



# SCHOOL INTERVENTIONS UNDER ESSA

*Harnessing High-Performing Charter Operators*

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## INTRODUCTION AND BACKGROUND

The Elementary and Secondary Education Act (ESEA) was reauthorized as the Every Student Succeeds Act (ESSA) in December 2015. Passage of the reauthorization shifted authority to states to design accountability systems and intervene in very low-performing schools, described as “comprehensive support and improvement” (CSI) schools, and in schools with very low-performing subgroups, described as “targeted support and improvement” (TSI) schools.

States and districts must develop comprehensive plans for these struggling schools that include a wide range of interventions, such as [replacing staff, improving curriculum and instruction and providing integrated student supports that address students’ health, emotional and behavioral needs](#). In districts where schools fail to turn around—or have already been failing for multiple years—states should consider the one option that can rapidly give students languishing in low-performing schools a higher-quality option: harnessing high-performing charter management organizations (CMOs).<sup>1 2</sup> CMOs, under the right policy conditions, can start new high-performing schools to serve students otherwise assigned to a low-performing school, or they can take over operation of an existing low-performing school.

CMOs also can provide a variety of other services to districts with low-performing schools. States or districts can contract with CMOs to provide high-quality teachers or administrators. Schools using this model may be described as “partnership schools,” “innovation schools” or a “district-charter cooperation.” In 2017, for example, Texas passed SB 1882, which allows districts to partner with CMOs to staff schools in need of turnaround.<sup>3</sup> Similar statutes have been enacted in Oklahoma, Indiana and Colorado.<sup>4</sup>

Given the powerful role that CMOs can play in school turnaround, this Playbook identifies key policy levers that an empowered State Education Agency (SEA) can use—in partnership with its legislature and/or charter authorizing bodies—to attract high-performing CMOs to their districts that need them most.

## STRATEGIES FOR ATTRACTING HIGH-PERFORMING CMOs

Policy and practices that can help attract high-performing operators to districts that need them most fall into three main categories: leveraging state and federal funding; authorizer quality and operating autonomy; and talent pipelines. Each is described in detail below.

### Leveraging State and Federal Funding

In 2015, ExcelinEd partnered with the National Alliance for Public Charter Schools (NAPCS) to survey more than 20 high-performing CMOs on the [factors that the organizations evaluate when considering when, where and whether to expand](#).<sup>5</sup> Unsurprisingly, one of the most critical factors for CMOs was the availability of adequate, ongoing per-pupil operating funds as well as the startup capital needed to get new schools off the ground. Based on this feedback, states willing to offer startup capital through federal and/or state funds will find it easier to attract high-performing operators to the districts where they are most needed.

<sup>1</sup> <https://www.crpe.org/sites/default/files/crpe-states-promote-local-innovation-main.pdf>

<sup>2</sup> <https://www.crpe.org/sites/default/files/crpe-measures-last-resort.pdf>

<sup>3</sup> SB 1882 was passed by the Texas Legislature in 2017, allowing districts to partner with CMOs to turn underperforming schools around. The partnership can proceed after approval from the Texas Education Agency. See the TEA website for more information about implementation. [https://tea.texas.gov/Texas\\_Schools/District\\_Initiatives/SB\\_1882\\_Implementation/](https://tea.texas.gov/Texas_Schools/District_Initiatives/SB_1882_Implementation/)

<sup>4</sup> See “Partnership Schools: New Governance Models for Creating Quality School Options in Districts,” Sean Gill and Christine Campbell of the Center on Reinventing Public Education. <https://www.crpe.org/sites/default/files/crpe-partnership-schools.pdf>

<sup>5</sup> While a large portion of this document summarizes findings from the 2015 report, there is evidence that all of these factors still hold true today (with the exception regarding Texas allowing funds to be used for CMOs).



## Federal Funds for Startup

ESSA provides two significant, potential sources of startup funds for charter schools that can be used to support CMOs willing and able to operate in a state's high-need districts. SEAs can:

- **Direct ESSA school improvement funds to CMOs for opening new high-quality schools (or expanding existing high-quality schools) in low-performing districts.**

Under ESSA, SEAs must set aside up to 7 percent of their Title I, Part A funds for school improvement. SEAs may elect whether to distribute those funds to their low-performing schools and districts by formula or by competitive grant. Forward-leaning SEAs may elect to employ competitive grants and then prioritize funding for district strategies that will use CMOs to start new high-performing charter school or expand existing ones.<sup>6</sup>

In Texas' approved ESSA plan, the SEA will award competitive grants to those districts with CSI/TSI schools willing to commit to certain more rigorous reforms, including:

*“Closing the identified school and consolidating the students into a higher performing or new school, whether charter or district managed; [as well as]*

*“Creating new schools, whether district or charter, to provide students in identified schools with new and better education options. TEA will ensure these new schools guarantee and prioritize access to students currently attending the identified school(s).”*

Texas' approach serves as an example to other states wanting to direct some of their Title I school improvement funds to CMOs willing to start new schools and/or expand existing high-performing schools to serve students currently assigned to CSI or TSI schools. However, it is important to note that while the U.S. Department of Education approved Texas' plan, such approval is not required by statute, and other states may elect to use their federal school improvement funds in a similar manner without amending their ESSA plans.

- **Apply for federal startup funds under the Charter School Grant Program (CSP).**

The CSP, which was reauthorized by ESSA, is a \$440 million competitive grant program under which the U.S. Department of Education awards grants to SEAs. Among other purposes, the grants provide for the planning, program design and initial implementation of new charter schools. SEAs awarded with CSP funds can prioritize funding for CMOs willing to serve the state's lowest-performing districts.<sup>7</sup>

## State Funds

SEAs can also pursue a variety of strategies for increasing state funds available to support CMOs' startup and per-pupil funding needs. Note that most of these strategies must be pursued in collaboration with other state policymaking bodies, because they are not wholly in the control of the SEA.

<sup>6</sup> <https://edexcellence.net/articles/school-choice-and-section-1003b-its-in-there>; and [http://edex.s3-us-west-2.amazonaws.com/publication/pdfs/03.30%20-%20Leveraging%20ESSA%20To%20Support%20Quality-School%20Growth\\_0.pdf](http://edex.s3-us-west-2.amazonaws.com/publication/pdfs/03.30%20-%20Leveraging%20ESSA%20To%20Support%20Quality-School%20Growth_0.pdf)

<sup>7</sup> <https://innovation.ed.gov/what-we-do/charter-schools/charter-school-program-state-educational-agencies-sea/>



In the short term, SEAs can collaborate with their state legislators to provide additional financial resources to high-performing CMOs willing to serve students in low-performing districts. Florida's Schools of Hope legislation provides the best example of a multi-pronged effort to attract CMOs to the state's neediest districts by providing significant and equitable funding to CMOs. The statute related to Schools of Hope:

- Offers a recurring annual appropriation of **\$140 million** in startup "bridge" funds to CMOs willing to serve students living in a historically low-performing public-school zone. Unexpended funds are available for five years.
- Provides an annual appropriation for **capital outlay** for charter schools statewide (in year three).
- Requires the sharing of local capital outlay funds if the state appropriation for charter capital outlay does not meet a minimum per student level. (For 2018-19, over **\$145 million** was appropriated for charter school capital outlay.)
- Provides that the remaining Title I dollars, after districts fund mandatory district-wide services, such as parent involvement, programs for homeless or delinquent and neglected students, and prekindergarten programs, must equitably follow each low-income student to the traditional public or public charter school in which they are enrolled.

Similarly, in Texas, SB 1882 allows failing schools to avoid closure and be awarded up to an additional \$1 million in state funds per campus if the LEA agrees to partner with a state-approved partner, such as a CMO, university or other nonprofit to run the school.

SEAs can also consider working with their legislatures and other state partners to pursue longer-term policy solutions designed to ensure charter schools have access to facilities as well as equitable ongoing per-pupil funding. Key strategies include:

- Working with state legislators to ensure charters receive essential resources, including equitable funding and access to underutilized district facilities. This could include credit enhancement policies, state-level grant programs, per-pupil allotment for facilities, making unused public facilities available to charter schools and/or bond policies that decrease the cost of financing for charters.<sup>8</sup>
- Working with state legislators to increase the portion of state funding that follows students from school to school and from district to district.<sup>9</sup>

### Authorizer Quality and Operating Autonomy<sup>10</sup>

The 2015 CMO survey also identified two additional key factors for CMOs deciding where to expand: the quality of charter authorizing and governance; and the autonomies and freedoms available to charters in the state.

### Charter Authorization and Governance

According to the survey, CMOs seek a clear, efficient and fair process for charter authorization and governance when determining where to expand. They also seek some assurance that there will be a clear path toward continued expansion. Most CMOs also prefer states with multiple authorizers or an independent (non-district) authorizer.<sup>11</sup>

<sup>8</sup> [https://img1.wsimg.com/blobby/go/23e7a980-86f2-404e-a44c-2cc3e978f95a/downloads/1cj4fhu40\\_794941.pdf](https://img1.wsimg.com/blobby/go/23e7a980-86f2-404e-a44c-2cc3e978f95a/downloads/1cj4fhu40_794941.pdf)

<sup>9</sup> <https://www.excelined.org/wp-content/uploads/2017/11/ExcelinEd.StudentCenteredFundingForDistricts.PolicyPlaybook.June2017.pdf>

<sup>10</sup> ExcelinEd in collaboration with the [Texas Public Policy Foundation](#), [Texas Business Leadership Council](#) and [Texas Aspires](#) released a paper on the difficulty applicants have in obtaining a charter in Texas. <https://www.excelined.org/wp-content/uploads/2018/06/ExcelinEd.TexasCharterSchoolPaper.TimeToChangeCourse.June2018.pdf>

<sup>11</sup> <https://www.excelined.org/wp-content/uploads/2017/11/ExcelinEd.HowToRecruitHighPerformingCharterManagementOrganizationsToANewRegion.March2016.pdf>



Therefore, SEAs seeking to attract high-performing charters to low-performing areas can work with legislators to:

- Create a streamlined application process for CMOs with a proven track record of success (either inside or outside the state) to expand grade levels, enrollments or school sites.
- Remove statutory caps on charter school expansion.
- Create at least one statewide, non-district authorizing body.

SEAs can also collaborate with charter authorizers in the state to:

- Implement performance contracts for each school with clear and consistent expectations for each schools' academic, operational and financial success.
- Strengthen and streamline charter application processes.
- Develop criteria for renewal and revocation decisions.
- Develop processes to ensure smooth school closures, when necessary.

It is important to note that the availability and effectiveness of each lever will hinge on in-state climate and structures, most notably whether the state has a statewide authorizer (e.g., Colorado and Massachusetts) and/or allows the creation of new school districts run by the state (e.g., Louisiana and Tennessee).<sup>12</sup>

Florida's Schools of Hope provides an example of flexibilities and supports that a state without a statewide authorizer can offer. The 2017 statute offers the following advantages to high-performing charter management organizations willing to serve students in persistently low-performing schools:

- Designation as a Hope Operator by the State Board of Education.
- Designation as a local education agency for federal funds.
- Performance agreement with the school district for an initial term for five years after opening.
- Exemption from some state education laws and regulations. For example, the state board may waive or suspend certain statutory requirements on recruiting, retaining, evaluating and rewarding instructional personnel.
- Exemption from ad valorem taxes and local fees.
- Access to unused public school facilities at a cost not to exceed \$600 per student.
- Flexibility in employing administrators and teachers.
- No administrative fees.

### *Autonomies and Freedoms for Charter Schools*

CMOs are hesitant to expand into highly regulated environments. Autonomy over budget, curriculum, personnel, school culture and discipline were viewed as non-negotiables by all the CMOs surveyed.<sup>13</sup> SEAs seeking to attract high-performing CMOs to their state can, therefore, collaborate with state legislators to:

- Protect charters' ability to make key staffing decisions, free of districts' collective bargaining agreements.
- Ensure charters have the flexibility to design and implement their school model, including curriculum selection and school culture (including discipline).
- Allow charters to manage their own budgets.

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<sup>12</sup> For example, the Texas Education Agency authorizes a number of charters in San Antonio, helping San Antonio Independent School District become one of the most forward-thinking districts on leveraging charter schools and CMOs. In fact, the district is partnering with several CMOs to turnaround district schools.

<sup>13</sup> <https://www.excelined.org/wp-content/uploads/2017/11/ExcelinEd.HowToRecruitHighPerformingCharterManagementOrganizationsToANewRegion.March2016.pdf>



## Talent Pipelines

Lastly, the results of the 2015 CMO survey emphasized that all CMOs view the availability of high-quality teachers and leaders as essential to their success. Before moving into a new state, CMOs will look for a number of key features related to talent pipelines. These include the presence of Teach for America; the ability to transfer teacher licenses earned in another state (so the CMO can bring in its own teachers); the authority to train their own teachers in-house; and a lack of overly rigid certification requirements.

To address these potential obstacles, SEAs interested in attracting CMOs to their high-need districts can consider the following strategies in partnership with their legislatures:

- Offer license reciprocity for high-quality, out-of-state teachers (particularly to those teachers who have previously worked for the CMO moving into the state).
- Ensure alternative teacher pipelines are available for staffing schools in the relevant low-performing districts.
- Streamline certification requirements and also create or adopt high-quality, alternative-route-to-certification programs.
- Allow CMOs to train and certify their own teachers.<sup>14</sup>

Florida once again provides an example of how state policies can expand a talent pipeline to meet the needs of CMOs willing to serve the state's lowest-performing districts. For example, Schools of Hope Operators can hire non-certified staff, which they can recruit and train over multiple years. Florida also has the Best & Brightest recruitment and retention program, which provides attractive annual bonuses to highly effective teachers with high SAT, ACT, GRE, LSAT, GMAT or MCAT scores.

## Stakeholder Engagement When Schools Open and Close

A key step in the interventions process must be to thoughtfully and sincerely engage communities, with the goal of understanding their needs and concerns and building partnerships from the ground up. When CMOs new to a community arrive to establish a new school or take over an existing one, the CMO must commit to earning credibility by engaging stakeholders early and often and taking the time to explain the work of their organization. This type of relationship building often requires a long period of time. However, it is worth the investment to ensure that CMOs and other service providers are not viewed as outsiders or a threat to the local education ecosystem.<sup>15</sup>

## CONCLUSION

Undoubtedly, the greatest challenge facing states in the age of ESSA is one that has plagued them for decades: how to turn around their struggling schools. Harnessing high-performing CMOs in the state is not the only solution, but under the right circumstances, CMOs can help states provide high-quality educational options to students who would otherwise be assigned to one of those struggling schools. States should consider pulling some of the policy levers identified above to attract CMOs to their districts in need.

<sup>14</sup> For example, a state could recruit [Relay Graduate School of Education](#), which was founded as a collaboration between three charter networks, to work in partnership with the state's charter networks to provide innovative teacher preparation grounded in day-to-day experiences in the classroom. In 2018, Arizona enacted SB 1042, which empowers high-performing districts and charter networks to certify and train their own teachers. See [https://tucson.com/thisistucson/schools/schools-can-now-hire-uncertified-teachers-in-arizona-but-most/article\\_15876986-70b5-11e7-9cad-7745eeb4aa8d.html](https://tucson.com/thisistucson/schools/schools-can-now-hire-uncertified-teachers-in-arizona-but-most/article_15876986-70b5-11e7-9cad-7745eeb4aa8d.html). Finally, another model to watch is in New York where, in 2017, the State University of New York (SUNY) empowered Success Academy charter network to train and certify its own teachers. In 2018, a state court overturned that decision, but that decision will likely be appealed; meanwhile SUNY is considering reissuing the rules in a manner that addresses the court's concerns. See media coverage at <https://www.nytimes.com/2018/06/20/nyregion/teachers-need-more-training-than-law-allowed-judge-says.html>.

<sup>15</sup> For example, [Democracy Builders](#) helps engage parents in the school choice movement. In addition to helping schools engage with their parent communities, Democracy Builders provides parents with advocacy training and helps bridge the gap between parents and policymakers.