled a lower proportion of students with higher academic need.
In providing oversight for student outcomes, board members should seek answers to the following questions:

1. What are the student outcome goals in the charter agreement?
2. Is the charter school meeting student outcome goals for each student group?
3. Is student performance in the charter school better, worse, or on par with the performance of district or county office of education school students overall? How does this performance compare with that of students from each student group in schools in the surrounding community or similar schools?
4. If student goals are not being met, is performance improving? Does the charter school have a coherent plan for improvement that addresses any of the student outcome goals not being met?

Monitoring Governance and Transparency, and Fiscal Soundness

Like any effective school district or county office of education, charter schools must have strong governance and transparency and be fiscally sound. Monitoring for these factors is critical to ensuring that public funds are being invested effectively and that charter schools operate without any harm or disruption of services to students throughout the school year.

Governance and Transparency Review

Monitoring the governance of a charter school starts with an evaluation of the governing board of each charter school, including its composition and meetings. Authorizers should annually request a list of current charter school board members, including names, titles, and qualifications or expertise. This will allow authorizers to monitor the stability of each charter board and ensure that they are meeting the commitments for representation delineated in their charter agreement. For example, authorizers can ensure that parents or community members are represented on the boards of their charter schools if this is included in their agreement.

To further increase transparency, authorizers can ensure that meetings of the charter board are open, take place at a site and time accessible to the public, and have publicly available minutes and agendas. The location and time of board meetings should take into consideration its accessibility to students and families. While charters that are part of a larger network of schools (such as a Charter Management Organization) can bring about unique challenges regarding the proposed composition of the board and location of meetings; having clear expectations that all charters must comply with can be beneficial to authorizing boards and charter schools, making both more responsive to community needs.

Authorizers can also direct staff to attend charter board meetings and review the minutes from such meetings. In cases where an authorizing board member also sits on the board of a charter school, this monitoring may be more seamless. However, it is strongly recommended that authorizers consult with their legal counsel before allowing a member of the board or staff to sit as a voting member on the charter board, since the situation raises conflict of interest concerns (e.g., should a member of the district authorizing board vote on issues to which they will eventually hold themselves accountable?).

Authorizers should also ensure that their charter schools are meeting all transparency guidelines required by law, as well as any guidelines that were established in their charter agreement. For example, although there are good reasons to believe that the Brown Act, the Public Records Act, the Political Reform Act, and Government Code 1090 all apply to charter schools, not everyone is in agreement. CSBA’s opinion is that these laws do apply to charter schools and recommends that compliance with them is referenced in the charter agreement. Ultimately, charter schools must abide by any provision delineated in their charter agreement.

Fiscal Review

Authorizer staff should conduct a fiscal review of their charter schools annually and regularly report findings to authorizing boards. Accordingly, “the chartering authority shall use any financial information it obtains from the charter school, including, but not limited to, the reports required by this section, to assess the fiscal condition of the charter school.” Charter schools are required to submit the following financial documents to their authorizer and county superintendent of schools:
» LCAP and annual update to the LCAP on or before July 1. Along with goals and student outcome data, these documents include information on programs and priorities for the charter school and how resources are being used to support these.

» Preliminary budget on or before July 1. This will have already been submitted in the petition for a charter school prior to its first year of operation.

» Financial reports. These reports should include a breakdown of revenues identified by source and details regarding the amounts spent for certain expenditure categories, such as employee salaries and benefits, books, supplies, equipment, contracted services, other operating expenses, and capital outlay. Charter schools should be prepared to provide additional financial information about beginning and ending balances, amounts set aside for reserves, amounts spent for debt service, and amounts spent from certain state and federal funding sources.

  › On or before December 15: Interim report reflecting changes through October 31.
  › On or before March 15: Interim report reflecting changes through January 31.
  › On or before September 15: Final audited report for the prior year.

Moreover, as one of the petition’s 15 required elements, independent financial audits must be conducted annually and made public. It is recommended that these audits include a description of any contracts for services into which the charter school has entered. Ultimately, authorizers should be aware of any of their charter schools’ major business decisions and contracts to ensure that all proper procedures are being followed.

3. What are the transparency and conflict of interest requirements delineated in the charter agreement? Is the charter school abiding by these requirements?

4. Is the charter school making investments in programs and services that align with its goals and challenges (both in the LCAP and charter agreement)?

5. Are the finances of the charter school adequate to guarantee stability in operations and student services?

Considering Capacity and Expertise in Charter School Oversight

Authorizing boards should ensure that their district or county office of education has clear guidelines and expectations, and the staff capacity and expertise to effectively conduct oversight. Having the right staff with the appropriate experience and training is critical. When creating the guidelines and expectations, the board should consider the resource limitations of the school district or county office of education.

To cover oversight costs, authorizing boards may charge up to one percent of the revenue of their charter schools. Authorizers that provide a charter school with substantial rent-free facilities may charge up to three percent of that charter school’s revenue. Note that facilities are not considered substantially rent-free if an authorizer charges a charter school for facility costs pursuant to Proposition 39 regulations. Proposition 39 requires districts to make reasonable efforts to provide facilities for charter schools that have a projected average daily attendance (ADA) of at least 80 in-district students—and these facilities must be reasonably equivalent to those of in-district schools (for more information on Proposition 39, see Charter Schools: A Guide for Governance Teams).

Funding can have an impact on the scope and depth of oversight activities. For example, authorizers that oversee a single charter school may feel a greater capacity strain than those that oversee 10, given economies of scale. This should be an important consideration for board members as they set oversight expectations in their district or county office of education.
In setting the expectations for charter school oversight, board members should seek answers to the following questions

1. What are the total funds available to the school district or county office of education from oversight fees? Do these funds adequately cover effective oversight?

2. Are there clear expectations for an annual review of charter schools, including reports to the board and appropriate notices and discussion items at board meetings when problems are found?

3. Does the staff responsible for charter school oversight have the appropriate capacity and expertise to effectively meet the expectations of the board?

4. Are there other organizations, districts, or county offices of education from which best practices and experience can be leveraged?

The County Office of Education Role in Oversight

When charter schools are authorized by their county board of education, either through an appeal or directly (for charters serving a student population that is normally served by the county or as countywide charters), then the county board maintains the same oversight responsibilities as school district boards.

Additionally, many county offices of education provide support to school districts by performing tasks that may be done more efficiently and economically at the county level. Parents, school districts, and the community at large may request that the county superintendent review a charter school’s operations through a written complaint. The county superintendent, based on these complaints or other information, may monitor or conduct an investigation into the operations of charter schools located within that county. The liability of a county superintendent of schools when conducting these activities is limited to the cost of the investigation. If the county superintendent believes that fraud, misappropriation of funds, or illegal fiscal practices have occurred at a charter school operating within its jurisdiction, it may request an audit by the Fiscal Crisis and Management Assistance Team (FCMAT) of expenditures and internal controls.

The State Board of Education Role in Oversight

The State Board of Education (SBE) is responsible for the oversight of SBE-approved charter schools (which can result from statewide-benefit charter schools or through an appeal of a charter that was denied at the county level). However, the SBE may, by mutual agreement, designate oversight responsibilities for a charter school to any local educational agency in the county in which the school is located or to the governing board of the school district that first denied the petition.

According to the Charter Schools Act, the SBE may also “take appropriate action, including, but not limited to, revocation” for all charter schools, whether or not it is the authorizer. This action must be based on the recommendation of the State Superintendent of Public Instruction and occur when the SBE finds one of the following:

» Gross financial mismanagement that jeopardizes the financial stability of the school

» Illegal or substantially improper use of funds for the personal benefit of any officer, director, or fiduciary of the charter

» Substantial and sustained departure from measurably successful practices that jeopardize the educational development of students

» Failure to improve student outcomes across multiple state and school priorities identified in the charter

Conclusion

Given the mixed results of charter school educational outcomes and the high stakes involved when considering the impact on students, effective oversight of charter schools is one of the most important responsibilities of school boards and county boards of education. While the Education Code establishes some guidelines and requirements for authorizers, board members can ask questions, set guidelines, and allocate resources to ensure that their school district or county office of education provides effective oversight, and to ensure that charter schools are meeting the commitments set forth in the charter agreement. Board members
aspire to a public education system of high-quality schools where all students have equal access to opportunity and receive the services that they need to achieve their fullest potential. When schools are not meeting these standards, then it is incumbent on board members to call attention to these deficiencies and take action.

CSBA is committed to supporting governing boards in carrying out their governance responsibilities with regard to charter schools. This brief, along with subsequent briefs in the series, our sample policies, and our manual Charter Schools: A Guide for Governance Teams, provide important tools to help boards fulfill this role.

CSBA Resources

Charter Schools in Focus, Issue 1: Managing the Petition Review Process (November 2016). Focuses on steps and strategies for governing boards to consider upon receiving a charter petition.

Charter Schools: A Guide for Governance Teams (February 2016). CSBA’s nuts-and-bolts explanation of charter law and regulations to help school boards and county boards of education negotiate charter petitions, renewals, facility requests, and other topics related to charter school oversight.

Education Insights: Legal Update Webcast, Season 3, Ep. 3 (March 2016). Legal and policy experts discuss the charter school oversight responsibilities of governing boards and other issues such as facility requests and the petition and appeals process.

Gamut Online. Subscribers to CSBA’s policy services have access to the following charter school-specific sample policies and regulations for school districts:

» BP/AR 0420.4 - Charter School Authorization
» BP/E 0420.41 - Charter School Oversight
» BP 0420.42 - Charter School Renewal
» BP 0420.43 - Charter School Revocation
» BP/AR 7160 - Charter School Facilities

Endnotes

1 Education Code 47604.32
2 Education Code 47604.3
3 Education Code 47605(d)
4 For a list of a petition’s 15 required elements, see Education Code 47605(b)(5)
5 Education Code 47605(b)(5)(G)
6 Education Code 47605(b)(5)(H)
7 Education Code 47605(b)(5)(J)
8 Scott B. v. Orange County High School (2013)
9 Education Code 47605(b)(5)(A) and Education Code 47605(b)(5)(B)
10 Education Code 47604.33(a)(2) and Education Code 47606.5
12 Education Code 47604.33
13 Education Code 47604.33
14 Education Code 47605(b)(5)(I)
15 Education Code 47613
16 Education Code 47604.4
17 Education Code 47604.5

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