Charter Schools Report



2020-2021

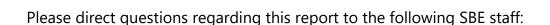


Prepared by: the Washington State Board of Education

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Executive Summary

The Washington State's Charter School Act (RCW 28A.710) was enacted on April 3, 2016 for the primary purpose of allowing flexibility to innovate in areas such as scheduling, personnel, funding, and educational programs to improve student outcomes and academic achievement of "at-risk" student populations¹. A Washington charter school is a public school that is not a common school: a public alternative to traditional common schools. The first public charter schools began operating in Washington in fall 2016. In collaboration with the Washington State Charter School Commission (CSC), the State Board of Education (SBE) issues an annual report to the Governor, the Legislature, and the public, in accordance with RCW 28A.710.250.

This is the fifth annual report on the performance of the charter schools. RCW 28A.710.250 requires that the SBE, in collaboration with the CSC, include a recommendation regarding whether or not the legislature should authorize the establishment of additional charter public schools.

In addition to the reporting requirement immediately above, the information required to be included in the annual charter school report is as follows:

- The performance of the state's charter schools during the preceding school year, including a comparison of the performance of charter school students with the performance of academically, ethnically, and economically comparable groups of students in traditional public schools² (TPS),
- The State Board of Education's assessment of the successes, challenges, and areas for improvement in meeting the purposes of the Washington Charter Public Schools Act (RCW 28A.710), including the Board's assessment of the sufficiency of funding for charter schools, the efficacy of the formula for authorizer funding, and
- Any suggested changes in state law or policy necessary to strengthen the state's charter schools.

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¹ RCW 28A.710.010 defines an "at-risk student" as one who has an academic or economic disadvantage that requires assistance or special services to succeed in educational programs. The term includes, but is not limited to, students who do not meet minimum standards of academic proficiency, students who are at risk of dropping out of high school, students in chronically low-performing schools, students with higher than average disciplinary sanctions, students with lower participation rates in advanced or gifted programs, students who are limited in English proficiency, students who are members of economically disadvantaged families, and students who are identified as having special educational needs.

² Traditional public school (TPS) students are those students whose primary school assignment is a public common school and who were not enrolled in a charter public school at any time during the year. The TPS abbreviation is that which is most commonly used in educational research differentiating between charter schools and non-charter schools.

Key Findings on the Academic Performance of Charter Schools

The academic performance of charter school students in comparison to TPS students has been a great interest to academicians, educators, policymakers, and the public for more than 30 years. Like traditional public school students, the academic achievement of charter school students varies considerably across the nation, from state to state, by school level, by presence and nature of a management organization, and results differ for specific student groups. On average, the evidence from a myriad of studies indicates no difference in achievement on tests between students who attend a charter school and those who attend a TPS (Appendix A).

The meaningfulness and availability of most educational outcome data and other performance measures is greatly diminished because of the COVID pandemic. Many of the traditional educational outcome measures we rely on simply do not exist. Most notably, the physical closure of school buildings and cancellation or postponement of statewide summative assessments have all but eliminated most performance measures, while rendering other measures non-comparable to previous years.

Overall, students attending Washington charter schools perform similar to or a little better than similar students attending traditional public schools. The key findings listed below are derived in total from the five years in which charter schools have been in operation in Washington and not just the most recent year.

- For the most part, charter schools continue to serve higher percentages of systemically marginalized students as compared to the home school districts.
- Charter schools employ educators who are more likely to be a person of color, more likely to be less experienced, and more likely to be teaching out of endorsement.
- On average, the charter schools' Washington School Improvement Framework (WSIF) score is similar to or a little higher than the average WSIF score for the state.
- Graduation rates were reportable for three charter schools. The rates for two charter schools were similar to the state average and the rates for the other charter school were a little lower than the state average.
- On the most recent assessments (spring 2019), charter school students performed a little better than their TPS peer group on nearly all assessment and growth measures.
- Charter school students identifying as Hispanic/Latinx, students who are English learners, and students who qualify for the Free and Reduced Price Lunch program (FRL) consistently outperform their matched TPS peers.
- The percentage of charter school students regularly attending school is similar to or a little lower than the rate for the students in the home school districts.
- The percentage of first time, 9th grade, charter school students who earned credit for all courses attempted (9th Graders On-Track) is a little lower than the rate for the students in the home school districts.

• The percentage of students not experiencing an exclusionary discipline event for the charter school students is similar to the rate for TPS students.

Key Developments Charter Schools

The Washington State Charter School Commission (CSC) and Spokane Public Schools continue as the only charter school authorizers in the state. The two authorizers oversaw 12 charter public schools operating in Washington during the 2020-21 school year (Table 1). Total charter public school enrollment increased to 3,712 K-12 students in the 2020-21 school year from approximately 3,165 students enrolled in public charter schools for the 2019-20 school year.

Table 1: shows some basic information for the charter schools operating for the 2020-21 school year.

School Name	Authorizer	Home District	Grades Served	Enrollment
Catalyst Public School	State Charter School Commission	Bremerton	K-6	167
Green Dot Rainier Valley Leadership Academy	State Charter School Commission	Seattle	6-12	158
Impact Puget Sound Elementary*	State Charter School Commission	Tukwila	K-3	415
Impact Salish Sea Elementary	State Charter School Commission	Tukwila	K-1	128
Lumen High School	Spokane Public Schools	Spokane	9-12	31
PRIDE Prep School	Spokane Public Schools	Spokane	6-12	722
Rainer Prep	State Charter School Commission	Highline	5-8	346
Spokane International Academy	State Charter School Commission	Spokane	K-8	599
Summit Atlas	State Charter School Commission	Seattle	6-12	509
Summit Olympus	State Charter School Commission	Tacoma	9-12	201
Summit Sierra	State Charter School Commission	Seattle	9-12	385
Innovations School (Willow)	State Charter School Commission	Walla Walla	6-8	51

Note: The home district is the school district in which the charter school is physically situated. Enrollment data is from the Washington State Report Card.

Spokane International Academy relocated to a site outside the boundaries of the Spokane Public Schools (Spokane PS), which necessitated a transfer of their authorization contract from

Spokane PS to the Charter School Commission. The Board approved that transfer in 2020 effective for the 2020-21 school year.

Since the Charter School Act was passed in 2016, 24 charter schools have been authorized for operations. Of those 22 opened and as of the 2021-22 school year, 16 are currently operating, Five charter schools were opened and subsequently closed, one school chose not to re-open as a charter school after being classified an alternative learning experience (ALE), and two schools have yet to open for operations.

In the 2021 legislative session, the SBE supported legislation (HB 1195) to extend the time in which to approve additional charter public schools. If HB 1195 had passed, the timeframe for establishing up to 40 total charter schools would have been extended by five years into spring 2026.

Key Developments - Charter School Commission

In the summer after the 2020-21 school year, the Executive Director of the CSC departed the agency. The search for a suitable replacement is ongoing as the CSC and the candidate of choice could not come to agreement on the terms of employment in fall 2021. The CSC selected Ms. Krystal Starwich (CSC Deputy Director) to serve as interim Executive Director until a permanent Executive Director is selected. Other CSC developments include the following:

- Ten CSC authorized charter schools were in operation for the entire 2020-21 school year.
- In January 2021, the CSC renewed the charter contracts for another five years for Rainier Prep, Spokane International Academy, Summit Olympus, and Summit Sierra.
- The CSC approved Spokane International Academy to expand to grades 9-12 beginning in the 2021-22 school year.
- In May 2021 the CSC was notified of the voluntary closure of the Innovation (Willow) Charter School in Walla Walla due to lower than expected enrollment.
- 14 charter schools are currently in operation for the 2021-22 school year through CSC authorization.

Key Developments - Spokane Public Schools During the 2020-21 school year, Spokane Public Schools was the authorizer of two operating charter schools.

- PRIDE Prep continues to grow and add a new grade level each year.
- Lumen High School completed its first full year of operation.

Key Findings on the Analysis of Funding Efficacy

A cursory review of school and district revenues and expenditures might give the reader the impression that charter schools have substantially greater per student revenues, but this ignores key differences in how the costs are accounted for. Charter schools often seek out and receive significant grants to support start-up expenses, typically available for only a few years at most.

Operating costs for charter schools generally include expenses that would be part of the capital budget for a TPS. For example, grant funds are often used to acquire space, renovate buildings, and purchase required school furnishings, and these monies are included in per student revenues but probably should not be included. In addition, the charter schools are ineligible for local levy funding. Overall and when one-time grant monies are removed from the analysis, charter schools generally receive lower revenues than the home school districts.

- The average total salary for charter school instructional staff is substantially lower than the salary allocation from the state.
- The average total salary for charter school instructional staff is substantially lower than the average total salary paid by the home school district.
- The state apportionment is similar for the charter school LEAs and the home school districts, but one-half of the charter school LEAs receive a lower state apportionment than the home school district.
- The average support from the Local and Other revenue source is approximately \$2,400 per student for the home school districts and is approximately \$105 per student for the charter school LEAs.

Draft Recommendations

In January 2021, the Board approved changes to Chapter 180-19 WAC to align rule to current policy or practice, correct references to law, improve readability of the rule, align rule to SBE's recommendations in the annual charter school report, and make other changes identified by staff in collaboration with authorizers. As adopted, the final rules streamline the application process for authorizers, transition to a performance based authorizer fee structure, and adjust reporting dates to align with recent legislation.

The <u>National Alliance for Public Charter Schools</u> ranks Washington's Charter School Act as the third strongest in the nation, but highlights two major weaknesses. First, the law includes a cap of 40 charter schools over the first five years after enactment of the Charter School Act. The window to authorize new charter schools closed in April 2021 and now, no new schools may be authorized. Second, the inequitable funding for students in public charter schools. These two weaknesses are central to the recommendations being made this year and in previous years.

Authorizing Additional Charter Schools

Since the enactment of the 2016 Charter School Act, new charter schools opened in each school year. This is evidence that parents and educators continue to seek out alternatives to traditional public schools for the purpose of finding the best educational fit for their children. The Charter School Act allowed for the authorization of up to 40 schools within the first five years of the Act. After a handful of charter schools closed in the previous years, 17 charter schools are operating

in the 2021-22 school year. The count of operating charter schools is well below the cap of 40 schools authorized in statute. In the five years after enactment of the Charter School Act, the number of operating charter schools steadily increased, but at a rate lower than anticipated by the legislature. Currently, no new charter schools are allowed to be approved or authorized.

During the 2021 legislative session, Representative Dolan sponsored legislation (HB 1195) extending the timeframe for establishing up to 40 total charter schools by another five years. The bill died in committee in the 2021 legislative session but is expected to be reconsidered during the 2022 legislative session. No additional charter schools will be approved or authorized unless the legislature and the governor pass and approve legislation to do so.

DRAFT RECOMMENDATION 1: The SBE and CSC recommend that the window for authorization be extended to allow additional charter schools, up to 40 total, to operate in Washington.

Funding of Charter Schools

The SBE finds that charter schools face unique challenges with regard to funding due to lack of access to public funding for capital and lower appropriation per student due to a lack of access to local funding. The CSC continues to advocate for more equitable student apportionment and access to public funding for capital expenditures to ensure the sustainability of charter schools over time.

The SBE supports equitable funding for all Washington students in public schools. When the school apportionment model fails to include locally sourced levy funding for charter schools, charter school funding differs from and is lower than the funding of traditional public schools.

DRAFT RECOMMENDATION 2: The SBE recommends a close examination of the sufficiency of charter school funding and approaches used in other states in order to bring about equitable educational funding for all students.

Authorizer Oversight Fees and Usage

Another focus of recommendations over the last several years centers on the authorizer oversight fees. In January 2021 the SBE finalized rules authorizing the SBE to adjust the authorizer oversight fee rate in consultation with the charter school authorizers. After consulting with authorizers, the SBE set the authorizer oversight fee rate and three percent for the 2021-22 school year, a decrease from the rate of four percent used in the previous school year.

While consulting with charter school authorizers, three additional issues arose regarding the authorizer oversight fees. The legislature could consider taking action to address the three issues briefly described below.

- Issue 1: Could it be allowable for authorizers to use the authorizer oversight fees for purposes other than those specified in statute, provided the other purposes directly benefit the charter schools under its authority?
- Issue 2: When a charter school contract is transferred from one authorizer to another, could it be allowable for the originating authorizer to transfer all or a portion of unused authorizer fees to the receiving authorizer?
- Issue 3: The oversight fee is an expenditure unique to the charter schools that is diverted from the state apportionment. It would be more equitable if the charter schools were to receive the full apportionment for its students and the authorizers receive their authorizer fees directly through a state funding stream.

DRAFT RECOMMENDATION 3: Explore options to create more flexibility in the use of authorizer fees and/or direct appropriation to cover charter school oversight costs.

Other Recommendations

The SBE anticipates a thorough review of the charter school rules and statutes in advance of the 2023 legislative session for the purpose of updating language and clarifying processes contained in stature and rule.

The SBE recommends a close examination the sufficiency of charter school funding and approaches used in other states, such as Colorado, New Mexico, and Utah, to learn more about those states' equitably funded charter school sectors.

Appendix A: Performance of Charter Schools Performance of Charter Schools

The first charter school opened in the upper mid-west nearly 30 years ago, and since then, the academic performance of charter school students in comparison to TPS students has been a great interest to academicians, educators, policymakers, and the public. Like traditional public school students, the academic achievement of charter school students varies considerably across the nation, from state to state, by school level, by presence and nature of a management organization, and results differ for specific student groups. On average, the evidence from a myriad of studies indicates no difference in achievement on tests between students who attend a charter school and those who attend a TPS.

Center for Research on Education Outcomes (CREDO) is one of the most credible entities researching charter schools. In 2013, CREDO published the *National Charter School study* on the academic performance of students attending charter schools. Using CREDO's matched peers³ methodology, the study found that students attending charter schools exhibit slightly higher levels of learning in reading and approximately the same level of learning in math as compared to their TPS peers. The 2019 report titled "*School Choice in the United States*" conducted by the National Center for Education Statistics found no measurable differences in the 2017 reading and math test scores between charter school and TPS students.

However, other evidence shows that urban charter schools serving systemically marginalized and low-income students following a "no excuses" philosophy have a demonstrable and positive impact on student outcomes. No excuses schools emphasize high academic and behavioral expectations, extended instructional time, and other prescribed educator practices. As did other studies of Boston, New York, and Denver charter schools, the CREDO 2013 study concluded that Black students, students from low-income households, and English learners appear to benefit most from attending charter schools. A body of work summarized in "Charter Schools and the Achievement Gap" concludes that a subset of charter schools that includes but is not limited to the "no excuses" schools yields significant and positive effects on educational outcomes.

In another important publication titled "<u>Urban Charter School Study: Report on 41 Regions"</u> by CREDO in 2015, the authors reported that Black and Hispanic/Latinx students, students from

³ The CREDO work relies on a peer-reviewed methodology utilizing a virtual control record (VCR) method of analysis. The VCR approach creates a "virtual twin" for each charter student who is represented in the data using student records that match the student's demographic and academic characteristics. Potential matches are obtained from traditional public schools that serve as "feeders". In many cases, the "virtual twin" is a composite of up to ten different students fitting the matching criteria. In theory, this "virtual twin" would differ from the charter student only on a single factor: attending a charter school.

low-income households, English learners, and students receiving special education services all posted larger academic gains in urban charter schools as compared to their matched peers in urban TPS. The report provided evidence that low-income Black students and low-income Hispanic students posted much larger academic gains that their TPS peers.

In another summary of research (<u>The National Charter School Landscape</u>) concurred that the most successful charter schools are those serving low-income students, usually in urban areas. In this subset of charter schools, the effects are largest for students of color, low-income students, and those with special education needs. In addition, English learners with the lowest level of English proficiency make some of the largest gains on statewide assessments after enrolling in a charter school.

A just released <u>study</u> of the performance of charter school students compared to TPS students on the National Assessment of Student Progress (NAEP) over time found that charter school students are improving at a higher rate than TPS students are. The greatest gains for charter school students, relative to TPS students, are for Black students and students of low socioeconomic status.

In January 2019, CREDO released the preliminary results of a study on the <u>Charter School Performance in the State of Washington</u> covering the 2014-15, 2015-16, and 2016-17 school years. While acknowledging the challenges of reporting on a small number of schools and their short history of school operations, the authors concluded that on average, charter school students in Washington experience annual growth in reading and math similar to the educational gains made by their matched peers who enroll in the TPS the charter school students would otherwise have attended. The CREDO authors characterized the performance of the charter schools as promising but not yet definitive.

Later in January 2019, the SBE delivered the <u>second annual report</u> to the educational committees of the Legislature and the Governor on the academic performance of charter school students for the 2017-18 school year. The study followed a rigorous design, and similar to the CREDO study covering earlier school years, concluded that charter school students perform approximately the same as demographically similar TPS students on the statewide ELA, math, and science assessments.

The SBE delivered the third annual report on Washington charter schools to the Governor, the Legislature, and the public in January 2020. The report concluded that the performance of individual charter schools in comparison to the home district on statewide assessments varied, as some schools posted higher proficiency rates on the statewide assessments and others posted lower proficiency rates. Two charter schools reported adjusted cohort graduation rates and these were similar to or a little lower than the home district graduation rates. Likewise, the performance of charter schools on the Washington School Improvement Framework (WSIF) was limited and mixed.

The SBE's third annual report also included the results of an SBE analysis showing that, as a group, charter school students posted scale scores similar to the scale scores achieved by demographically and academically similar TPS students on the ELA assessment, but higher scale scores than TPS students on the math and science assessments. The analysis yielded effect sizes showing that the effect associated with charter school enrollment was small to very small. The student growth percentiles (SGPs) for charter school students were mostly similar to or higher than the TPS student group.

In fall 2020, CREDO released an updated report titled <u>Charter School Performance in the State of Washington</u>. Using assessment results through the 2017-18 school year, the CREDO researchers provide evidence that on average, Washington charter school students demonstrated annual academic growth in ELA and math similar to the growth of their matched peers in traditional public schools. Students from low-income households, Black, and Latinx student groups posted gains that were higher on average but statistically similar to the gains of their respective TPS peers. The CREDO researchers show that the academic growth made by English learners and Latinx English learners was different and higher than their TPS peers in ELA and/or math were.

Using a rigorous evaluation, the <u>SBE's fourth annual report</u> showed that, as a group, charter school students performed higher than the TPS student group on seven of the eight assessment and growth measures analyzed. In addition, charter school students identifying as Hispanic/Latinx, students who are English learners, and students who qualify for FRL (low-income) consistently outperformed their TPS matched peers. The analyses yielded effect sizes showing that the effect associated with charter school enrollment was very small to small.

In fall 2021, Harvard researchers released a <u>study</u> comparing the performance of students from charter schools to those of regular school districts on the National Assessment of Educational Progress (NAEP) administrations from 2005 to 2017. After adjusting for student background characteristics, the test scores for students at charter schools improved approximately one-third of a year's worth of learning more than scores for students at district schools. The study also found that Black/African American and Hispanic students and students from low-income households at charter schools made greater gains (approximately one-half year worth of learning) than students at regular public schools. The authors report that two-thirds of the relative gain in the charter sector cannot be explained by demography. The authors assert that the rate of change for the charter schools is greater either because the charter sector, relative to the district sector, is attracting a more proficient set of students in ways that cannot be detected by demographic characteristics, or because charter schools and their teachers are doing a better job of teaching students.