



Office of the Washington State Auditor

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Performance Audit

Charter School Accountability and Opportunities for Collaboration

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Executive Summary

Background

Charter schools are tuition-free, publicly funded schools available to all children from kindergarten through high school age. Washington's charter schools serve over 2,400 students, or less than half of 1 percent of the state's 1.1 million students. The 10 charter schools operating in the 2017-18 school year are located in the Puget Sound region and Spokane. Just like all public schools, Washington's public charter schools must account for the educational outcomes of their students and the qualifications of their teachers. Many of the same state and federal laws that apply to other public schools apply to charter schools – including those on government transparency. Because charter schools receive public funding, they are expected to adhere to laws such as the Open Public Meetings Act and Public Records Act – just like other government organizations.

In 2016, the Legislature directed the Office of the Washington State Auditor to evaluate the frameworks used to ensure that charter schools are held accountable for the academic outcomes of their students. The audit reviews whether the frameworks comply with state law and leading practices, but does not evaluate student academic outcomes. This audit also evaluates whether charter schools have the foundations in place to ensure they adhere to government transparency laws and the extent to which they collaborate with districts and traditional schools.

Have charter schools enrolled the types of students they intended to serve?

The Charter School Act emphasizes serving at-risk students. Charter schools varied in their enrollment of certain groups of at-risk students. When compared to the rest of their local school districts, almost all charters enrolled higher percentages of low-income students, students of color, and students with disabilities, though most enrolled a smaller percentage of English language learners. Charter schools were generally more diverse than the local school district.

Three issues explain why some charter schools lagged in enrolling at-risk students: they have limited influence on enrollment, they are still not well known, and schools are unable to fully use resources such as weighted enrollment preferences. Finally, two charter schools were unable to provide data for certain types of students they intended to serve.

To what extent do charter schools, traditional schools and school districts collaborate and coordinate?

Collaboration among charter schools, districts, and traditional schools can garner efficiencies and other benefits for students and their families, but it is not without challenges. Charter schools that were authorized by the local school district had the most-developed relationships with the district. There was less collaboration between charter schools and traditional schools when an outside entity served as the authorizer.

Are charter schools complying with teacher certification requirements and government transparency laws?

Charter schools are subject to many of the same laws and requirements that apply to traditional schools, including state and federal teacher certification requirements, and Washington's transparency laws. Based on the Office of Superintendent of Public Instruction's limited review of teacher certifications, charter schools have complied with state and federal requirements.

Charter schools largely complied with specific requirements in the Open Public Meetings Act, with the most common issue involving training for all board members within 90 days of assuming their role. Charter schools met some, but not all, foundational requirements of the Public Records Act. While all schools trained and appointed a public records officer, seven of 10 schools did not establish or publish procedures on how the public could request public records; none provided a statement of costs, index of records, or list of exemptions.

Do performance frameworks in charter school agreements align with laws and leading practices?

The Charter School Act requires that performance frameworks include specific performance indicators, measures, metrics and a disaggregation of academic performance by student group. Leading charter school organizations suggest using common indicators for academic outcomes and mirroring state and federal requirements, among other things. Performance frameworks maintained by both of Washington's charter school authorizers align with state laws and leading practices.

State Auditor's Conclusions

Although charter schools have existed in many parts of the country for decades, such schools are relatively new to Washington. The state's charter school law was passed in 2012, and the earliest of the currently operating charter schools opened for the 2015-16 school year.

The purpose of the audit was to examine whether Washington's charter schools have the foundations in place to help ensure they are accountable to the public. We looked at whether charter schools have enrolled the types of students identified in their charters, whether they have complied with certain state and federal requirements, and whether their charter agreements include appropriate performance frameworks. We also examined the extent to which the charter schools and traditional schools work together. The results were mixed, which is not surprising given newness of the entire charter school system in Washington. It is worth noting that during the course of the audit, charter schools made efforts to address some of the deficiencies found as a result of this audit.

Unfortunately, the newness of the system also keeps us from addressing another question about Washington's charter schools—how effective are these schools at teaching students? As the system matures and more years of data accumulate, this is a logical question that should be addressed.

Recommendations

To help charter schools emphasize enrollment of the students they set out to serve, we recommend the Legislature consider amending state law to require approval of admissions policies and weighted enrollment preferences by the charter school's authorizer rather than the Charter School Commission. We also recommend that charter schools and their authorizers continue to explore opportunities to employ weighted enrollment preferences and that they track and measure enrolled students for any groups they intend to serve as allowed by law. To address issues with charter schools' compliance with the Open Public Meetings Act and Public Records Act, we recommend that charter schools establish basic procedural requirements and that they continue incorporating leading practices and state guidance.

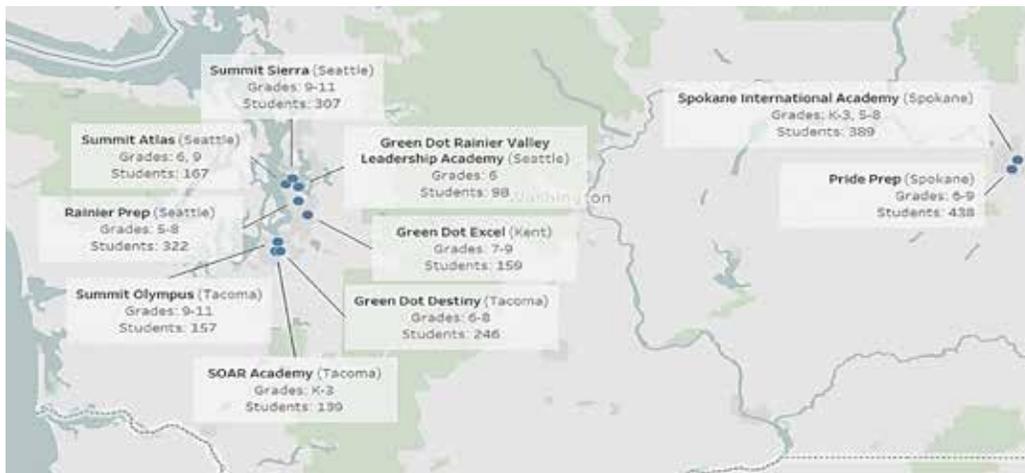
Next steps

Our performance audits of state programs and services are reviewed by the Joint Legislative Audit and Review Committee (JLARC) and/or by other legislative committees whose members wish to consider findings and recommendations on specific topics. Representatives of the State Auditor's Office will review this audit with JLARC's Initiative 900 Subcommittee in Olympia. The public will have the opportunity to comment at this hearing. Please check the JLARC website for the exact date, time, and location (www.leg.wa.gov/JLARC). The State Auditor's Office conducts periodic follow-up evaluations to assess the status of recommendations and may conduct follow-up audits at its discretion. See **Appendix A**, which addresses the I-900 areas covered in the audit. **Appendix B** contains information about our methodology.

Background

Charter schools are tuition-free, publically funded schools available to all children from kindergarten through high school age. Washington’s charter schools served more than 2,400 students, or less than half of 1 percent of the state’s 1.1 million students in the 2017-18 school year. The 10 charter schools operating in that school year are located in the Puget Sound region and Spokane (see the map in **Exhibit 1**).

Exhibit 1 – In the 2017-18 school year, Washington’s 10 charter schools enrolled more than 2,400 students



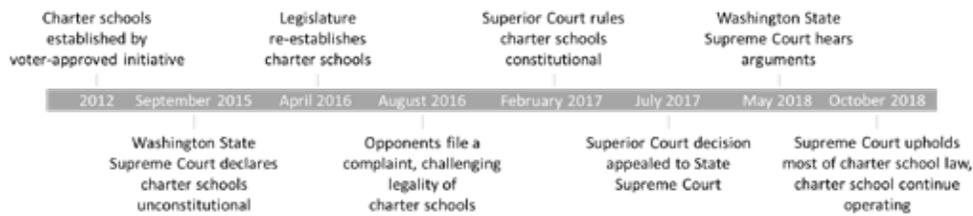
Note: Two new charter schools opened for the 2018-19 school year: Willow Public Schools in Walla Walla and Puget Sound Elementary in Tukwila.

Charter schools were recently established in Washington

In 2012, Washington voters approved an initiative to establish charter schools. Initiative 1240’s stated goals were to improve the quality of public schools and address inequities in educational opportunities while offering additional educational options for students and giving educators more flexibility to innovate. The resulting law, also known as the Charter School Act, established publicly funded, tuition-free charter schools, operated by nonprofit, nonreligious organizations that are open to all students.

Charter schools were not without controversy, and were quickly challenged in court. In September 2015, the Act was declared unconstitutional by the Washington State Supreme Court. The court ruled charter schools could not be funded from the same revenue source as traditional public schools because they are not overseen by elected school board members and thus do not meet the definition of “common schools.” In April 2016, the Legislature enacted a new charter school law, addressing how charter schools are funded by now funding charter schools from state lottery revenue. Charter school opponents filed a second lawsuit in 2016, citing continuing concerns about the legality of charter schools. In October 2018, the Supreme Court upheld most of the charter school law, allowing charter schools to continue operating. **Exhibit 2** (on page 7) illustrates the timeline of charter school legal actions.

Exhibit 2 – Timeline of charter schools in Washington



Charter schools have greater flexibility in how they teach students in exchange for additional accountability on student outcomes

Charter schools are public schools, but differ from traditional public schools in that they have been granted greater flexibility to develop unique educational programs. They include Spokane International Academy’s international approach and Summit schools’ mentoring program (see panels below, and **Appendix C** for short profiles of all schools studied for this audit). Charter schools independently manage school calendars and have more flexibility in how they use their funds.



“An international approach” in Spokane

Spokane International Academy, a K-8 school in Spokane, describes its educational model as “learning opportunities to investigate the world by weighing multiple perspectives.” Its mission is to “empower students with the academic skills, habits of mind and global competence necessary to complete advanced courses in high school and four year college degrees.” The school focuses on attracting a diverse student population, including bilingual students and refugee groups, and features services such as a daily Spanish-language program.



Self-directed learning is key for Summit schools

Summit schools prepare students for success in college, career and life, and to be contributing members of society. They give students at least one adult mentor and coach, who individually supports them to set goals and makes a plan to achieve those goals. A mentor also serves as a college counselor, coach, family liaison and advocate. Summit students have a personalized learning plan to help them be self-directed learners and have the opportunity to choose topics that interest them within a project.

State laws governing charter schools express a preference for establishing schools that will serve at-risk student populations, including students from low-income families, those requiring special education services, and English language learners, among others. Charters are required to identify communities and populations they intend to serve in their applications, which ultimately become part of their contracts. **Exhibit 3** further outlines how charter schools and traditional schools or districts share many similarities around statewide requirements, but differ in other key areas. **Appendix D** focuses on funding, and provides additional information on federal, state and local revenue.

Exhibit 3 – Similarities and differences between charter schools and traditional schools

Characteristic	Charter schools	Traditional schools
Education		
Provides basic education	Yes	Yes
Submits annual performance reports	Yes	Yes
Subject to statewide testing	Yes	Yes
Manages school calendar	Managed by individual charter school	Managed by school district
Admissions open to all students	Yes; no zoning boundaries; cannot discriminate on any basis	Yes; students are typically zoned to a school; cannot discriminate on any basis
Faith-based education	No	No
Tuition costs	None	None
Teachers		
Subject to teacher certification laws	Yes	Yes
Teachers' union	Not required but allowable	Not required but common practice
Accountability and Governance		
School governance	Non-profit/public agency board of directors	Locally elected members
Reports to or supervised by OSPI and State Board of Education	Yes	Yes
Must adhere to federal, state and local laws on health, safety, parents' rights, civil rights, government transparency	Yes	Yes
Funding		
Funding sources	State (per pupil and per teacher); federal; no local tax revenue; private funds	State (per pupil and per teacher); federal; local tax revenue; private funds
Local levy taxes made available	No, cannot levy local taxes	Yes, can levy local taxes
2017-18 federal, state and local budgeted revenue	\$12,900 per student	\$13,200 per student

Another important distinction between charter and traditional schools is the additional accountability for academic outcomes charters must provide in exchange for the freedom to customize their teaching methods and curriculum. Those accountability standards are set by the charter's authorizing agency, currently either the Washington State Charter School Commission or Spokane Public Schools. The authorizer is responsible for approving each charter school's five-year operating contract; developing a performance framework which establishes academic, financial and organizational standards and expectations for school performance; and overseeing the school's performance. If a charter school fails to meet academic, operational, or financial performance expectations, the authorizer can close the school or decide not to renew the contract when it expires.

This audit examined whether charter schools have the foundations in place to help ensure they are accountable to the public

In 2016, the Legislature directed the Office of the Washington State Auditor to assess whether charter school contracts included performance frameworks with specific indicators, measures, and metrics. In addition to the mandated work, this audit was designed to evaluate several aspects of charter school performance. Charter schools are still relatively new and have little academic outcome data. The State Board of Education publishes reports on academic outcomes in charter schools. For these reasons, this audit instead evaluated charter schools' accountability to their students and the public through the following questions:

1. Have charter schools enrolled the types of students they intended to serve?
2. To what extent do charter schools, traditional schools, and school districts collaborate and coordinate?
3. Are charter schools complying with teacher certification requirements and government transparency laws?
4. Do performance frameworks in charter school agreements align with laws and leading practices?

Audit Results

Have charter schools enrolled the types of students they intended to serve?

Answer in brief

The Charter School Act emphasizes serving at-risk students. Charter schools varied in their enrollment of certain groups of at-risk students. When compared to the rest of their local school districts, almost all charters enrolled higher percentages of low-income students, students of color and students with disabilities, though most enrolled a smaller percentage of English language learners. Charter schools were generally more diverse than the local school district. Three issues explain why some charter schools lagged in enrolling at-risk students: they have limited influence on enrollment, they are still not well known, and schools are unable to fully use resources such as weighted enrollment preferences. Finally, two charter schools were unable to demonstrate they enrolled certain types of students they intended to serve.

The Charter School Act emphasizes serving at-risk students

The Charter School Act emphasizes authorizing schools that expand opportunities for at-risk students. At-risk students are defined as those having an academic or economic disadvantage or who require assistance or special services to succeed in educational programs. Examples include students who are at risk of dropping out of high school or are economically disadvantaged, have limited English proficiency, are in a low-performing school, have lower participation rates in advanced or gifted programs, or are identified as having special education needs. Additionally, charter school contracts establish an individual school's unique mission, educational model, and student populations it seeks to serve. Examples of intended student populations include refugee students, homeless students, or a community such as south Seattle.

Most charter schools include a focus on traditionally underserved communities with a higher density of at-risk student populations. Many have intentionally located in these communities, such as south Seattle and southeast Tacoma, to give at-risk students easier access to their schools. Using the most recent data available at the time, and after determining its reasonableness without auditing the source data from OSPI, authorizers or schools, this audit evaluated three groups of at-risk students: those from low-income families, those with disabilities, and those with limited English proficiency. Because some schools identified overall diversity as a goal, the audit also evaluated rates of racial diversity. The audit compared student enrollment at charter schools with 1) the local school district and 2) neighboring schools with overlapping student grades.

To determine if schools meet the intent set out in the Charter School Act, the audit examined three specific groups of at-risk students:

Students receiving free and reduced-price lunch, on page 11

Special education students, on page 12

English language learners, on page 14

Appendix C presents profiles of all the charter schools discussed in the audit. They includes enrollment comparisons for other student groups charter schools intend to serve.

Page 15 and **Appendix E** include information on diversity, race and ethnicity.

Charter schools varied in their enrollment of certain groups of at-risk students

Almost all charter schools enrolled a higher percentage of low-income students and special education students than the local school district

Participation in the Free and Reduced-Price Lunch program is often used as a proxy measure for economically disadvantaged students living below 185 percent of the federal poverty line (currently \$46,435 for a family of four). Students that qualify for free and reduced-price lunch have lower graduation rates compared to state averages.

D Charter schools enrolled a greater percentage of students from low-income families than the local school district

When compared to the local school district, seven out of 10 charter schools enrolled a greater percentage of students with low-income households. Exhibit 4 shows the enrollment variance of students qualifying for free and reduced-price lunch programs among charter schools, the local school district and their neighboring schools.

A likely reason for the overall higher free and reduced-price lunch enrollment of charter schools than districts is location. These schools are often located in underserved communities where there are a higher concentration of students from low-income households while districts usually span a mix of affluent and low-income communities.

N Compared to neighboring schools, charter schools enrolled a smaller percentage of low-income students

As with any student group, it is important to consider how charter school enrollment compares to neighboring schools and not only the district because communities in a district can vary drastically. Districts can contain a mix of affluent and low-income neighborhoods. Where charter schools locate in a community helps position them to draw higher rates of at-risk students. Compared to neighboring traditional schools, identified in this audit as schools with overlapping grades in the charter school's target location, charter schools generally enroll a smaller percentage, with just four enrolling more than neighboring schools.

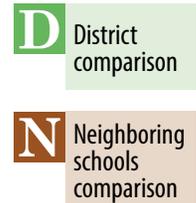
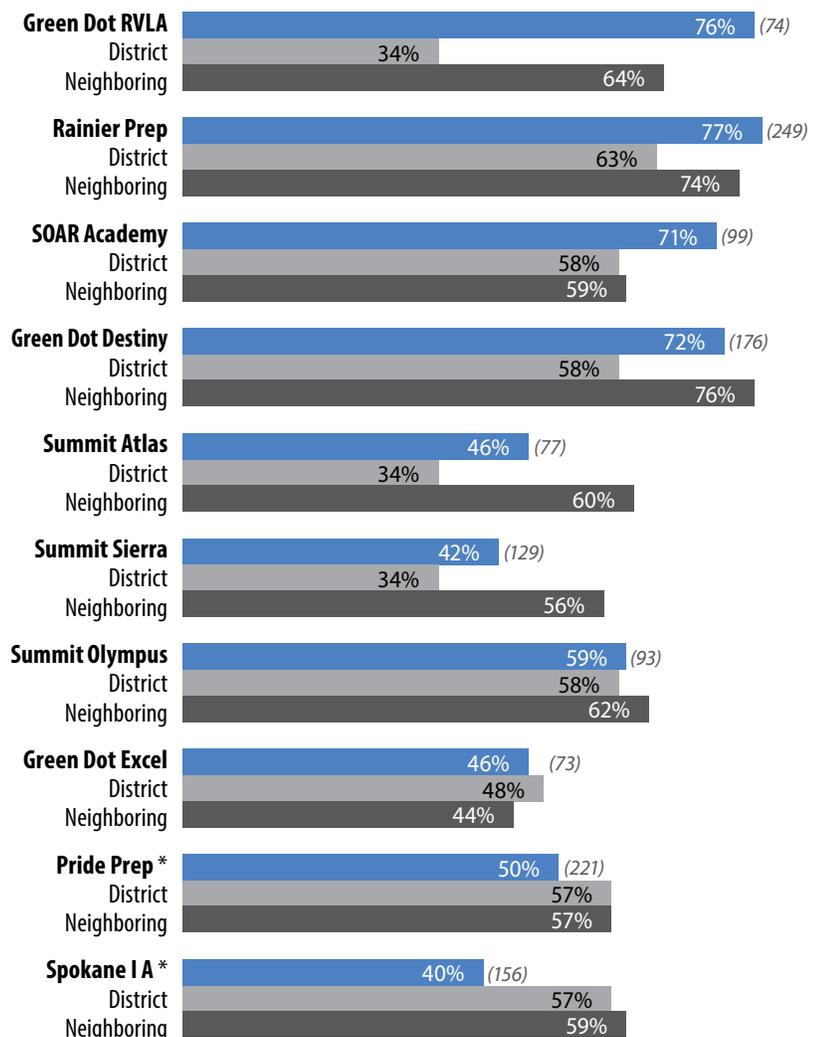


Exhibit 4 – Most charter schools enrolled a higher share of Free and Reduced-Price Lunch students than districts

Results ordered by largest to smallest variance comparing school to district; Figures in (parentheses) show number of these students enrolled



Notes: *These schools did not explicitly include low-income students in charter applications.

Percentages sensitive to changes in small populations.

Source: Auditor analysis of student demographic data.

D Compared to the local school district and neighboring schools, most charter schools enrolled a larger percentage of students with disabilities

N Eight of 10 charter schools enrolled a greater share of special education students than neighboring schools and the districts in which they are located. Exhibit 5 shows the enrollment variance of special education students among charter schools, neighboring schools and the local districts. Two schools served a smaller share than both their neighboring schools and their districts – Rainier Prep and Spokane International Academy.

D District comparison

N Neighboring schools comparison

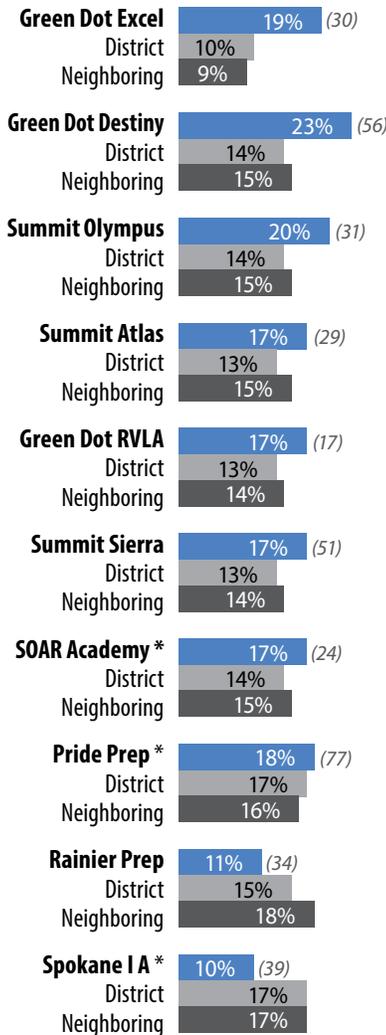
Charter schools enrolled a smaller percentage of students who need a significant amount of service time or specialized instruction than the rest of their school districts

Just as important as the share of students with disabilities are the service requirements of those students and the severity of their needs. Students needing special education services often require greater resources (such as speech-language therapy, additional transportation, or mental health counseling) than basic education students. They are also considered an at-risk population, with lower graduation rates than statewide averages.

To measure the severity of student needs, we examined the number of “service minutes” a student receives special education services in any setting or provided by any staff member, including in a general education classroom. Service minutes are decided by the student’s parents and the school. Although not a perfect proxy, it offers some indication of the severity of a student’s disability.

Exhibit 5 – Most charter schools enrolled a greater percentage of special education students than neighboring schools

Results ordered by largest to smallest variance comparing school to district; Figures in (parentheses) show number of these students enrolled



Notes: *These schools did not explicitly include special education students in charter applications.

Percentages sensitive to changes in small populations.

Source: Auditor analysis of student demographic data.

For all public schools, students who require a large number of service minutes make up a small share of the total student population that receives special education services. However, charter schools, on average, served a smaller percentage than district schools of students that require the most service minutes.

As Exhibit 6 shows, a higher percentage of charter school students needed fewer services than in district schools. Students needing more than 16 hours (or 960 service minutes) per week form a higher percentage of district school populations (20 percent) than charter school populations (7 percent).

The greater use of resources often associated with providing specialized or resource-intensive services is a source of challenge to all schools because special education funding is distributed based on the number of students who require services rather than by severity of disability or cost of the resource.

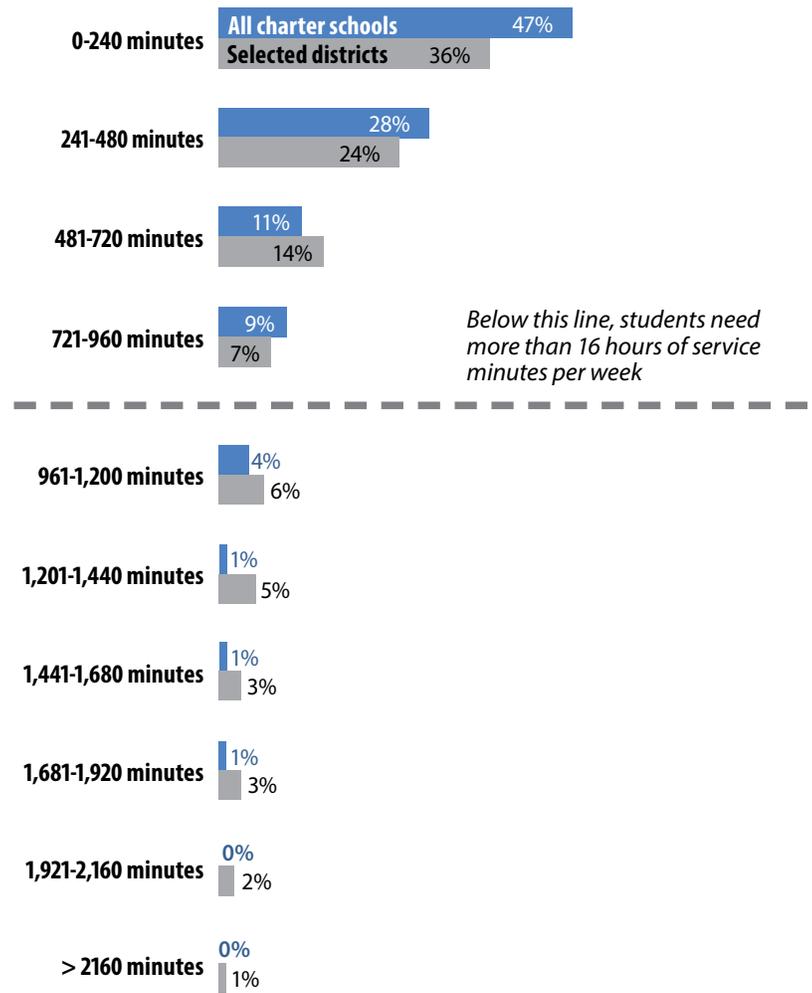
Charter schools incorporated students with disabilities in the general education classroom at a higher rate than districts

State and federal laws outline a goal to serve special needs students in the Least Restrictive Environment (LRE). Laws require schools to provide services in the setting that is closest to the general education classroom and is most appropriate and suitable for the student. LRE measures how long a student spends in the general education classroom versus a special education or special needs classroom. LRE is agreed on by parents and the school.

Charter schools incorporate a higher percentage of students with disabilities in the general education classroom at 80 percent to 100 percent of the day, as illustrated in Exhibit 7. By including students with disabilities into the general education classroom at a higher rate, charter schools observe one of the defining principles of special education law – that students with disabilities should be included in the general education setting as much as possible.

Exhibit 6 – Charter schools enrolled a larger share of students with fewer service minutes

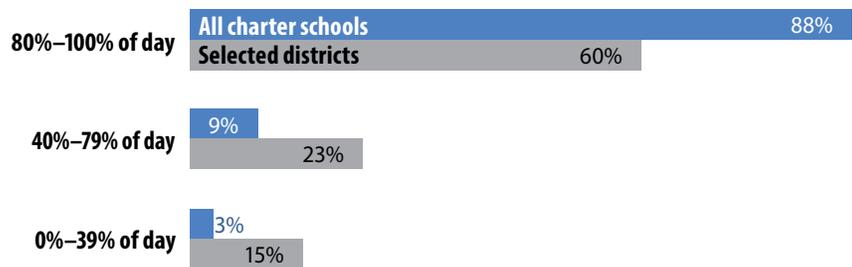
Percentages for all charter schools combined compared to Highline, Kent and Spokane school districts



Note: Number of students not listed due to a small population size. Source: Auditor analysis of student enrollment.

Exhibit 7 – Charter schools incorporate students with disabilities in the classroom at a higher rate than districts

Percentages for all charter schools combined compared to all school districts combined



Note: Number of students not listed due to a small population size. Source: Auditor analysis of student enrollment.

Most charter schools enrolled a smaller percentage of English language learners than the district and neighboring schools

English language learners (ELL) are students whose primary language is not English and who lack English skills, which may delay learning in school. Public schools, including charter schools, are required to identify and enroll eligible ELL students. Students with limited English proficiency are an at-risk population with lower than average graduation rates.

D Seven of 10 charter schools enrolled a smaller percentage of ELL than the local school district, as shown in Exhibit 8. **N** Most charter schools have yet to meet rates found in neighboring schools. Only two charter schools – Green Dot Excel and Green Dot Rainier Valley Leadership Academy – exceeded ELL enrollment at both the district and neighboring schools, while just two – Rainier Prep and Summit Olympus – exceeded either district or neighboring schools.

D Charter schools enrolled students with varying English proficiencies at rates similar to local school districts

English proficiency ranges widely among ELL. Students with limited English proficiency often require more resources than basic education students, based on the degree of English proficiency they have acquired. On average, charter schools and local school districts had a similar distribution of ELL. At individual charter schools, the distribution of students across proficiency levels varied considerably, but the small number of ELL in each charter school – an average of only 20 students – contributes to the wide variation.

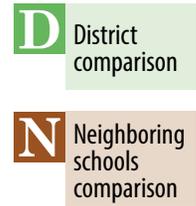
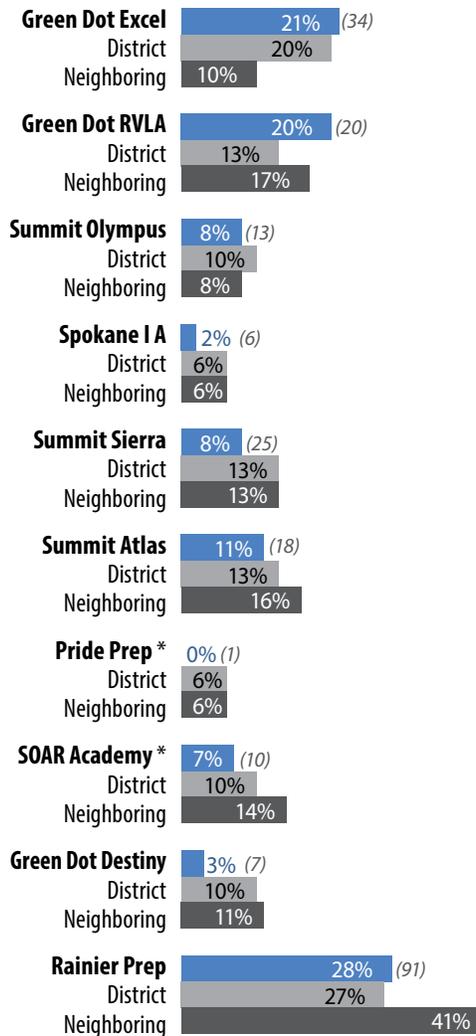


Exhibit 8 – Most charter schools enrolled a smaller percentage of ELL than the district and neighboring schools

Results ordered by largest to smallest variance comparing school to district; Figures in (parenthesis) show number of these students enrolled



Notes: *These schools did not explicitly include ELL students in charter applications. Percentages sensitive to changes in small populations.

Source: Auditor analysis of student demographic data.

Charter schools were generally more racially diverse than the local school district

Ethnic and racial disparities in educational outcomes are pervasive, with lower rates of post-secondary school enrollment and high school completion for students of color. Compared to white students, students of color are more likely to attend public schools with high rates of free and reduced-price lunch, achieve lower scores on state assessments, and drop out of high school.

In an attempt to address achievement gaps and to mirror their communities, many charter schools have sought to enroll students of color or a diverse student population. Racial and ethnic distributions in one area of a school district can vary dramatically from another area. For example, in Seattle Public Schools, four out of 10 students in north Seattle are students of color compared to seven out of 10 in south Seattle. For this reason, we compared measures for diversity in charter schools, neighboring schools, and the local school district. **Exhibit 9**, below, illustrates these measures for two schools: Summit Olympus and Green Dot RVLVA. **Appendix E** provides a detailed diversity breakdown for all charter schools.

D About half of all charter schools were more diverse than local school districts, but less diverse than neighboring schools. For example, Summit Olympus had a Simpson Diversity Index of 0.76, meaning that the odds of any two students, selected at random, would be of a different race or ethnicity was 76 percent. Summit Olympus was slightly more diverse than Tacoma Public Schools, which had an index of 0.75, and slightly less diverse than neighboring schools. The least diverse charter schools were both located within Spokane Public Schools' boundaries, likely because Spokane does not have a diverse composition of students.

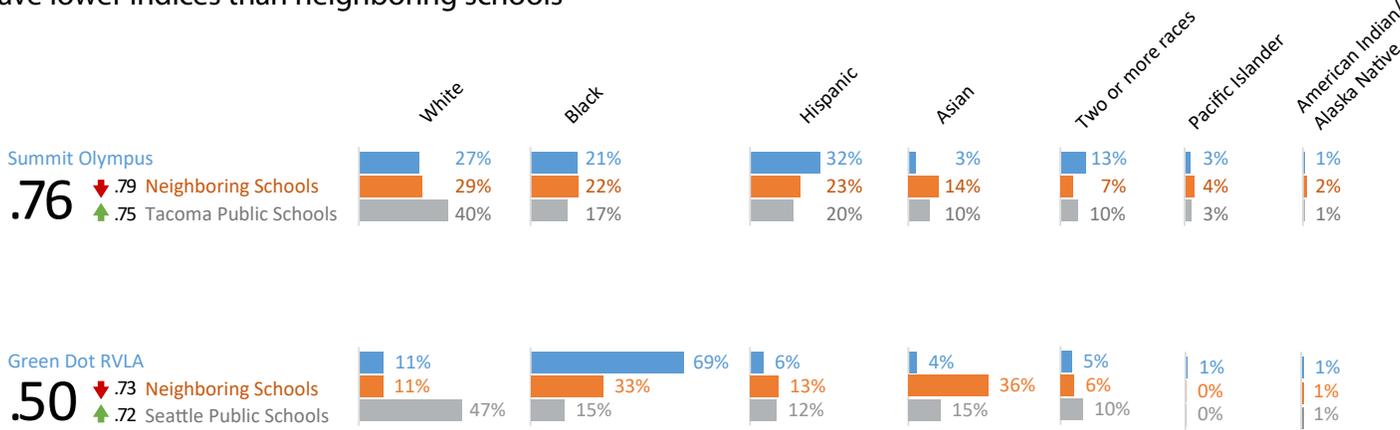
D Diversity in a given population only tells one part of the story, however. If a school had a large percentage of one race or ethnicity, it was less diverse. Reviewing race and ethnicity breakdowns further illustrates the makeup of the student population. **N** Green Dot Rainier Valley Leadership Academy, while less diverse than both the Seattle school district and neighboring schools, had a large percentage of black students, which lowered the index. To address this, the audit also evaluated the proportion of students of color in a given school. Seven charter schools enrolled a greater proportion of students of color than the local school district. However, when compared to neighboring schools, only two charter schools enrolled a greater proportion.

D District comparison

N Neighboring schools comparison

The **Simpson Diversity Index**, commonly used to study demographic groups, measures the racial diversity in a given population. It calculates the odds that two students, chosen at random, will be of a different race or ethnicity. It does not convey differences in composition of race or ethnicity.

Exhibit 9 – About half of all charter schools have a higher diversity index than local school districts; almost all have lower indices than neighboring schools



Source: Auditor analysis of enrollment data from charter schools and OSPI.

While most charter schools generally fulfilled the intent to expand opportunities for underserved students, three issues explain why others lagged

By enrolling higher shares of at-risk students, charter schools that exceed district rates are fulfilling the intent of the law to expand opportunities for underserved students. Several issues contribute to the problems charters face in increasing their enrollment of these students.

Charter schools have limited influence on enrollment. Charter schools, like any public school, must accept any student who applies until the school reaches maximum enrollment. Despite efforts to promote the school or advertise to underserved students and other target student groups, charter schools are still limited by the location of the school, their ability to provide transportation services, language barriers, and the number of students living in a certain community.

Charter schools are still not well known. Charter schools have relied on a number of strategies to boost enrollment from target populations, including door-to-door campaigns, hiring bilingual office staff, attending enrollment fairs at nearby schools, hiring translators to translate informational material, and participating in community-wide events. Even with these strategies, misconceptions and broad unfamiliarity with the concept of charter schools contributes to enrollment rates that do not meet or exceed percentages of neighboring traditional schools. In addition, parents are likely to default to schools for which students are originally zoned, and families with limited English proficiency may be especially reliant on word of mouth to decide where to send students.

Schools are unable to fully use weighted enrollment preferences. Among the few options available to schools that have reached maximum enrollment (only two schools at the time of this audit) is to use weighted lottery enrollment preferences which allow schools to give slightly better chances for admission to all or a subset of educationally disadvantaged students. Schools must ask the Charter School Commission – even if the Commission is not the school’s authorizer – to review and approve this option. State law places this responsibility on the Commission even though it is not the authorizing body for all charter schools. In at least one case, a school authorized by Spokane School District asked the Commission for permission to use weighted preferences but the school reported that the Commission asked it to use an alternative weight instead.

Although the Charter School Act provides schools with this option, the Commission states that approving of certain weighted enrollment preference policies could impinge on state laws (specifically RCW 49.60.400 which resulted from Initiative 200) that seek to eliminate preferential treatment in educational settings based on race, sex, color, ethnicity, or national origin. Charter schools and the Commission have had to consider legal risks associated with using weighted enrollment policies to ensure adherence with RCW 49.60.400. If the Commission continues to make decisions based on this risk and if the law does not change, charter schools with other authorizers may not be able to use weighted enrollment preferences to emphasize enrollment of certain target student groups outlined in their contracts.

Two charter schools were unable to provide data for certain students they intended to serve

While most schools could provide data that allowed auditors to evaluate their success in reaching their intended student groups, Rainier Prep and Spokane International Academy did not provide data on the number of students in certain groups they targeted, such as immigrant or refugee students. One school offered some explanations of why it did not measure or track the number of students from these groups. First, because statewide reporting requirements do not require it to do so, and second, because they consider asking students if they are immigrants or refugees inappropriate. Without such data, these schools do not know if they are enrolling the students they set out to serve and cannot demonstrate they are meeting commitments in their charter applications or contracts.

To what extent do charter schools, traditional schools and school districts collaborate and coordinate?

Answer in brief

Collaboration among charter schools, districts and traditional schools can garner efficiencies and other benefits for students and their families, but it is not without challenges. Charter schools that were authorized by the local school district had the most developed relationships with the district. There was less collaboration between the charter schools and traditional schools when an outside entity served as the authorizer.

Collaboration among charter schools, districts and traditional schools can garner efficiencies and other benefits for students and their families

Communicating and collaborating can yield tangible benefits to organizations when working toward common objectives. More importantly, the improvements can result in better services for the organization's customers. School districts and charter schools in other states have collaborated to streamline enrollment systems, identify practices that address inequities in communities, and devise a variety of other efficiencies for students and their families.

Generally, the more mature an organization, the greater the likelihood that it has developed its capacities in collaboration. Maturity serves as a measurement that helps an organization assess its current effectiveness and identify capabilities it needs to acquire next to improve its performance. Early stages of collaboration are evidenced by communication only when necessary, depending on the individual initiative of teachers or school leaders. Relationships are often transactional and parties may bargain over resources in exchange for access to philanthropic support in the form of grants.

As relationships mature, parties can develop official channels for communicating or collaborating, develop formal agreements, or jointly address district-wide problems. Relationships are based on shared vision and goals, and parties are motivated to resolve issues together. Parties also develop structured opportunities to share practices, policies, or professional development. They may improve operational efficiency of the charter school by sharing services such as transportation and special education services.

Collaboration is not without challenges

While there are many benefits to collaborating, schools and districts report that collaboration is not always needed, and can be costly or yield minimal results. The case study on the next page looks at results in Denver, where charter schools and the district have developed official channels to collaborate and have experienced both success and challenges.

In its research on district-charter collaboration, the Center for Reinventing Public Education (CRPE) found that in 2013, Philadelphia set out to redesign its enrollment system in order to improve the fairness and transparency of enrollment for both district and charter schools, reduce duplication and administrative waste, and increase equity of access for families looking to take advantage of school choice. However, the effort was called off before negotiations could finish. The reason was that the district openly worried about the impact of increased competition from

charter schools. In its review of several relationships across the country, CRPE observed that district-charter collaboration is inherently political, some cities are not well-posed for collaboration, and mutual wins and shared values offer a foundation for collaboration.

Benefits and Challenges to Collaboration in Denver

Denver laid a foundation based on collaborating

In 2010, Denver Public Schools (DPS) and its then-28 district-authorized charter schools developed a District-Charter Collaboration Compact to improve collaboration. The compact outlines mutual commitments to ensure all students have access to quality education. Signed by the district superintendent and leadership in all charter schools, it describes the responsibilities of district and charter leadership, including:

- Devising a shared enrollment system with common application dates
- Providing transparent communication to families regarding school choice
- Sharing timely access to data
- Setting up systems and policies to maximize grant opportunities given to the charter community and collaboratively pursuing grant funding
- Equitably sharing costs for services or programs used by traditional and charter schools

The district and charter schools institutionalized a structure for policy discussions and joint initiatives

Since developing the Compact, Denver's district-run schools and charter schools have established several working groups to foster two-way communication and collaboration. One of them, the District-Charter Collaborative Council, is made up of senior district leaders and charter representatives. The group meets regularly to discuss policy recommendations that improve the way DPS and its charter schools work together. Three joint commitments guide the council:

- Equity in responsibility, access, and accountability
- Value of sharing best practices and collaboration among multiple school types
- Sustaining charter school autonomy

Structured collaboration has resulted in better services for all students

DPS representatives mentioned several areas in which district-charter collaboration has had a positive effect, noting the success of the combined enrollment system that allows parents apply for schools through one central system. DPS and its charter schools have venues to promote communication, share best practices, and find opportunities to improve their services. The compact outlines responsibilities for both sectors to serve all students, such as shared responsibility for serving high needs students.

The district-charter relationship is not without its challenges

Relationships between charter schools and the district or its neighboring schools are often challenging. Although it its eighth year of official collaboration, there are still fundamental disagreements among the parties involved. District representatives say the key is to find places where all parties align. Doing so can help each learn to understand the others' perspective and identify areas of compromise.

Opportunities to improve include considering formal collaboration at the instructional level

While DPS established formal structures for collaboration related to district-wide policies, district representatives mentioned possible opportunities for formalized collaboration among teachers. While individual teachers can informally share information related to instruction and other classroom-related issues, there are as yet few avenues to formally collaborate between all teachers.

Charter schools authorized by the local school district had the most developed relationships with the district

Relationships between Washington’s charter schools, school districts and traditional schools vary in maturity with the charter authorizing structure, a key predictor of organizational maturity. Of all district-charter relationships statewide, charter schools authorized by Spokane Public Schools have the most developed relationships with the district. Authorizing districts that welcome and monitor charter schools in their district are more likely to share resources and provide support to the charter school.

For example, Spokane Public Schools incorporates charter schools in its marketing materials and has extended its enrollment system to charter schools, giving families the information they need to choose from all schools available to their children. Additionally, the district established an Office of Innovation which, as part of its responsibilities, authorizes charter schools in the district and centralizes communication and collaborative efforts. Charter schools developed their school model and location after collaborating with the district-authorizer on educational approaches that the district lacked.

Less collaboration between charter and traditional schools when an outside entity served as the authorizer

While not all relationships had similar experiences as found in Spokane, some districts and charter schools report that charter school outreach efforts to the community and traditional schools, and participation in local events and trainings, have created opportunities for collaboration as seen in **Exhibit 10**. Some charter schools now mention discussing student placement and sharing their academic model with other traditional schools. Charter school leaders note that traditional schools and their teachers have developed a greater willingness to collaborate with them.

Exhibit 10 – Collaboration Maturity Model

Limited	Emerging	Developing	Mature	Embedded
<p>Green Dot RVLA – Seattle SD Summit Atlas – Seattle SD Summit Sierra – Seattle SD Green Dot Destiny – Tacoma SD Summit Olympus – Tacoma SD SOAR Academy – Tacoma SD</p>	<p>Green Dot Excel – Kent SD Rainier Prep – Highline SD</p>	<p>Spokane I A – Spokane SD Pride Prep – Spokane SD</p>		
<p>Poor or ad hoc communication Dependent on individual initiative Open hostility</p>	<p>Charters fill a niche Dependent on individual initiative or relationships District and school-level communication and coordination</p>	<p>Coordinator guides or centralizes work Parties share resources (enrollment systems, for example) Charters fill a niche Shared decision making</p>	<p>Shared goals Formal agreements Monitoring and controlling how collaboration occurs</p>	<p>Jointly addressing district-wide problems Identifying additional opportunities to improve</p>

Source: Auditor analysis based on interviews and review of documents between charter schools, traditional schools and districts.

Other relationships remain stagnant at early levels of the maturity model – often due to intense political opposition to charter schools. When district engagement is lacking, the appearance of a new charter school is more likely to trigger fears that existing schools will lose students, teachers and funding, exacerbated in districts with shrinking enrollment numbers and budgets. These challenges and pressures are evident in some of the relationships between charter schools and local districts and schools, which occasionally devolved into unwillingness to communicate or share information about students. In other cases, local districts have not found a unifying reason to collaborate; they cite concerns about the hidden costs of collaborating. Several districts across the country receive grant funding to encourage collaboration with charter schools. Without such an incentive, districts are left to find funds amidst competing demands.

Another reason why relationships remain at early levels of maturity is a perceived imbalance of what both parties can bring to the table. Charter schools use alternative educational approaches that they share with some districts and their schools. However, smaller budgets and the relative newness of charter schools limit their ability to share resources as widely as established school districts or traditional schools.

While collaboration has its benefits for schools and its families, not all relationships are primed for more mature collaboration because it is highly dependent on the parties involved. Authorizers and charter school applicants alike are encouraged to learn from the experiences of already existing charter schools.

Are charter schools complying with teacher certification requirements and government transparency laws?

Answer in brief

Charter schools are subject to most of the same laws and requirements that apply to traditional schools, including state and federal teacher certification requirements, and Washington's transparency laws. Based on OSPI's limited review of teacher certifications, charter schools complied with state and federal requirements. Charter schools largely complied with specific requirements in the Open Public Meetings Act, with the most common issue involving training for all board members within 90 days of assuming their role. Charter schools met some but not all foundational requirements of the Public Records Act. While all schools trained and appointed a public records officer, seven of 10 schools did not establish or publish procedures on how the public could request public records; none provided a statement of costs, index of records, or list of exemptions.

Charter schools are subject to most of the same laws and requirements that apply to traditional schools

As with public schools, charter schools are subject to supervision by the Superintendent of Public Instruction and the State Board of Education. Charter schools must adhere to the same basic education requirements, report on academic standards, and certify teachers to the same extent as traditional schools. Additionally, because charter schools receive public funding, they must account for their activities in a transparent manner. As with any government entity, charter schools are obligated to demonstrate responsible use of public funds by adhering to requirements on government transparency through various audits for state governments. They are also subject to audits for nonprofit organizations and an assessment from their charter school authorizer.

This audit considers if charter schools employ qualified teachers and adhere to government transparency laws like the Open Public Meetings Act and Public Records Act.

Based on OSPI's limited review of teacher certifications, charter schools complied with state, federal requirements

Since teachers spend considerable time in sustained, direct, contact with students and control what is taught in the classroom, employing well-qualified teachers is essential if the school and students are to succeed. State law requires all instructional staff to hold current teaching certificates. OSPI monitors schools for compliance with federal requirements to ensure that all reported teachers have the correct state certifications and licenses. State law does allow certain exceptions to this rule to help address teacher shortages. Schools must receive school board approval to allow a teacher to teach a subject not listed on their certificate or to teach subjects or grades outside their field of expertise. OSPI reviews evidence that boards have approved these exceptions.

OSPI’s initial review of teacher qualifications in May 2018 identified areas in which some charter schools lacked evidence of school board approval. OSPI gave schools the opportunity to gather necessary evidence or gain board approval, and gave schools guidance on developing processes that would help ensure future compliance. Based on the teachers that were reported to OSPI, the agency’s most recent review of qualifications (completed in October 2018) showed that the eight charter schools evaluated could demonstrate teachers held the correct education and expertise for their teaching assignments.

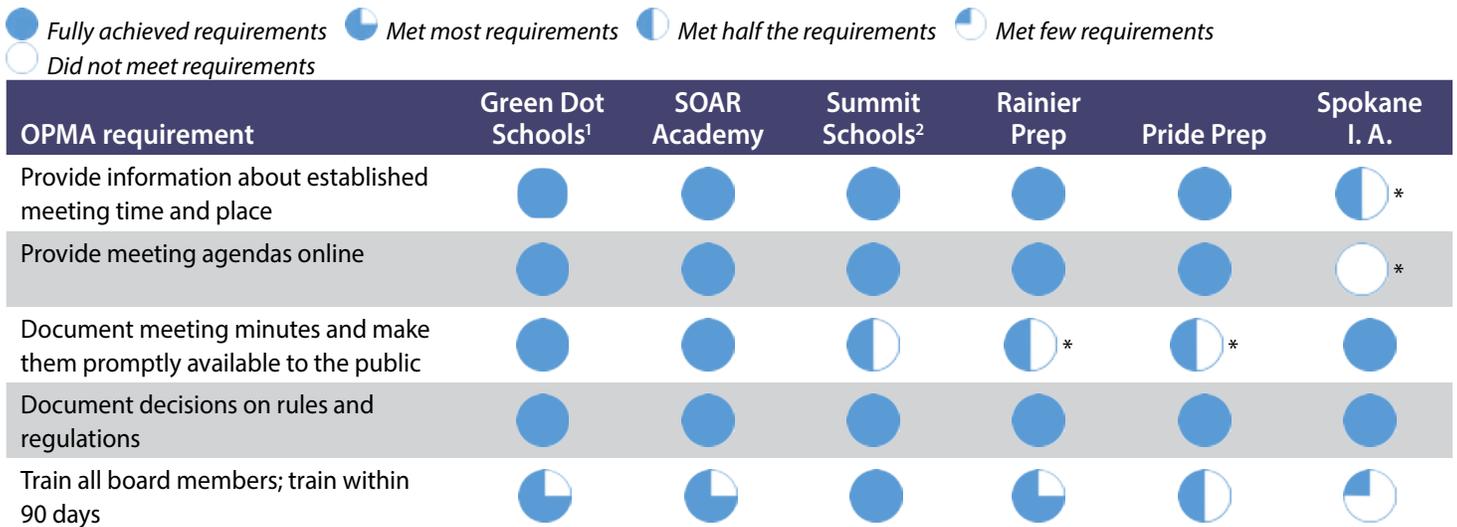
Charter schools largely complied with specific requirements in the Open Public Meetings Act

The Open Public Meetings Act (OPMA) was established to ensure governmental bodies keep the public informed about their actions and decisions. The Act requires that public boards, including charter school boards, discuss and make decisions openly. By adhering to guidance set out in the OPMA, public agencies establish the foundation to promote organizational transparency and build positive relationships with the public.

School boards met many but not all OPMA requirements, with the most common issue involving training all board members within 90 days of assuming their role

A comparison of foundational OPMA requirements with actual practice for the 2017-18 school year showed that charter schools complied with most requirements of the Act that the audit evaluated. As Exhibit 11 shows, the most common area of noncompliance related to board member training.

Exhibit 11 – Charter schools met many, but not all, foundational requirements for the 2017-18 school year



1. Green Dot schools (Destiny, Excel, and Rainier Valley Leadership Academy) are grouped because they share one school board.

2. Summit schools (Atlas, Olympus, and Sierra) are grouped because they share one school board.

* During the course of the audit, several schools made improvements to these policies, procedures or publications.

Source: Auditor analysis of OPMA requirements.

While most charter school boards met all or most requirements for board training, some could not demonstrate that they trained board members about their responsibilities or failed to do so within 90 days of the member joining the board. In most cases, charter schools did not fully meet standards because school officials had a limited understanding of OPMA requirements. School board members are responsible for governing the school and providing leadership by establishing policies, making administrative and financial decisions, and responding to the needs of the community. Given the importance of their role and decisions, it is pivotal that they understand and abide by the requirements to keep the public informed of their actions.

A 2016-17 accountability audit found that charter school boards inadequately documented information about payments or decisions

While this performance audit was in progress, our Office conducted an accountability audit for the 2016-17 school year that evaluated various aspects of the OPMA. The audit evaluated whether charter schools included decisions made or payment information in meetings, among other things. The audit found a range of issues with varying severity, several of which are listed below.

- **Five out of the six charter boards operating in 2016-17 failed to approve payments during meetings or did not document approval of payments.** Board members help ensure financial integrity of the school by reviewing and approving expenditures. By not regularly approving payments during board meetings, these boards limit the transparency of their use of public funds. The accountability audit recommended these schools develop procedures to ensure they approve of payments during regular meetings.
- **Two boards lacked adequate information in meeting minutes.** Meeting minutes are a mechanism to provide the public with information about the content of the board meeting and assurance that schools are governing public funds well. Minutes also serve as a legal record of actions and decisions made in a meeting. Without adequate information recorded in meeting minutes, school boards fail to demonstrate that they have made appropriate use of public funds.
- **Three boards held an executive session for an unallowable purpose; two did not document a public announcement of when executive sessions would start and end.** The rules around executive sessions – which are closed to the public – help ensure that governing boards are transparent about decisions, while also protecting the agency or other members of the public. Executive sessions can only be held for specific purposes like evaluating the qualifications of an applicant or considering the acquisition of real estate. The presiding officer must announce the purpose, place and time for the session in advance. The session can be extended, but this must also be announced. By discussing subjects that were not allowed, these charter schools went outside of the allowable scope of executive sessions. The audit recommended that these schools develop and observe policies related to executive meetings.

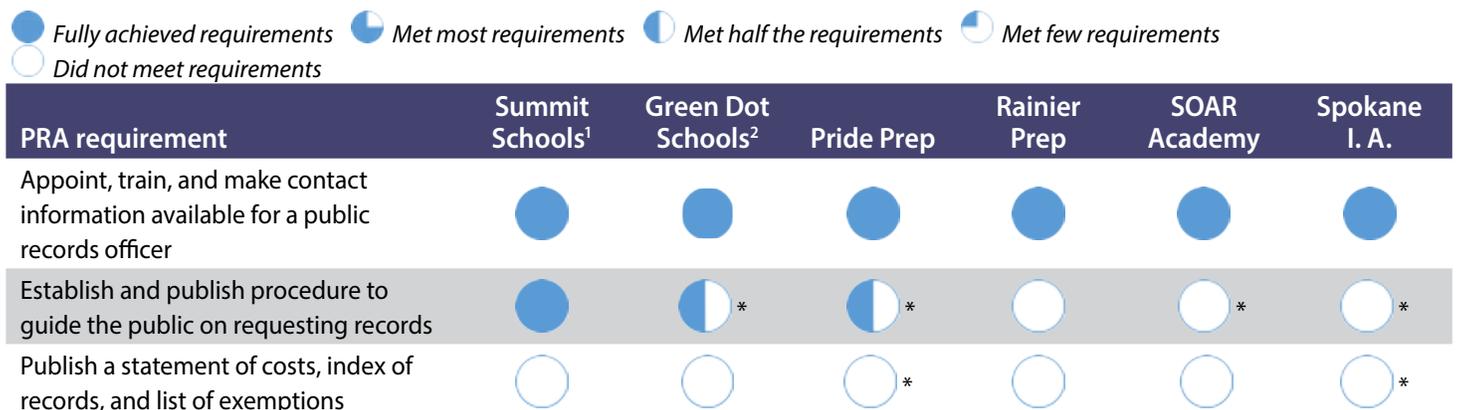
Charter schools met some but not all foundational Public Records Act (PRA) requirements

While all schools trained and appointed a public records officer, seven of 10 schools did not establish or publish procedures on how the public could request public records; none provided a statement of costs, index of records, or list of exemptions

Transparency and accountability are essential components of good government. Washington’s Public Records Act (PRA) helps foster these principles by giving people broad access to government information. The PRA covers all state and local agencies – local education agencies, school districts and charter schools included. The Municipal Research Services Center, Attorney General’s Office, and Office of the State Auditor identify several procedural requirements outlined in the PRA.

The audit evaluated basic procedural requirements as a starting point for compliance with the remainder of the PRA as seen in Exhibit 12. This audit did not evaluate how effectively schools provided records when requested.

Exhibit 12 – Charter schools met some, but not all, basic procedural requirements at the time of the review



1. Summit schools (Atlas, Olympus and Sierra) are grouped because they share one school board and each school’s results were identical.

2. Green Dot schools (Destiny, Excel and Rainier Valley Leadership Academy) are grouped because they share one school board and each school’s results were identical.

* During the course of the audit, several schools made improvements to these policies, procedures or publications.

Source: Auditor analysis of PRA requirements.

While all schools and governments are obliged to adhere to the procedural requirements we reviewed, requirements related to training public records officers and establishing and publishing procedures to guide the public are fundamental to establishing structures that foster government transparency and access to public records.

Comparing PRA foundational procedural requirements with actual practice demonstrated that no charter school complied with all basic requirements at the time of our initial review. A critical area in which seven of 10 schools did not fully meet requirements was establishing and publishing procedures to guide the public on how to request public records. While most of those schools had established procedures, few published information on how to request and access records. No schools published information on how much a requesting a record would cost, what records the school has available, a list of records schools could not provide, or a statement that providing a record would be unduly burdensome. Most charter schools failed to comply because they did not fully understand what was required of them.

Do performance frameworks in charter school agreements align with laws and leading practices?

Answer in brief

The Charter School Act requires that performance frameworks include specific performance indicators, measures and metrics, and a disaggregation of academic performance by student group. Leading charter school organizations suggest using common indicators for academic outcomes and mirroring state and federal requirements, among other things. Performance frameworks maintained by both of Washington’s charter school authorizers align with state laws and leading practices.

The Charter School Act requires specific performance indicators, measures and metrics, and a disaggregation of academic performance by student group

To maintain high standards for these schools and to protect student and public interests, state law requires charter school authorizers to oversee each school’s performance using performance frameworks that establish academic, financial and organizational standards and expectations.

Frameworks must disaggregate student groups such as gender, race and ethnicity, poverty status, and special education status, and indicators, measures and metrics that include academic proficiency and growth, attendance, graduation rates, financial performance, and compliance with state and federal laws. Charter contracts between schools and authorizers include provisions that require schools to adhere to these established frameworks. Finally, schools must also adhere to statewide performance reporting requirements for all public schools.

Leading charter school organizations suggest using common indicators for academic outcomes and mirroring state and federal requirements, among other things

In addition to state law, the National Association of Charter School Authorizers (NACSA), National Consensus Panel, National Alliance for Public Charter Schools, and leading charter school networks in other states suggest including the following:

1. State and federal accountability requirements
2. Mission-specific goals
3. Disaggregated student data
4. Common academic indicators such as student achievement, growth, and college readiness
5. Common organizational indicators such as governance and reporting, students and employees, and financial management and oversight
6. Common financial indicators like near-term and long-term financial position
7. Targets that clearly outline expectations
8. Ratings that quantify performance, such as “meets standard” or “falls far below standard”

Performance frameworks maintained by both of Washington’s charter school authorizers align with state laws and leading practices

Performance frameworks maintained by both of Washington’s charter school authorizers incorporate requirements from the Charter School Act and leading practices. Schools are evaluated on common metrics such as academic proficiency. Frameworks also disaggregate student performance by student groups including by gender, race and ethnicity, and other groups. Frameworks also include concepts from leading practices such as incorporating predetermined targets and ratings.

Links to full frameworks for both authorizers are available in **Appendix F**.

State Auditor's Conclusions

Although charter schools have existed in many parts of the country for decades, such schools are relatively new to Washington. The state's charter school law was passed in 2012, and the earliest of the currently operating charter schools opened for the 2015-16 school year.

The purpose of the audit was to examine whether Washington's charter schools have the foundations in place to help ensure they are accountable to the public. We looked at whether charter schools have enrolled the types of students identified in their charters, whether they have complied with certain state and federal requirements, and whether their charter agreements include appropriate performance frameworks. We also examined the extent to which the charter schools and traditional schools work together. The results were mixed, which is not surprising given newness of the entire charter school system in Washington. It is worth noting that, during the course of the audit, charter schools made efforts to address some of the deficiencies found as a result of this audit.

Unfortunately, the newness of the system also keeps us from addressing another question about Washington's charter schools—how effective are these schools at teaching students? As the system matures and more years of data accumulate, this is a logical question that should be addressed.

Recommendations

For the Legislature

1. To address the organizational risk imposed on the Charter School Commission and charter school authorizers (see page 16), we recommend the Legislature consider amending language in RCW 28A.710.050 (3) to require approval of admissions policies and weighted enrollment preferences by the charter school's authorizer

For charter schools and their authorizers

2. To address the lag in enrolling at-risk students (see page 16), we recommend that charter schools and authorizers continue exploring the opportunities allowed by law to employ weighted enrollment preferences as part of admissions policies.
3. To address the inability to evaluate success in enrolling intended student populations (see page 17), we recommend that charter schools and authorizers track and measure enrollment of targeted student groups as allowed by law. This will enable them to understand and evaluate their progress toward enrolling their intended student populations.

For the charter schools

4. To address deficiencies related to government transparency laws (see pages 23 through 25), we recommend that charter schools establish all basic procedural requirements of the OPMA and PRA if they have not already done so. As charter schools continue to mature, they should continue incorporating leading practices identified by guidance or organizations such as the Attorney General's Model Rules and the Municipal Research and Services Center (MRSC).

Agency Response

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To: Tania Fleming, SAO Senior Performance Auditor
From: Jeannette Vaughn, Director Program Support and Innovation
Re: Audit Recommendations

Thank you for sharing with us the performance audits that you conducted on the two charter schools that we oversee. I'd like to commend you for the outstanding communication throughout the entire audit process. It was a pleasure working with you and your team.

In your report, you make two suggestions for authorizers of charter schools. They include exploring ways in which enrollment preferences may be granted to increase under-served populations in charter schools, and devising methods to track and monitor student sub-group enrollment to look for trends over time. We appreciate your recommendations and agree that these two strategic moves could help to increase enrollment of under-served students in charter schools. Moving forward, we will look for ways to make this happen.

Thank you again for your professionalism throughout this process and we look forward to working with you in the future.

November 20, 2018

Pat McCarthy, State Auditor
Insurance Building-Capitol Campus
302 Sid Snyder Avenue SW
Olympia, WA 98504-0021

Dear Ms. McCarthy,

Thank you for the opportunity to respond to the charter school performance audit. The Washington State Charter School Commission (Commission) appreciates the collaboration with the performance audit team, and has gained valuable insights through the audit process.

The Commission works collaboratively with the charter public schools it authorizes, other charter public school authorizers as well as state agencies such as the Office of Superintendent of Public Instruction, the Public Disclosure Commission and the Washington State Auditor's Office (SAO) to assure the public that charter schools are held to the highest standard of accountability. The performance audit provides useful information as authorizers and charter schools perform their obligations under the Charter Schools Act (CSA).

As an agency involved in implementing a new law, the Commission welcomes feedback designed to strengthen the foundations already in place and ensure that charter public schools perform their legal obligations with fidelity. To this end, the Commission provides the following information, trainings and assistance to the charter schools we authorize.

1. Charter public schools authorized by the Commission receive eight months of onboarding support, training, and assistance and must satisfy over 30 conditions prior to the charter school opening its doors and serving students. The Commission has updated this process to provide additional training and clarify expectations surrounding charter public schools' obligations under Washington's Open Public Meeting Act and the Public Records Act. Additionally, the Commission is referring its authorized charter school to the Attorney General's Office for Open Government training.
2. The Commission observes three board meetings at each charter public school per school year. These board meeting observations assist the Commission in determining the extent to which a charter public school's board of directors are operating in compliance with their charter contract, the performance framework and Washington's Open Public Meeting Act. Based upon the SAO's 2016-17 charter public school accountability audit as well as this performance audit, the Commission has sought feedback from the SAO to improve the protocols and procedures the Commission uses during its observations. The assistance the SAO has provided has improved the Commission board meeting observation form, which will allow for earlier identification and remedy of issues a charter school board of directors may experience.
3. The CSA, RCW 28A.710.050 (3), requires all charter public schools that wish to offer a weighted enrollment preference for at-risk students or to children of full-time employees of the school if

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the employees' children reside within the state, to attain approval from the Commission. The Commission believes this requirement of approving a weighted enrollment preference should be that of a charter school's authorizer, not the Commission. The Commission has identified this issue in its annual authorizer report to the Washington State Board of Education (SBE). The Commission hopes that the SBE's annual report to the Governor and legislature identifies this issue in order for the CSA to be amended to reflect the appropriate role of a charter school's authorizer.

CSA implementation is in its early stages, in order to ensure that future performance audits provides useful information for continuous improvement, the Commission requests that the SAO consider the following regarding future performance audits of charter schools.

- The CSA allows for charter schools to develop and implement a weighted enrollment preference; however, the CSA also states that charters schools must be free and open to all. The audit report seems to elevate the weighted enrollment preference above the free and open requirement of the CSA. The Commission would like to suggest a more nuanced understanding of the interplay between these provisions may be warranted so that charter public schools and their authorizers can explore the opportunities while balancing these legal obligations. To date, only two schools have approached the Commission regarding the use of a weighted enrollment preferences and both school's policies have been approved. The Spokane School District authorized charter public school submitted a policy but did not pursue approval after the Commission sought clarification of inconsistent language contained in the policy.
- Examine the assumption contained in the performance audit that charter public schools must serve the population identified in their proposal to ensure that it is balanced against charter public schools' obligation to serve the all students who come through their doors. While charters can seek to serve a particular student population, they cannot exclude students that do not fall within their target population. Perhaps a focus on efforts to inform families of the charter public schools' unique educational program characteristics during recruitment, combined with its efficacy at meeting the needs of all children who enroll might strike the necessary balance under the CSA.
- Review how the performance audit frames and describes its response to the question, "have charters enrolled the types of students they intended to serve?" The manner in which the responsive headings and sections are organized seems to equate students of color with "at-risk" students (as defined by statute). The Commission does not agree with this implication. The CSA defines "at-risk" using race neutral terminology.
- Refine the methodology used to compare distribution of special education by level of need to be more accurate regarding the conclusions drawn. In other words, a student's Individualized Education Plan (IEP) service minutes do not always equate to the student's level of need. Furthermore, given that the bulk of charter public schools are located in the greater Seattle Tacoma area, it is unclear why special education data from two of the largest school districts, Seattle and Tacoma, was not considered.

In closing, please extend our sincere appreciation to your staff who worked on the performance audit. The performance audit has produced useful information for charter public schools and authorizers as we

collectively seek to improve our practices. The Commission looks forward to its continued collaboration with the SAO's performance audit team.

Sincerely,

Joshua Halsey, Executive Director, Washington State Charter School Commission

Washington State Charter Schools Association

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November 19, 2018

The Honorable Pat McCarthy
Washington State Auditor
P.O. Box 40021
Olympia, WA 98504-0021

Dear Auditor McCarthy:

Thank you for the opportunity to review and respond to the State Auditor's Office (SAO) performance audit report, *Charter School Accountability and Opportunities for Collaboration*. The undersigned charter public schools worked together, with support from the Washington State Charter Schools Association, to provide this response.

We have appreciated the transparent, communicative, and collaborative process that your team has set up throughout this performance audit and have endeavored to be responsive to each part of it. In a sector as new as ours, opportunities to provide accurate, timely information are critical to ensure that the public has an informed, up-to date understanding of the work being done. We value the role that SAO plays as a partner in accountability. As public school leaders, we are committed to living up to the rigorous accountability standards outlined in the charter school law. We are grateful for the role that SAO has played in helping us to continue to improve as we strive to operate our schools in the most efficient, effective, transparent, and accountable manner possible.

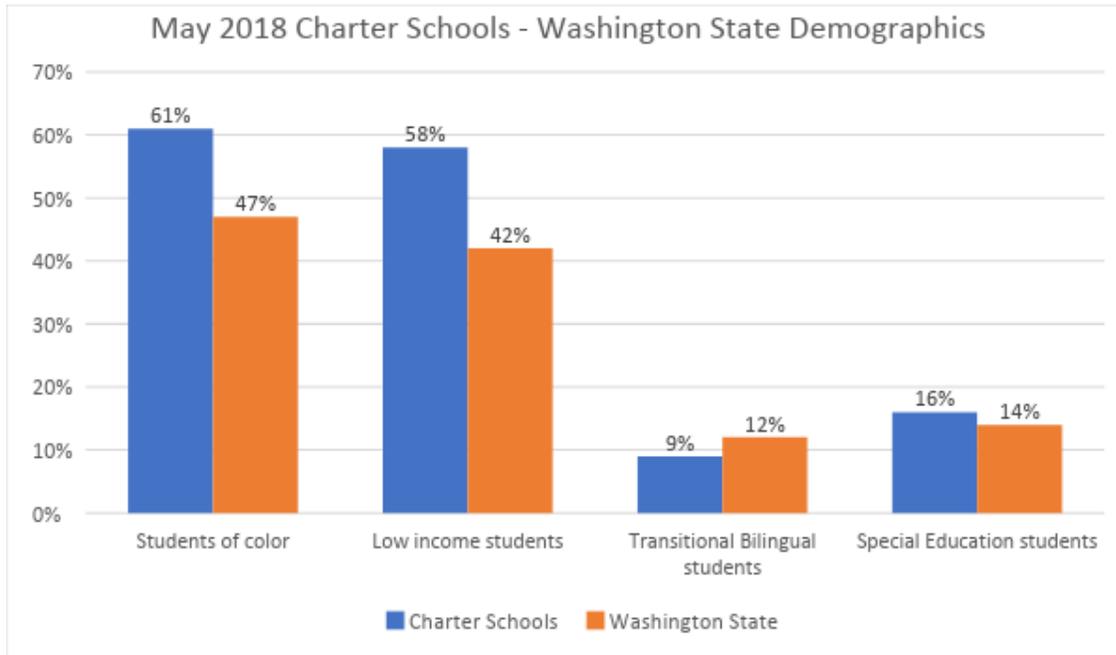
We also appreciate the report's acknowledgement that, during the course of the audit, charter schools addressed deficiencies identified as a result of the audit and made improvements to policies, procedures, and publications to enhance transparency and accountability to the public.

While we appreciate the report's analysis, recommendations, and conclusions, we also wanted to take this opportunity to provide some additional information and context regarding our schools, and to highlight a few instances where we feel that particular statements or conclusions in the report are not reflective of the underlying analysis and data.

Charter schools are enrolling the types of students the law intended that they serve. One of the questions the report sets out to answer is, "Have charter schools enrolled the types of students they intended to serve?" We think the answer is quite clearly yes. As the report notes, the charter school law emphasizes serving at-risk students. Overall, charter public schools serve higher percentages of low-income students, students of color, and special education students than statewide (and, in most cases, district) averages. See **Exhibit 1** for statewide demographic

comparison data, gathered from the Office of the Superintendent of Public Instruction’s (OSPI) Washington State Report Card.

Exhibit 1. Demographic comparison.



Charter schools are complying with government transparency laws and are held to strict accountability standards. Another question that the report asks is, “Are charter schools complying with government transparency laws?” As the report notes, the answer is largely yes. While charter schools complied with the vast majority of Open Public Meetings Act (OPMA) provisions¹, we value the openness and transparency that are hallmarks of public schools and so each of our schools has put in place policies and procedures to address the areas of OPMA noncompliance identified during the audit (e.g., ensuring and documenting training for all board members about their OPMA responsibilities, including training for new board members within 90 days of the member joining the board). Charter schools have also complied with and have addressed all issues identified as part of the 2016-17 State Auditor’s Office Accountability Audit by making changes to policies and procedures to provide greater transparency to the public. With respect to transparency and accountability, it is worth noting that Washington’s charter school law is one of the strongest in the nation, mandating strict accountability and oversight. The National Alliance for Public Charter Schools and the National Association of Charter School Authorizers both ranked Washington’s law as one of the strongest charter school laws in the country. Experts agree that rigorous authorizing and oversight helps improve

¹ Charter schools met over 80% of OPMA requirements examined as part of this audit per Exhibit 11.

student performance. Washington’s law draws on over 20 years of lessons learned and best practices nationally. See **Appendix A** for an overview of the accountability provisions of Washington’s charter school law.

Charter schools face significant funding gaps compared to traditional public schools. The report contains a somewhat misleading comparison of per-student funding between charter schools and traditional schools, likely because the revenue sources used include temporary federal and philanthropic start-up grant funds that will not be available to the schools on a regular basis. In fact, charter schools face a persistent and significant ongoing funding gap based on lack of access to local enrichment levy funding (a gap of between \$2,220 and \$3,400 per student in 2018-19) and lack of access to state capital funding for facilities (forcing charter schools to spend approximately 10% of their operating budgets on facilities). See **Exhibit 2** for per-pupil funding comparison data from OSPI.

Exhibit 2. Per-pupil funding comparison.²

School/district	State per pupil	Local levy per pupil	Total state and local levy per pupil
Rainier Prep	\$10,145	\$0	\$10,145
Highline Public Schools	\$11,857	\$2,389	\$14,246
Green Dot Excel	\$16,791	\$0	\$16,791
Kent School District	\$11,024	\$2,048	\$13,072
Summit Sierra	\$9,985	\$0	\$9,985
Seattle Public Schools	\$11,094	\$3,372	\$14,466
PRIDE Prep	\$10,859	\$0	\$10,859
Spokane International	\$9,662	\$0	\$9,662
Spokane Public Schools	\$10,491	\$2,196	\$12,687
Green Dot Destiny	\$9,706	\$0	\$9,706
SOAR Academy	\$12,120	\$0	\$12,120
Summit Olympus	\$13,201	\$0	\$13,201
Tacoma Public Schools	\$11,391	\$2,371	\$13,762

² Total state and local funding per pupil does not include additional local capital bonds/levies for school facilities that district schools receive but charter schools do not. Green Dot Excel currently receives small school factor funding as it grows its high school from offering 9th grade only in 2018-19 to offering grades 9-12 in 2020-21. Source: OSPI Multi-Year Budget Comparison Tool (June 15, 2018)

Charter schools are serving students with a wide range of disabilities. The report utilizes “service minutes” as one measure of the severity of special education student needs. We encourage readers to also refer to a 2018 University of Washington Center on Reinventing Public Education study regarding special education in

Washington’s charter schools.³ The study examined severity of need and concluded that charter schools are serving a wide range of disabilities, including both low-incidence and high-incidence disabilities.

Promising examples exist of collaboration between charter schools and district schools. The report overlooked some promising examples of collaboration. For instance, a number of Washington school districts are using the Summit Learning Platform, a free program that provides teachers and schools with resources to bring personalized learning into their classrooms. This is a powerful and widespread example of district-charter collaboration and exchange of best practice. It seems appropriate to include in the section of the report on collaboration and to reframe Summit's place in the Maturity Model. Also, charter schools are collaborating with several Educational Service Districts as back-office financial service providers, and the True Measure Collaborative is a special education consortium between the Puget Sound Educational Service District, the Washington State Charter Schools Association, and Seneca Family of Agencies.

Overall audit results are very strong for charter schools. While the report concludes that the results of the audit were “mixed,” we respectfully disagree with that characterization. The audit asked four questions:

1. Have charter schools enrolled the types of students they intended to serve?
2. To what extent do charter schools, traditional schools, and school districts collaborate and coordinate?
3. Are charter schools complying with teacher certification and government transparency laws?
4. Do performance frameworks in charter school agreements align with laws and leading practices?

Charter schools enrolled at-risk students (low-income, students of color, special education students) at higher percentages than statewide averages and in most cases higher percentages than the local district. Charter schools complied with all teacher certification laws, complied with over 80% of OPMA requirements, and complied with most PRA requirements (and made changes during course of audit to provide greater transparency). Summit Learning's collaboration with Washington school districts is an excellent example of district-charter

³ <https://www.crpe.org/sites/default/files/crpe-are-washington-charters-serving-students-with-disabilities.pdf>

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collaboration. And charter school agreements include appropriate performance frameworks that are aligned with state laws and national best practices. Overall, we would respectfully contend that these results are much better than “mixed.”

We hope that this letter is received in the spirit of collaboration which we intend. We would like to reiterate our commitment to values of transparency, accountability, efficiency, and effectiveness that we know you share, and thank you again for serving as partners in accountability.

Please extend our sincere appreciation to Tania Fleming, Shauna Good, Nancy Patino, and other members of your staff who worked on this performance audit. Their work has already contributed to improvements and identified opportunities for additional continued improvements.

Sincerely,

Green Dot Destiny Middle School

SOAR Academy

Green Dot Excel Public Charter School

Spokane International Academy

Green Dot Rainier Valley Leadership Academy

Summit Atlas

PRIDE Schools

Summit Olympus

Rainier Prep

Summit Sierra

cc: Tania Fleming, Shauna Good, Nancy Patino

Appendix A. Accountability provisions of Washington’s charter school law (RCW 28A.710).

Charter schools are public schools that are granted additional autonomy in return for additional accountability. Charter schools must:

Comply with most of the same accountability, oversight, and transparency laws applicable to traditional public schools.

- Charter teachers meet the same certification requirements as traditional public school teachers, including background checks.
- Students meet same academic standards and participate in same statewide assessment system as students in traditional public schools.
- Charter schools comply with local, state, and federal health, safety, parents' rights, civil rights, and nondiscrimination laws applicable to school districts.
- Charter schools are subject to the open public meetings act and the public records act. They comply with the annual school performance report required of all public schools and are subject to performance improvement goals adopted by the State Board of Education applicable to all public schools.
- The nonprofit organizations that operate charter schools are subject to annual audits for legal and fiscal compliance by the state auditor (and must comply with generally accepted accounting principles).

Be approved through a rigorous application process to assure the highest-quality schools.

- Charter school applications must address 32 required elements, including evidence of need and parent and community support for the proposed charter school, evidence that the educational program is based on proven methods, and a description of the school's financial plan and policies, including financial controls and audit requirements.

Be overseen by a local school board or a state commission.

- Charter schools are accountable directly to their authorizer (whether district or state) and are subject to annual performance reviews as well as ongoing oversight to be sure the school is complying with the terms of its charter agreement.
- All public charter schools in the state, and their authorizers, ultimately fall within the existing public school system that is overseen by the Superintendent of Public Instruction and the State Board of Education.

Demonstrate success and high-performance.

- Charter schools are subject to rigorous academic, financial, and organizational performance frameworks.

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- Performance frameworks are incorporated into the charter contract and serve as the basis for holding schools accountable.
- Performance frameworks include measures of student academic proficiency; student academic growth; achievement gaps between major student subgroups; school financial performance and sustainability; and board performance and stewardship.

Must be reauthorized after five years and can be closed for poor performance.

- A charter contract may be revoked or not renewed if the charter school violates material terms of its contract, including insufficient progress toward academic performance expectations, fiscal mismanagement, and legal violations.
- Most importantly, a charter contract may not be renewed if the charter school's performance falls in the bottom quartile of schools on the state accountability index.

Submit to the most important and direct form of local control – keeping parents and students satisfied.

- Charter schools are the ultimate form of local control because they give control to parents to choose the school that best meets their child's needs.
- If the schools are not meeting community expectations, they will lose enrollment and have to close. This process keeps schools directly accountable to parents; concerned parents have direct access to charter leaders and boards and unsatisfied parents can "vote with their feet" by choosing not to enroll (or choosing to leave). There is a level of direct grassroots engagement and feedback that can be challenging, if-not-impossible, for districts to achieve simply because of their size.

Washington's law is one of the strongest in the nation, mandating strict accountability and oversight.

The National Alliance for Public Charter Schools and the National Association of Charter School Authorizers both ranked Washington's law as one of the strongest charter school laws in the country.

- Experts agree that rigorous authorizing and oversight helps improve student performance.
- Washington's law draws on over 20 years of lessons learned and best practices nationally.

Authorizers are held accountable, too.

- School district authorizers are held accountable for their work by the State Board of Education. Authorizing is both a major public stewardship role and a complex profession requiring particular capacities and commitment, and our charter school law treats it as such—with standards-based barriers to entry and ongoing evaluation to maintain the right to authorize.

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All schools will be evaluated after five years before additional schools could be authorized.

- The legislature then determines whether additional public charter schools should be allowed.

Charter public schools are subject to the same federal education laws and regulations as traditional public schools.

- Charter public schools are responsible for meeting the requirements of all public schools under federal laws and regulations, including but not limited to the Individuals with Disabilities Education Improvement Act, the Federal Educational Rights and Privacy Act, the McKinney-Vento Homeless Assistance Act, and the Elementary and Secondary Education Act.

State Auditor's Response

As part of this audit process, our Office gives a draft copy of the report to any groups that were audited and offers them the opportunity to respond. Their response is included in the report. The responses to this report expressed some concerns and areas of disagreement. We summarize these concerns below along with our response.

Charter schools must balance requirements to be free and open to all students with enrolling students that charter schools intend to serve. The legal obligation to be free and open to all can be a challenge, given that schools are also encouraged to serve at-risk students and other groups each school states it will serve in its charter application. We agree with the Washington State Charter School Commission's statements that schools must balance both priorities. Our recommendation to continue exploring weighted enrollment preferences does not refute the need for that balance. Rather, it highlights a statutorily authorized tool that a charter school may use within those legal obligations.

The extent that charter schools enrolled who they said they would is an important performance measurement. Recommendations to track and measure who charter schools said they would serve can help school management understand and evaluate its progress toward enrolling the intended student population outlined in its application.

We acknowledge that charter schools, overall, serve higher percentages of several at-risk student groups than the statewide average. The analysis presented in the report provides a nuanced view of each individual school's enrollment outcomes against comparable groups rather than a broad statewide average.

Students of color have a higher likelihood to attend public schools with high rates of free and reduced-price lunch, achieve lower scores on state assessments, and drop out of high school (as noted on page 15). Although the Charter School Act does not explicitly state that students of color are "at-risk," given the strong association between students of color and the statutory definition, we included this group in our evaluation.

Taking into consideration cost, time and availability of data, auditors ensured the reliability of data while identifying suitable measures for the audit objectives. The use of special education service minutes offers a suitable, though not necessarily a comprehensive, indication of student need. The audit considered three of five school districts with a sample size of more than 10,000 students. Because the distribution of students across all districts looked similar, we have little reason to believe inclusion of two other districts would significantly affect results. While we would have liked to include Seattle and Tacoma school districts in this analysis, they did not respond to our request for information.

We agree with comments related to promising examples of collaboration. We acknowledge that charter schools have established formal business agreements and informal collaborative efforts with parties that were outside the scope of this audit. These efforts demonstrate a willingness to serve students and communities effectively and efficiently. This audit focused on relationships between charter schools and their local school district and/or neighboring traditional schools.

The report includes a point-in-time revenue comparison of charter schools and the statewide average. We acknowledge that revenue sources change over time and that temporary grants may not be available regularly. However, traditional schools and districts also have fluctuations in revenue and receive temporary grants as well.

Appendix A: Initiative 900

Initiative 900, approved by Washington voters in 2005 and enacted into state law in 2006, authorized the State Auditor’s Office to conduct independent, comprehensive performance audits of state and local governments.

Specifically, the law directs the Auditor’s Office to “review and analyze the economy, efficiency, and effectiveness of the policies, management, fiscal affairs, and operations of state and local governments, agencies, programs, and accounts.” Performance audits are to be conducted according to U.S. Government Accountability Office government auditing standards.

In addition, the law identifies nine elements that are to be considered within the scope of each performance audit. The State Auditor’s Office evaluates the relevance of all nine elements to each audit. The table below indicates which elements are addressed in the audit. Specific issues are discussed in the Results and Recommendations section of this report.

I-900 element	Addressed in the audit
1. Identify cost savings	No. The audit does not identify cost savings.
2. Identify services that can be reduced or eliminated	No. The audit does not identify services to be reduced or eliminated.
3. Identify programs or services that can be transferred to the private sector	No. The audit does not identify programs or services that can be transferred.
4. Analyze gaps or overlaps in programs or services and provide recommendations to correct them	Yes. The audit analyzes gaps in compliance with government transparency laws.
5. Assess feasibility of pooling information technology systems within the department	No. The audit does not assess the feasibility of pooling systems.
6. Analyze departmental roles and functions, and provide recommendations to change or eliminate them	Yes. The audit analyzes roles related to approving weighted enrollment preferences and recommends the Legislature consider statutory changes to clarify roles.
7. Provide recommendations for statutory or regulatory changes that may be necessary for the department to properly carry out its functions	Yes. The audit recommends the Legislature consider statutory changes related to which entity approves charter school requests for weighted lottery enrollment preferences.
8. Analyze departmental performance data, performance measures and self-assessment systems	Yes. The audit evaluated performance frameworks for alignment with laws and leading practices.
9. Identify relevant best practices	Yes. The audit evaluated authorizers’ performance frameworks for alignment with leading practices. It also evaluated leading practices in collaboration and communication between charter schools, authorizers, school districts, and traditional public schools.

Compliance with generally accepted government auditing standards

We conducted this performance audit under the authority of state law (RCW 43.09.470), approved as Initiative 900 by Washington voters in 2005, and in accordance with generally accepted government auditing standards as published in Government Auditing Standards (December 2011 revision) issued by the U.S. Government Accountability Office. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B: Scope, Objectives and Methodology

Scope

This audit reviewed 10 charter schools in their first and second year of operation during the 2017-18 school year and their authorizing bodies – the Charter School Commission and Spokane Public Schools. Schools included:

- Green Dot Destiny
- Green Dot Excel
- Green Dot Rainier Valley Leadership Academy (RVLA)
- Pride Prep
- Rainier Prep
- SOAR Academy
- Spokane International Academy
- Summit Atlas
- Summit Sierra
- Summit Olympus

Additional information about these schools can be found in charter school profiles in Appendix C.

Objectives

The audit was designed to evaluate the legislative mandate as well as areas with significance and interest to the public. The audit answers the following questions:

1. Have charter schools enrolled the types of students they intended to serve?
2. To what extent do charter schools, traditional schools, and school districts collaborate and coordinate?
3. Are charter schools complying with teacher certification requirements and government transparency laws?
4. Do performance frameworks in charter school agreements align with laws and leading practices?

Auditors did not evaluate academic outcomes that resulted from these performance frameworks. The State Board of Education reports annually on the academic outcomes of charter schools. The latest report can be found on the Board's website at: <https://bit.ly/2PICZKp>
Academic outcomes are also available from the Office of Superintendent of Public Instruction (OSPI) here: <http://reportcard.ospi.k12.wa.us/>

Methodology

To answer the audit questions, we performed general research and reviewed relevant literature and laws. We also performed the following steps:

Compared contracts and performance frameworks to legal requirements and leading practices

To evaluate if performance frameworks align with legal requirements, auditors reviewed performance frameworks and compared them against legal requirements to disaggregate student groups and include indicators, measures and metrics for:

- a) Student academic proficiency
- b) Student academic growth
- c) Achievement gaps in proficiency and growth by student group
- d) High school graduation rates and student postsecondary readiness
- e) Attendance
- f) Recurrent enrollment from year to year
- g) Financial performance and sustainability
- h) Charter school board performance, including compliance with all applicable laws and terms of the charter contract

Auditors also compared the performance frameworks against leading practices identified by groups such as the National Association of Charter School Authorizers, DC Public Charter School Board, and Denver Public Schools.

Compared intended student population with actual enrollment

Identified intended student population

To evaluate the extent to which charter schools enrolled their intended student population, auditors identified contractually stated references to the school’s intended student population and clarified with schools as needed. Examples of the student groups charter schools intend to enroll include students with disabilities, English language learners (ELL), and students living in poverty.

Identified neighboring schools

Most charter schools identified communities they seek to serve as part of their charter school application. Auditors compared student populations in charter schools to schools in their target communities because student characteristics can vary significantly within one school district. Auditors refer to these schools as *neighboring schools*. Neighboring schools were selected based on if the school was located in the target community and if the school had grades that overlapped grades the charter school enrolled. We also compared enrollment to the local school district.

Auditors used demographic data for the 2017-18 school year for charter schools and 2016-17 school year for neighboring schools and local school districts because it was the latest available. Green Dot Excel, Spokane International Academy, and Pride Prep seek to serve the district at large – auditors compared these charter schools to just their local school district.

Comparison school districts

Wherever possible, auditors compared charter schools to their local school district or an aggregate of the following districts:

- Highline Public Schools
- Kent Public Schools
- Seattle Public Schools
- Spokane Public Schools
- Tacoma Public schools

These districts represent those in which charter schools are located.

To evaluate if charter schools enrolled students from their intended region, auditors mapped the location of the school, the neighboring school boundaries, and zip codes for where students lived.

Created comparison groups

To determine the extent to which charter schools enroll at-risk populations, auditors compared the proportion of various groups in charter schools, neighboring schools, or local school districts as listed in **Figure 1**.

Figure 1 – Groups compared to charter schools

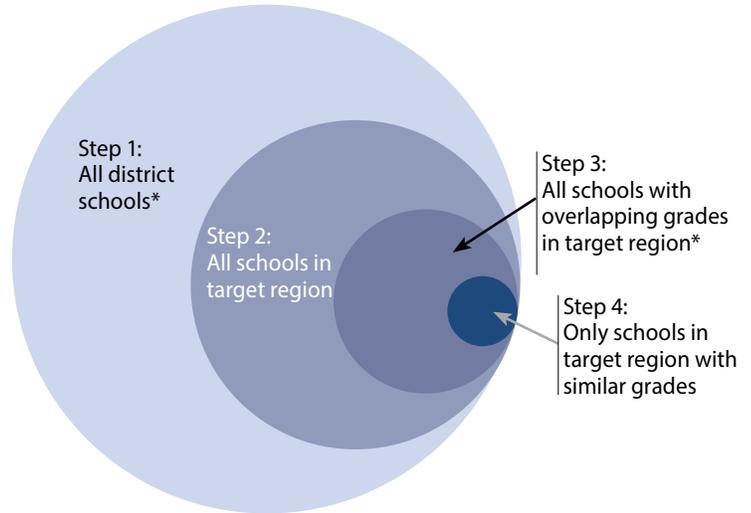
Group studied	Charter schools	Neighboring schools	Local school district (Highline, Kent, Seattle, Spokane or Tacoma)	Multiple school districts
Students qualifying for Free and Reduced-Price Lunch	✓	✓	✓	
English language learners (ELL)	✓	✓	✓	
ELL across varying levels of English proficiency	✓			Highline, Kent, Seattle, Spokane and Tacoma
Students with disabilities	✓	✓	✓	
Students with disabilities across the number of special education service minutes needed	✓			Kent, Highline and Spokane
Special education Least Restrictive Environment	✓			✓

Figure 2 – Auditors refined comparisons to 1) all district schools and 2) schools with overlapping grades in the target region

After identifying neighboring schools (all schools located within the charter school’s target region), auditors developed comparison groups by selecting schools that serve grades that overlap the charter school (**Figure 2**).

To do so, auditors first identified all schools in the district. Second, we identified all schools, regardless of grade, in the target region. Third, we identified any school with any overlapping grade to the charter school. Last, we identified only schools that had closely similar grades.

For example, **Figure 3** illustrates the groups to which we compared Summit Sierra, which serves grades 9 through 11.



* Auditors incorporated comparisons with these groups into audit results.

Figure 3 – Grade level comparison for ELL in Summit Sierra (grades 9-11)

	Grade evaluated	Percentage of ELL students	
		Neighboring schools	School district
Option 1	All schools, all grades	13.2%	20.3%
Option 2	Any school with overlapping grades	9.8%	13.3%
Option 3	Only schools with very similar grades	7.5%	13.2%

The most significant difference was between option 1 (all schools in a given district and all grades) and other options, as seen in the example in Figure 3. Auditors selected Option 2 (any school in the district with overlapping grades) in order to mitigate issues with outliers. Given there were little to no significant differences between selecting similar grades versus overlapping grades, auditors did not evaluate enrollment for individual grades.

Measuring diversity

Auditors used the Simpson Diversity Index to measure diversity, which is often used to measure student and staff racial diversity by colleges, universities, and has been used by school districts. The Simpson Index calculates the odds that two students chosen at random will be different races. Student populations that are more diverse have higher odds that two students chosen at random will be different races than less diverse student populations. The limitation of this index is that it does not measure representation, it only measures a student population’s diversity. To address this limitation, auditors also provided student race and ethnicity breakdowns for each charter school, their neighboring schools and local school district.

Comparing distribution of students in special education by level of need

To evaluate the extent that charter schools enrolled special education students with varying levels of need, auditors compared 1) the number of service minutes each student requires and 2) the amount of time students spent in a general education classroom setting. Auditors also included the percent of special education students enrolled in each charter school, neighboring schools and local school district for additional context.

Comparing the number of minutes students receive special education service each week

The number of minutes students receive special education services is referred to as service minutes. Special education services are tailored to students depending on their disability and service needs. While service minutes are not a perfect measure for determining a student's needs, it does represent the amount of time a student receives services – regardless of whether it is in a general education classroom with a special education teacher, or inside a special education resource room.

To evaluate whether charter schools enrolled students with varying levels of need, auditors grouped students based on the service minutes that the school and parents assign for the student. Students were categorized into 0-240 minutes, 241-480 minutes, and so on. Auditors then compared these groups to an aggregated sample of school districts: Spokane Public Schools, Highline Public Schools, and Kent Public Schools. Auditors were not able to obtain information from the Seattle and Tacoma school districts. It is unlikely this was a significant limitation since the school districts examined had similar trends and given that auditors aggregated school data.

Comparing the amount of time students with disabilities spend in general education classrooms

Least Restrictive Environment (LRE) refers to the percent of time students with disabilities spend in the general education classroom. All public schools report the percentage of time students with disabilities spend in general education settings. Students are categorized into 1) 0 percent to 39 percent, 2) 40 percent to 79 percent, and 3) 80 percent to 100 percent. Auditors reviewed the ratio of students in each of these categories in charter schools and compared the ratio to a sample of school districts.

Comparing the distribution of English language learners (ELL) by need or proficiency

To evaluate if charter schools enrolled ELL students with varying needs, auditors examined the results from the state's annual English Language Proficiency Assessment for the 21st Century (ELPA 21) and conducted the following comparisons:

1. Proportion of ELL enrolled in charter schools, neighboring schools, and the local school district
2. Proportion of students in each proficiency level for charter schools and the five districts represented in this audit

Auditors withheld charter school names from this analysis to protect student information for groups with fewer than 10 students.

Comparing practices and procedures with government transparency laws

To evaluate practices, procedures, and policies related to government transparency, auditors interviewed school officials and reviewed policies, school websites and other documents. Auditors then compared actual practice and procedures with legal requirements that were frequently referenced by experts such as the Municipal Research and Service Center (MRSC), the Washington State School Directors' Association, and the Washington State Office of the Attorney General.

In addition to the review in this performance audit, we used results from other audits conducted by our Office. The audits of charter school compliance during the 2016-17 school year reviewed compliance with the Open Public Meetings Act. We relied on this work to supplement the findings of this performance audit.

Comparing collaboration in Washington to leading practices

Auditors developed a maturity model of collaboration based on concepts from education research and policy organizations, such as Education Next, the Center for Reinventing Public Education, and Mathematica Policy Research.

To evaluate levels of collaboration and coordinating between charter schools, traditional public schools and school districts, the audit team conducted several interviews. Auditors interviewed charter school representatives, one traditional public school representative, and school district officials from Seattle, Tacoma, Highline, Spokane, Kent and Tukwila school districts. Auditors evaluated practices and themes observed in these interviews and placed each charter school and school district on the maturity model based on their observations.

Determining teacher qualifications

OSPI conducts a regular review of teacher qualifications in all public schools as part of its Consolidated Program Review. OSPI conducted a limited review of teacher qualifications in charter schools that were in their second year of operation. The review evaluated whether teachers:

- Held an eligible endorsement type
- Had a certification and licensure agreement
- Held a certification and licensure agreement valid in Washington
- Had a placement agreement

The review also examined how teachers were endorsed and how limited certificates were managed.

Auditors relied on this work to determine the extent to which teachers were certificated.

Appendix C: Charter School Profiles

The following brief summaries provide profiles for each charter school, followed by individual breakdowns of information about the school’s target student population and community. Mission statements and academic model information drawn from the schools’ own websites.

Directory of Charter School Profiles

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Mission

To help transform public education so ALL students graduate prepared for college, leadership and life.

Academic model

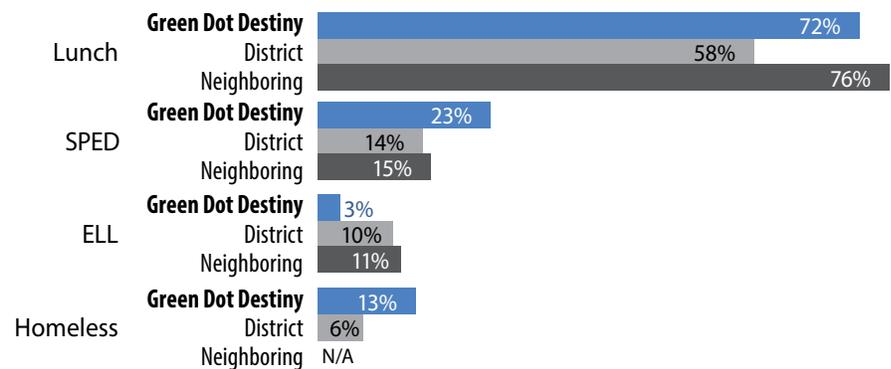
Green Dot works to ensure that those students who most need access to excellent teachers are consistently taught by the best in the profession. In Green Dot schools, where students typically enter in the lowest 10% of academic proficiency, advancing a student a single grade level per year isn't enough to ensure timely graduation. Therefore, we define high-quality teaching as the ability to accelerate student learning and close the achievement gap between students in low-income communities and their more affluent peers. In placing high-quality instruction at the heart of our model, we are committed to recruiting, training, and supporting the very best teachers to professional excellence.

To what extent is the school enrolling its intended student population?

Figure 4 – Student demographics

Black	28%
White	26%
Hispanic	23%
Two or more races	13%
Pacific Islander	6%
American Indian or Alaska Native	2%
Asian	2%

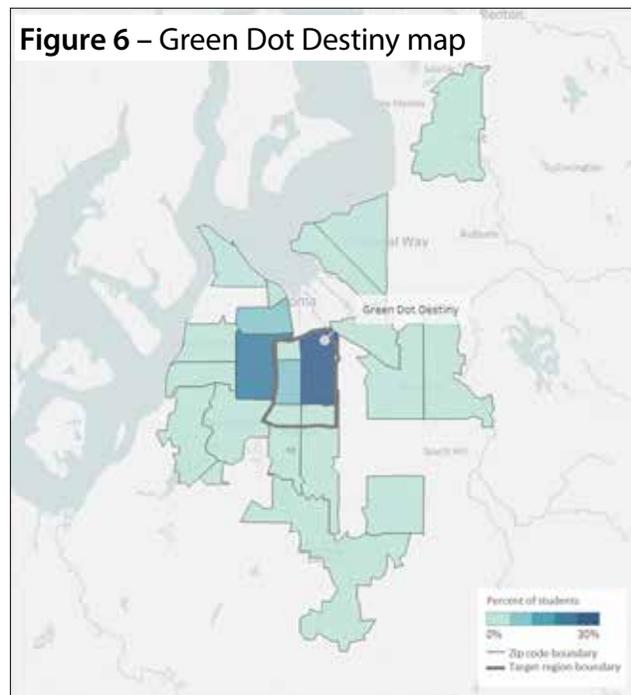
Figure 5 – Comparing Green Dot Destiny’s intended student population to Tacoma Public School District and neighboring schools



To what extent is the school enrolling students from its target community?

Green Dot Destiny’s target community was southeast Tacoma, outlined in Figure 6 in thick gray border. Its students lived in zip codes highlighted in the map.

Figure 6 – Green Dot Destiny map



Location: Kent

Grades served: 7-9, expanding to 6-12

Number of students: 159

Mission

To help transform public education so ALL students graduate prepared for college, leadership and life.

Academic model

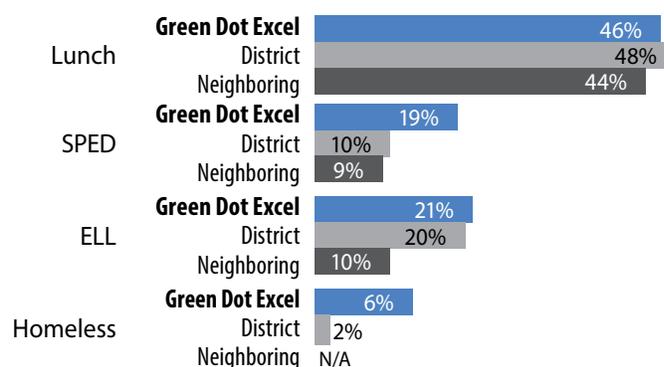
Green Dot works to ensure that those students who most need access to excellent teachers are consistently taught by the best in the profession. In Green Dot schools, where students typically enter in the lowest 10% of academic proficiency, advancing a student a single grade level per year isn't enough to ensure timely graduation. Therefore, we define high-quality teaching as the ability to accelerate student learning and close the achievement gap between students in low-income communities and their more affluent peers. In placing high-quality instruction at the heart of our model, we are committed to recruiting, training, and supporting the very best teachers to professional excellence.

To what extent is the school enrolling its intended student population?

Figure 7 – Student demographics

Black	49%
White	38%
Asian	6%
Hispanic	4%
Two or more races	2%
Pacific Islander	1%
American Indian or Alaska Native	0%

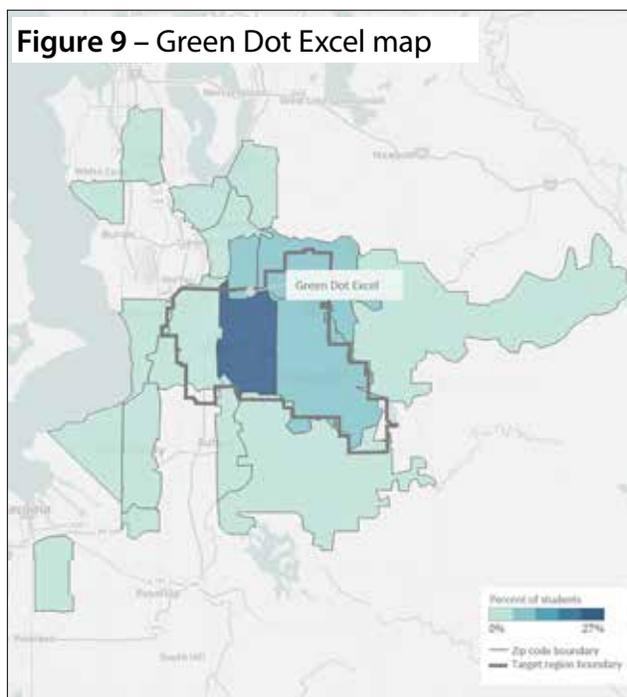
Figure 8 – Comparing Green Dot Excel’s intended student population to Kent Public School District and neighboring schools



To what extent is the school enrolling students from its target community?

Green Dot Excel’s target community was Kent, outlined in Figure 9 in thick gray border. Its students lived in zip codes highlighted in the map.

Figure 9 – Green Dot Excel map



Green Dot Rainier Valley Leadership Academy

Location: Southeast Seattle

Grades served: 6, expanding to 6-12

Number of students: 98

Mission

To help transform public education so ALL students graduate prepared for college, leadership and life.

Academic model

Green Dot works to ensure that those students who most need access to excellent teachers are consistently taught by the best in the profession. In Green Dot schools, where students typically enter in the lowest 10% of academic proficiency, advancing a student a single grade level per year isn't enough to ensure timely graduation. Therefore, we define high-quality teaching as the ability to accelerate student learning and close the achievement gap between students in low-income communities and their more affluent peers. In placing high-quality instruction at the heart of our model, we are committed to recruiting, training, and supporting the very best teachers to professional excellence.

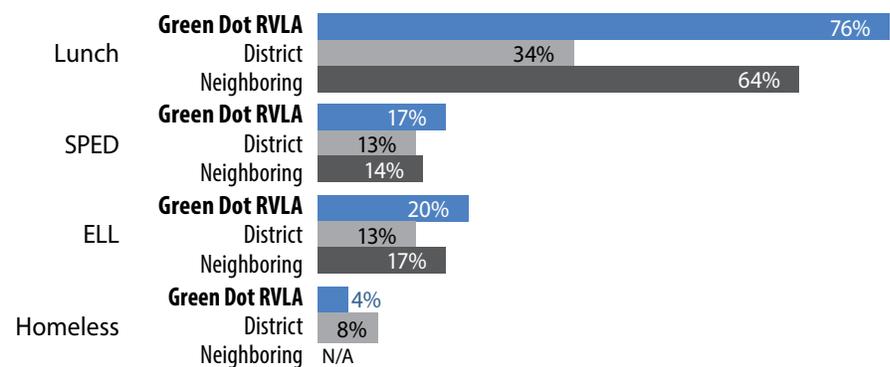
To what extent is the school enrolling its intended student population?

Figure 10 – Student demographics

Black	69%
White	11%
Hispanic	6%
Two or more races	5%
Asian	4%
American Indian or Alaska Native	1%
Pacific Islander	1%

Note: Numbers may not total 100% due to rounding.

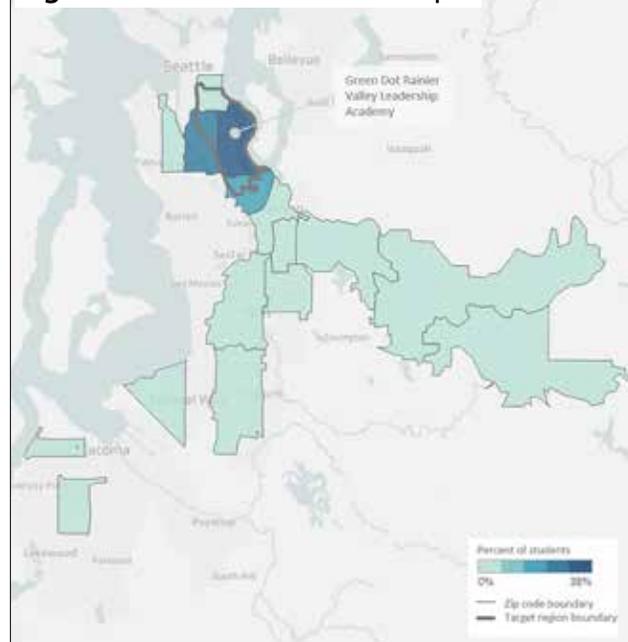
Figure 11 – Comparing Green Dot RVLA's intended student population to Seattle Public School District and neighboring schools



To what extent is the school enrolling students from its target community?

Green Dot RVLA's target community was southeast Seattle, outlined in **Figure 12** in thick gray border. Its students lived in zip codes highlighted in the map.

Figure 12 – Green Dot RVLA map



Location: Spokane Grades served: 6-9, expanding to 6-12 Number of students: 438

Mission

The mission of Pride Schools is to honor the diversity and capacity of people through innovative education design.

Academic model

Pride Prep aims to offer a highly personalized and engaging 21st century education modeled on its core values: Engagement, Achievement, Leadership, Progress and Community. There are four core components of its educational model: personalization, college preparatory environment with emphasis on math and science, leadership development and intersessions, and extended day-small schools environment-intersessions.

To what extent is the school enrolling its intended student population?

Figure 13 – Student demographics

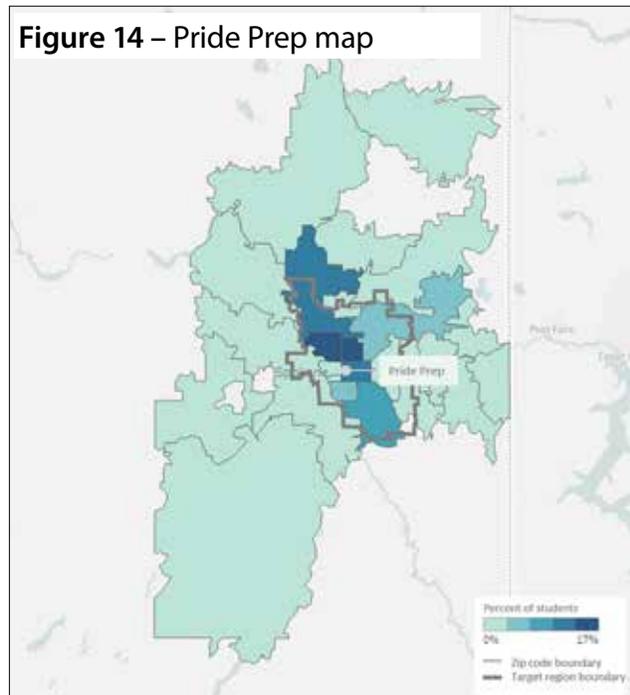
White	73%
Two or more races	9%
Black	9%
American Indian or Alaska Native	4%
Hispanic	4%
Asian	1%
Pacific Islander	0%

Pride Prep does not have an intended student population but seeks to serve the Spokane Public School District at large.

To what extent is the school enrolling students from its target community?

Pride Prep’s target community was Spokane, outlined in Figure 14 in thick gray border. Its students lived in zip codes highlighted in the map.

Figure 14 – Pride Prep map



Mission

To prepare all students to excel at four-year colleges and to become leaders in their communities.

Academic model

Rainier Prep will follow a four-year middle school model, which will provide the time to build skills and relationships to prepare scholars for enrollment in a college track in high school. The education model was created to engage all scholars in rigorous college preparatory curriculum. Students' days are divided into three parts, foundational skills, inquiry, and enrichment.

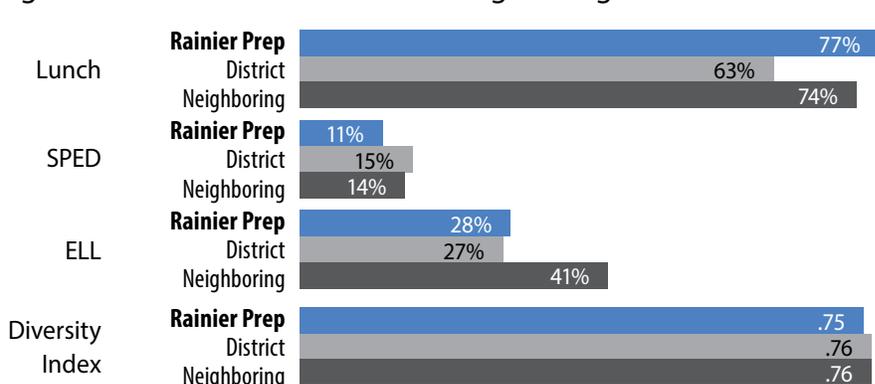
To what extent is the school enrolling its intended student population?

Figure 15 – Student demographics*

Black	35%
Hispanic	29%
White	19%
Asian	9%
Two or more races	7%
Pacific Islander	1%
American Indian or Alaska Native	0%

* At the time of publication, Rainier Prep was working with its authorizer and OSPI to correct demographic data.

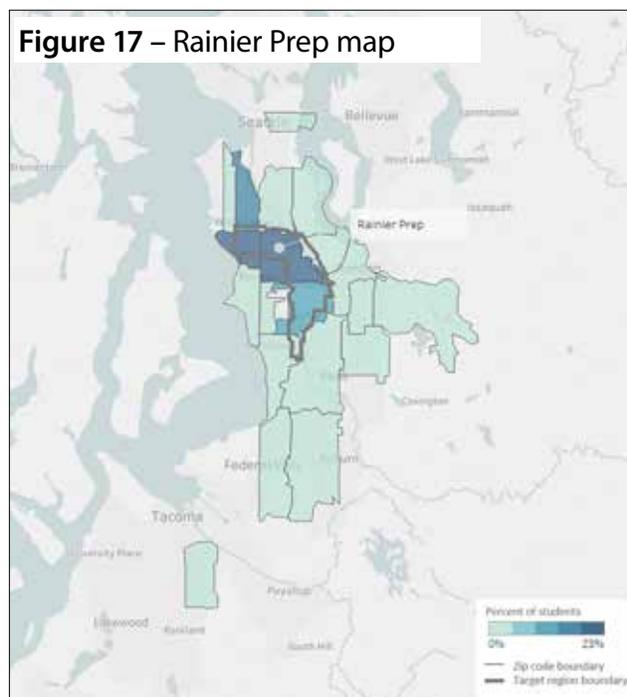
Figure 16 – Comparing Rainier Prep's intended student population to Highline Public School District and neighboring schools



To what extent is the school enrolling students from its target community?

Rainier Prep's target community was Cascade, Chinook, and Showalter middle schools, outlined in Figure 17 in thick gray border. Its students lived in zip codes highlighted in the map.

Figure 17 – Rainier Prep map



Mission

SOAR Academy will provide students with a rigorous, engaging and personalized educational experience, allowing them to become productive members of a diverse, global society, prepared and equipped academically, socially and emotionally for success in and through high school, college and beyond.

Academic model

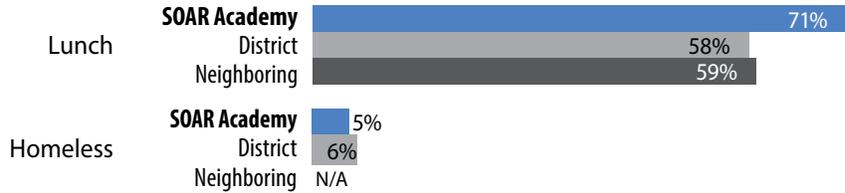
In the early grades, the education model will emphasize teacher-centered instruction and structured learning environment. As students mature and demonstrate on or above grade-level content mastery, the model will shift to become increasingly student-centered, culminating an active learning environment where students own individual projects and group work.

To what extent is the school enrolling its intended student population?

Figure 18 – Student demographics

Black	34%
Two or more races	26%
Hispanic	19%
White	17%
Pacific Islander	3%
Asian	1%
American Indian or Alaska Native	0%

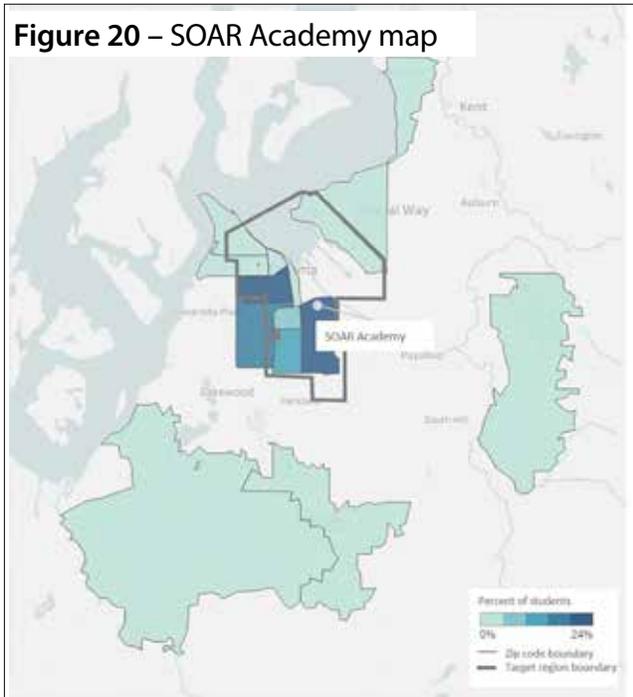
Figure 19 – Comparing SOAR Academy’s intended student population to Tacoma Public School District and neighboring schools



To what extent is the school enrolling students from its target community?

SOAR Academy’s target community was Lincoln and Stadium high school feeder patterns, outlined in Figure 20 in thick gray border. Its students lived in zip codes highlighted in the map.

Figure 20 – SOAR Academy map



Mission

Spokane International Academy empowers its students with the academic skills, habits of mind and global competence necessary to complete advanced courses in high school and a college degree in order to become leaders who can powerfully transform our communities.

Academic model

Spokane International Academy aims to help all students prepare for high school and college through use of personalized learning plans and curriculum that is used in 160 countries around the world. It plans to make use of common core standards as well as Cambridge International Examinations programs and benchmarking to ensure that students are prepared to excel and be leaders not only in Spokane but around the world.

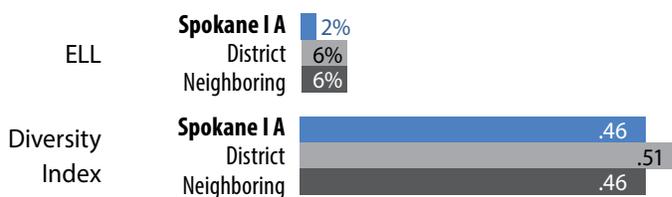
To what extent is the school enrolling its intended student population?

Figure 21 – Student demographics

White	71%
Two or more races	14%
Hispanic	11%
Black	2%
American Indian or Alaska Native	1%
Asian	1%
Pacific Islander	1%

Note: Numbers may not total 100% due to rounding.

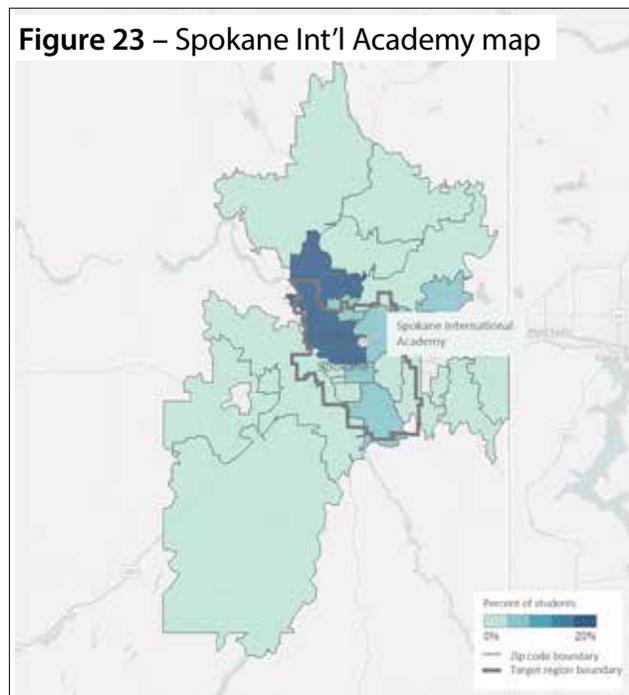
Figure 22 – Comparing Spokane Int’l Academy’s intended student population to Spokane Public School District and neighboring schools



To what extent is the school enrolling students from its target community?

Spokane International Academy’s target community was Spokane, outlined in **Figure 23** in thick gray border. Its students lived in zip codes highlighted in the map.

Figure 23 – Spokane Int’l Academy map



Location: West Seattle Grades served: 6 & 9, expanding to 9-12 Number of students: 167

Mission

To prepare a diverse student population for success in a four-year college or university, and to be thoughtful, contributing members of society.

Academic model

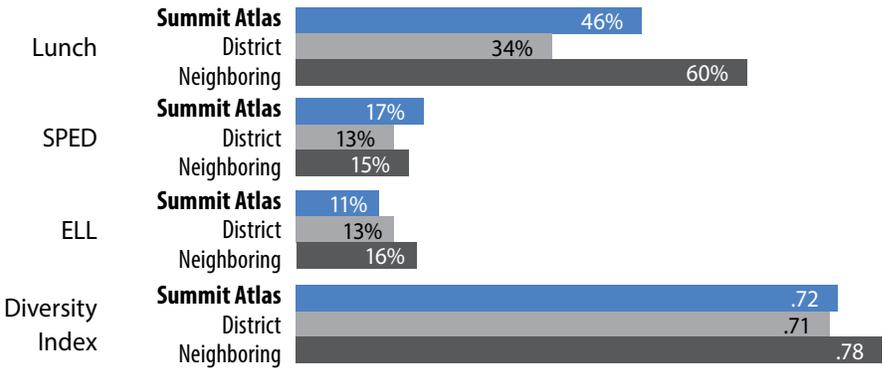
Summit personalizes learning for its students and empowers teachers to adopt multiple roles so that both can reach their highest potential. Each Summit school has its own daily schedule, but all share the same core learning experiences focused on college and career readiness. The model emphasizes project-based learning, dedicated time each day to read and practice math problems, personalized learning through online media, peer-to-peer coaching, and one-on-one tutoring from teachers.

To what extent is the school enrolling its intended student population?

Figure 24 – Student demographics

White	39%
Black	28%
Hispanic	17%
Two or more races	13%
Asian	3%
American Indian or Alaska Native	0%
Pacific Islander	0%

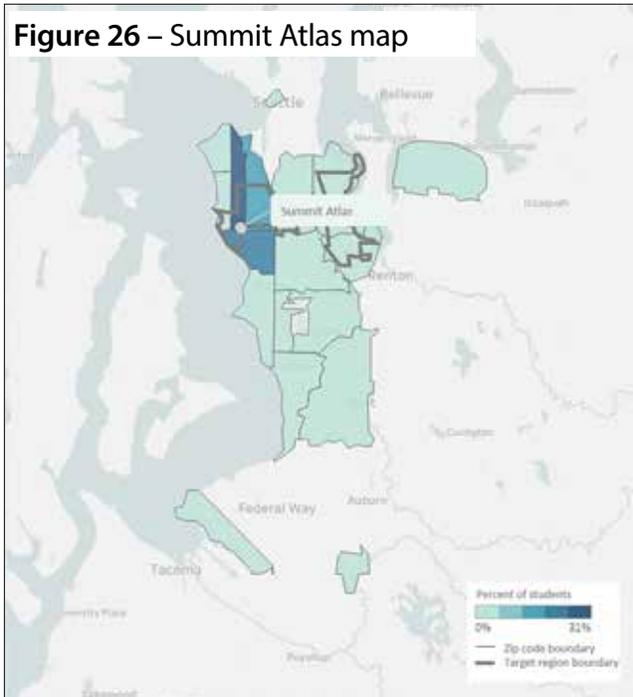
Figure 25 – Comparing Summit Atlas’s intended student population to Seattle Public School District and neighboring schools



To what extent is the school enrolling students from its target community?

Summit Atlas’s target community was Denny, Orca, Aki Kurose and South Shore middle schools; and Chief Sealth, Cleveland and South Lake high schools, outlined in **Figure 26** in thick gray border. Its students lived in zip codes highlighted in the map.

Figure 26 – Summit Atlas map



Mission

To prepare a diverse student population for success in a four-year college or university, and to be thoughtful, contributing members of society.

Academic model

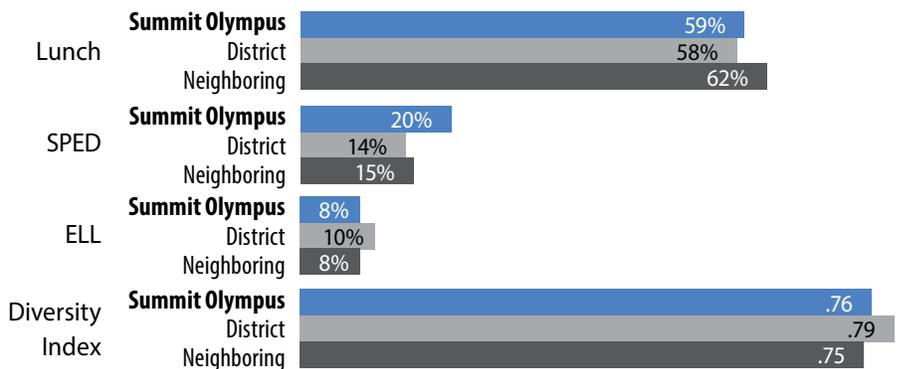
Summit personalizes learning for its students and empowers teachers to adopt multiple roles so that both can reach their highest potential. Each Summit school has its own daily schedule, but all share the same core learning experiences focused on college and career readiness. The model emphasizes project-based learning, dedicated time each day to read and practice math problems, personalized learning through online media, peer-to-peer coaching, and one-on-one tutoring from teachers.

To what extent is the school enrolling its intended student population?

Figure 27 – Student demographics

Hispanic	32%
White	27%
Black	21%
Two or more races	13%
Asian	3%
Pacific Islander	3%
American Indian or Alaska Native	1%

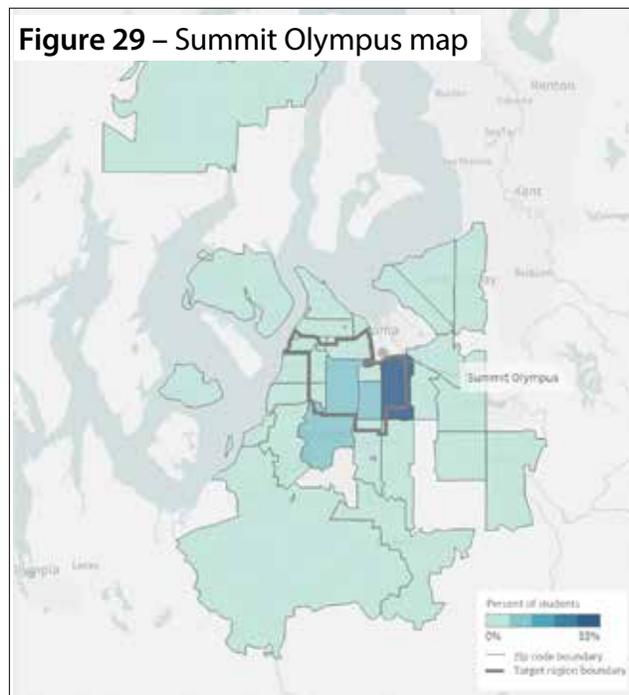
Figure 28 – Comparing Summit Olympus’ intended student population to Tacoma Public School District and neighboring schools



To what extent is the school enrolling students from its target community?

Summit Olympus’ target community was Foss, Lincoln and Mt. Tahoma high school feeder patterns, outlined in Figure 29 in thick gray border. Its students lived in zip codes highlighted in the map.

Figure 29 – Summit Olympus map



Location: International District, Seattle Grades served: 9-11, expanding to 9-12 Number of students: 307

Mission

To prepare a diverse student population for success in a four-year college or university, and to be thoughtful, contributing members of society.

Academic model

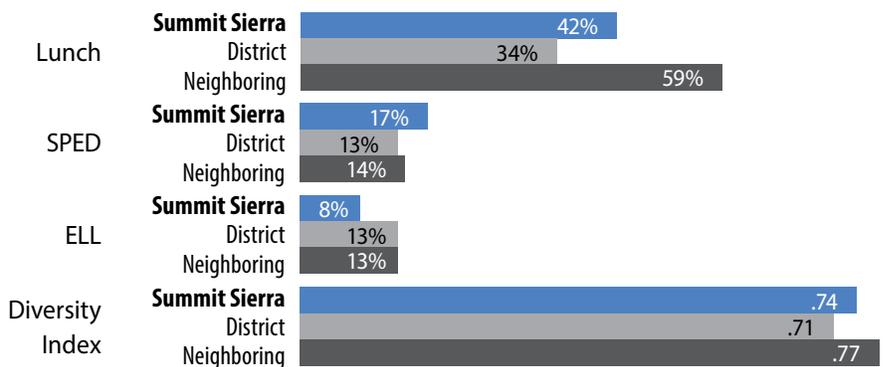
Summit personalizes learning for its students and empowers teachers to adopt multiple roles so that both can reach their highest potential. Each Summit school has its own daily schedule, but all share the same core learning experiences focused on college and career readiness. The model emphasizes project-based learning, dedicated time each day to read and practice math problems, personalized learning through online media, peer-to-peer coaching, and one-on-one tutoring from teachers.

To what extent is the school enrolling its intended student population?

Figure 30 – Student demographics

Black	39%
White	27%
Two or more races	13%
Asian	10%
Hispanic	9%
American Indian or Alaska Native	2%
Pacific Islander	0%

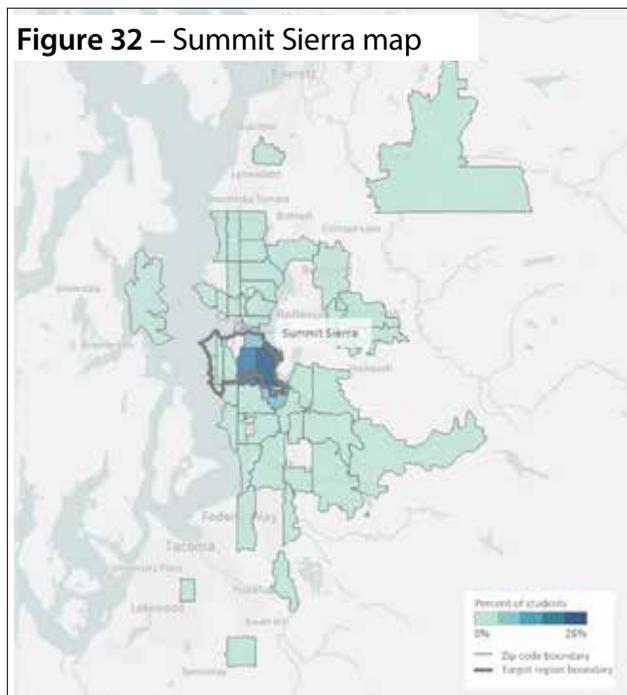
Figure 31 – Comparing Summit Sierra’s intended student population to Seattle Public School District and neighboring schools



To what extent is the school enrolling students from its target community?

Summit Sierra’s target community was Chief Sealth, Cleveland, Franklin, Rainier Beach and West Seattle high schools, outlined in **Figure 32** in thick gray border. Its students lived in zip codes highlighted in the map.

Figure 32 – Summit Sierra map



Appendix D: Charter School Funding

Figure 33 – Statewide and charter school revenues and other financing

Dollars in millions, rounded

	Total revenues and other financing sources		State general and special purpose revenues		Federal general and special purpose revenues		Local taxes		Other revenues or financing sources	
	2016-17 (actual)	2017-18 (budget)	2016-17 (actual)	2017-18 (budget)	2016-17 (actual)	2017-18 (budget)	2016-17 (actual)	2017-18 (budget)	2016-17 (actual)	2017-18 (budget)
Statewide total	\$13,248	\$14,410	\$9,375	\$10,251	\$944	\$1,036	\$2,427	\$2,509	\$502	\$615
Average statewide	\$5.6	\$6.1	\$4.0	\$4.4	\$0.40	\$0.44	\$1.0	\$1.0	\$0.21	\$0.26
Charter total	\$23.6	\$29.6	\$14.0	\$26.3	\$2.2	\$3.2	\$0	\$0	\$7.5	\$12.2
Charter average	\$3.0	\$3.0	\$1.7	\$2.6	\$0.27	\$0.32	\$0	\$0	\$0.94	\$1.2

Figure 34 – Individual charter school revenues and other financing

Dollars rounded

	Total revenues and other financing sources		State general and special purpose revenues		Federal general and special purpose revenues		Local taxes		Other revenues or financing sources	
	2016-17 (actual)	2017-18 (budget)	2016-17 (actual)	2017-18 (budget)	2016-17 (actual)	2017-18 (budget)	2016-17 (actual)	2017-18 (budget)	2016-17 (actual)	2017-18 (budget)
Green Dot Destiny	\$4,439,000	\$4,376,000	\$2,149,000	\$3,816,000	\$518,200	\$560,000	\$0	\$0	\$1,772,000	\$2,057,000
Green Dot RVLA*	\$0	\$2,112,000	\$0	\$1,317,000	\$0	\$795,000	\$0	\$0	\$0	\$782,000
Green Dot Excel	\$2,711,000	\$3,006,000	\$1,388,000	\$2,695,000	\$343,000	\$311,000	\$0	\$0	\$979,640	\$1,488,000
Summit Atlas*	\$0	\$2,067,000	\$0	\$2,041,000	\$0	\$26,400	\$0	\$0	\$0	\$1,550,000
Summit Sierra	\$2,919,000	\$2,380,000	\$1,729,000	\$2,255,000	\$102,000	\$125,000	\$0	\$0	\$1,087,000	\$1,547,500
Summit Olympus	\$2,651,000	\$1,841,000	\$1,456,000	\$1,734,000	\$94,000	\$107,000	\$0	\$0	\$1,101,000	\$1,190,000
Rainier Prep	\$3,208,000	\$3,178,000	\$2,000,000	\$2,778,000	\$403,000	\$399,000	\$0	\$0	\$805,000	\$686,000
SOAR Academy	\$2,013,000	\$2,275,000	\$1,373,000	\$2,087,000	\$218,000	\$187,000	\$0	\$0	\$423,000	\$830,000
PRIDE Prep	\$2,761,000	\$3,953,000	\$1,826,000	\$3,750,000	\$366,000	\$203,000	\$0	\$0	\$569,000	\$878,000
Spokane Int'l Academy	\$2,936,000	\$4,352,000	\$2,031,000	\$3,824,000	\$136,000	\$527,000	\$0	\$0	\$769,000	\$1,170,000

Notes apply to both Figures: 2016-17 averages are calculated using 2016-17 full time equivalent student counts. 2017-18 averages use budgeted revenues and budgeted full time equivalent student counts.

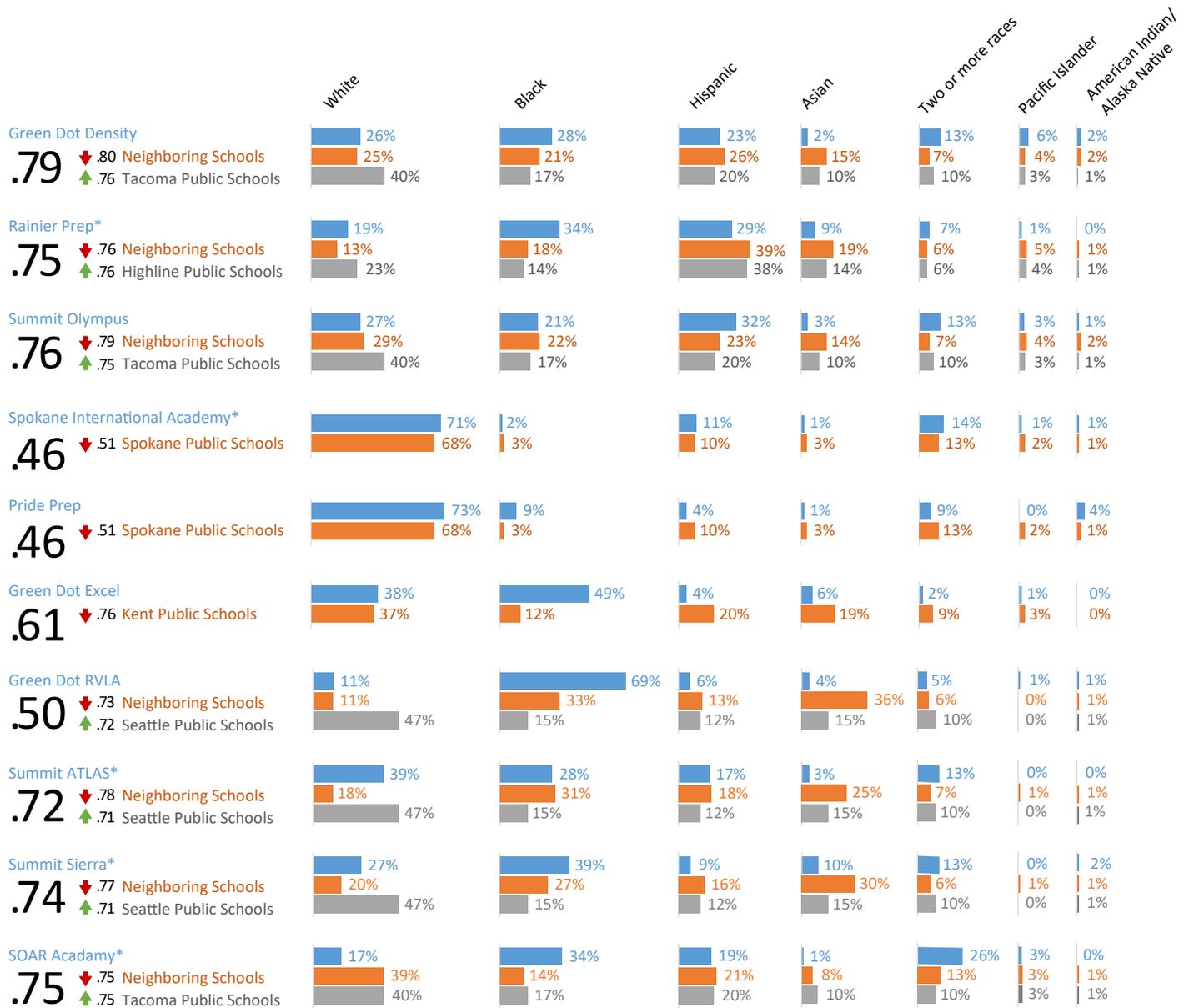
*These schools were established during the 2017-18 school year and thus do not have 2016-17 actual revenue data.

Source: Budgeted and audited financial statements (F-195s and F-196s, respectively) from the Office of Superintendent of Public Instruction, Office of Financial Management, and State Auditor's Office.

Appendix E: Detailed Breakdown of Race and Ethnicity in Charter Schools

The Simpson Diversity Index, commonly used in ecology and in the study of various demographic groups, measures the racial diversity in a given population. It calculates the odds that two students chosen at random will be of a different race or ethnicity.

About half of all charter schools were more diverse than local school districts, but less diverse than neighboring schools



* These schools included having a “diverse student population” or “mirroring the community” as part of their charter school applications.

Appendix F: Performance Frameworks

Charter school authorizers are required to maintain performance frameworks that measure various aspects of charter school performance: academics, operations and finances.

To view the frameworks in effect during this performance audit, visit the State Auditor's Office website using these links.

- **Charter School Commission's performance framework:** <https://bit.ly/2DOKovz>
- **Spokane Public Schools' performance framework:** <https://bit.ly/2TuofYh>