

Additional Information for Charter Schools

Requested at the November 1998 SBE Meeting

- Proposed Timeline for Evaluation
- Services to Exceptional Children
- Excess Costs of Charter Schools to State

Public Schools of North Carolina
North Carolina Department of Public Instruction
Division of Accountability Services
Evaluation Section

December 1998

Additional Evaluation Information for Charter Schools: Requested by the State Board of Education

Proposed Evaluation Timeline for Charter Schools

Timeline and Rationale

In order to provide a reasonable evaluation of the effectiveness of charter schools, including growth in student achievement, impact on other public schools, and promising practices, more than one year is required. While charter schools did not do as well overall as other public schools on the ABCs Accountability program in 1997-98, it is too soon to judge their effectiveness relative to student achievement. The chaos of opening a charter school, as well as the additional confusion resulting from the first year of the charter school statewide system, meant that many schools focused more on opening the school than on instruction as they intended.

Three years from the opening of the first charter schools (after the 1999-2000 school year) should be a minimum timeline for a comprehensive evaluation. This would provide three years of ABCs Accountability data for 24 of the first-year schools, and two full years for the other first-year schools. It also would provide two years of accountability data for many of the schools opening in 1998-99. This timeline would also provide a minimal timeline to assess any potential impact on local education agencies and their schools. An even more reasonable timeline to evaluate the effectiveness and impact of charter schools would be five years.

The earliest reporting date to the Joint Legislative Education Oversight Committee of February 15, 2001 is recommended. Most of the evaluation information from the 1999-2000 school year will not be available in aggregate form at the state level until well into the fall of 2000. This date would allow a couple of months for data analysis and report writing. If a longer timeline is provided for a fuller evaluation, a February reporting date for the year following the end of the evaluation is suggested, with interim reports each February following the preceding school year.

Funding for the Evaluation

If an additional evaluation is to be carried out, funding for the charter school evaluation is essential. Any special areas of interest to the State Board (e.g., services to exceptional children) may require special evaluation focus and data collection. Any qualitative evaluations (e.g., case studies) are time consuming and expensive to implement. Additional evaluation assistance may continue to be available from the university system but still requires funds to support. If not, various aspects of the evaluation could be contracted to outside providers. A annual amount of \$200,000 is requested for the evaluation.

Service to Exceptional Children

At present, there is limited information to determine the adequacy of services to exceptional children in charter schools. While the total percent of students with disabilities served across all charter schools is 9.5 compared to 12.9 percent for the state, that percentage varies widely across individual charter schools. Also, several schools missed the December 1, 1997 reporting date for the headcount used in this evaluation. Issues to be explored in the future are how charter schools are responding to applications from students with disabilities and how well they are serving them in the charter school. Clearly, most charter schools are serving primarily the disability categories of learning disabled, speech/language impaired, other health impaired, and educable mentally handicapped.

The Exceptional Children Division will begin audits of charter schools this year and will audit 13 charter schools that opened in 1997-98 between November 1998 and April 1999. At present, they do not have firm information about how well the exceptional children are served. Based on calls made to the Division of Exceptional Children this school year, staff judge that at least some charter schools are at a basic level of understanding in serving disabled students. The Exceptional Children Division has offered four staff development sessions for charter schools in 1998. The dates, number of schools invited and number of schools attending are listed below:

Dates of Staff Development	Number Schools Invited	Number Schools Represented	Number of Participants
Jan. 15-16, 1998	34	19	29
May 14-15, 1998	34	17	33
July 15, 1998	13	9	22
October 16, 1998	27	13	18

Excess Costs to LEAs and DPI as a Result of Charter Schools

Local Education Agencies

Funding. The State Board of Education has recognized that charter schools are not, in fact, a zero sum exercise relative to school district budgets. The impact on existing public schools is not uniform. For example, if an entire school converts to charter status, nearly 100% of the ADM cost is eliminated for the LEA. If 10 students over 3 grades leave a school, very little expense (only per-student expenses such as textbooks, activity funds, etc.) is reduced in that existing school. The State Board proposed an allotment formula that takes into account these very different situations.

The State Board of Education has proposed a policy to adjust the impact of State allotment reductions on the LEA based on the estimated actual impact on LEA funding by students lost to the charter school. The allotment formula proposed is as follows:

	<u>State Allotment Reduction</u>
Complete School Converted	85% of calculated reduction
Loss of more than 300 students	75% of calculated reduction
Loss of 200 – 299 students	65% of calculated reduction
Loss of 100 – 199 students	55% of calculated reduction
Loss of 50 – 9 students	50% of calculated reduction
Loss of 25 – 49 students	40% of calculated reduction
Less than 25 students	30% of calculated reduction

The reduction percentage is based on the additional local resources necessary to maintain funding levels. If the proposed allotment formula were currently in place, the estimated costs of the policy in 1998-99 would have been **\$6,571,737**.

Legislation was enacted to address the impact of large charter schools on small county LEAs. This legislation requires that the maximum loss to a charter school in a small county cannot exceed 4 percent of the LEA’s budget. No money was appropriated to cover this amount of loss and the difference must be absorbed within the State Public School fund.

A summary of state expenditures by all charter schools for the 1997-98 school year was **\$16,559,947**. However, the impact of allotment reductions on other public schools, as presented above, would add \$6.5 million – another 40 percent - to the total state costs. Thus, total state costs are closer to **\$23,131,684**.

Administrative Time. The only information regarding excess administrative time for local education agencies caused by charter schools is obtained from the survey to LEA administrators regarding the impact of charter schools on LEAs and their schools. The question was, “To your knowledge, what extent has the local school district experienced changes in numbers and distribution of students across grade levels; programs offered; parent concerns; *redistribution of administrative time*; or other?” Response from LEAs regarding redistribution of administrative time were as follows:

- Sixty-four (64) percent of LEAs indicated that there was no change in redistribution of administrative time;
- Thirty-six (36) percent of LEAs indicated some change in redistribution of time; and
- None of the LEAs indicated much change in redistribution of administrative time.

Department of Public Instruction

During 1997-98 fiscal year, DPI collected the number of hours each month that employees spent on charter school issues. The report for 1997-98 is attached. This report is considered by most of DPI administrators to be an underestimate of time spent on charter schools. For example, it does not include the time that regional accountability consultants spent with charter schools on testing issues during their first year.

Based on the hours reported during the 12 months between July 1, 1997 and June 30, 1998, a minimum of 10.3 full-time employees would have been needed to address charter school issues. Staff in the Instructional and Accountability Services Area accounted for the largest percentage of time spent on charter schools (41.8%), followed by Financial and Personnel Services Area (28.5%) and Instructional and Technology Services Area (25.8%). In response to this information and the needs identified, the Department has redirected some positions to address charter school needs and the General Assembly appropriated three positions (\$220,000) for the Department. However, staffing continues to be less than optimal and additional resources will be pursued.

The State Office of Management and Budget is currently conducting a study of administrative requirements in the Department of Public Instruction to meet the needs of charter schools. Their study should be completed in December 1998 or January 1999.

While time spent on the first-year charter schools might decrease in future years, the same kinds of activities and time likely will be needed to address the new charter schools that are opening each year. In addition, the reporting and monitoring/auditing time required will increase at the state level as more charter schools are added.

Time Spent on Charter Schools

Annual Report: July 1997 - June 1998

Reporting Mechanism

Staff working indirectly or directly with Charter Schools submit email messages to Program Review. Reminder messages are sent to ensure that all time is reported.

Total Number of Employees, FY 1997-98

A total of 95 individuals reported contributing to Charter Schools efforts.

Total Number of Hours, FY 1997-98

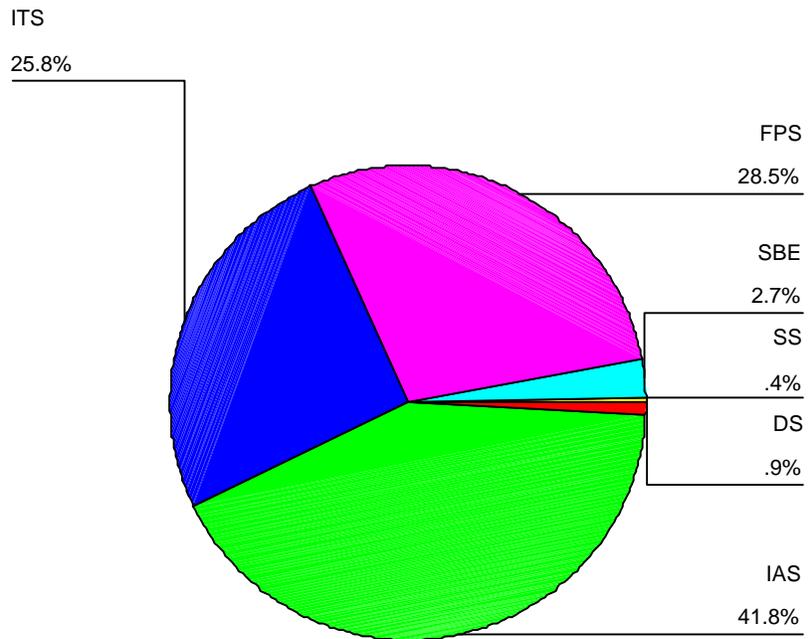
During FY 1997-98, a minimum of 21,411.05 hours was spent by staff working on Charter Schools issues.

Estimated Full-Time Equivalent

Full-time State employees work approximately 2080 hours per year. To complete the total number of hours required by Charter Schools' issues in FY 1997-98, a minimum of **10.3** full-time employees would have been needed (*calculation: 21,411.05/2080 = 10.29*).

Total Monthly Hours by Area, FY 1997-98

The pie chart below illustrates the total annual distribution of the Charter Schools' workload by agency area.



<u>Agency Area</u>	<u>Total # of Hours Reported By Area Staff</u>
Deputy Superintendent's Office	188
Instructional & Accountability Services	8947.2
Information & Technology Services	5515.1
Office of Financial & Personnel Services	6107.25
State Board of Education	577
State Superintendent's Office	76.5

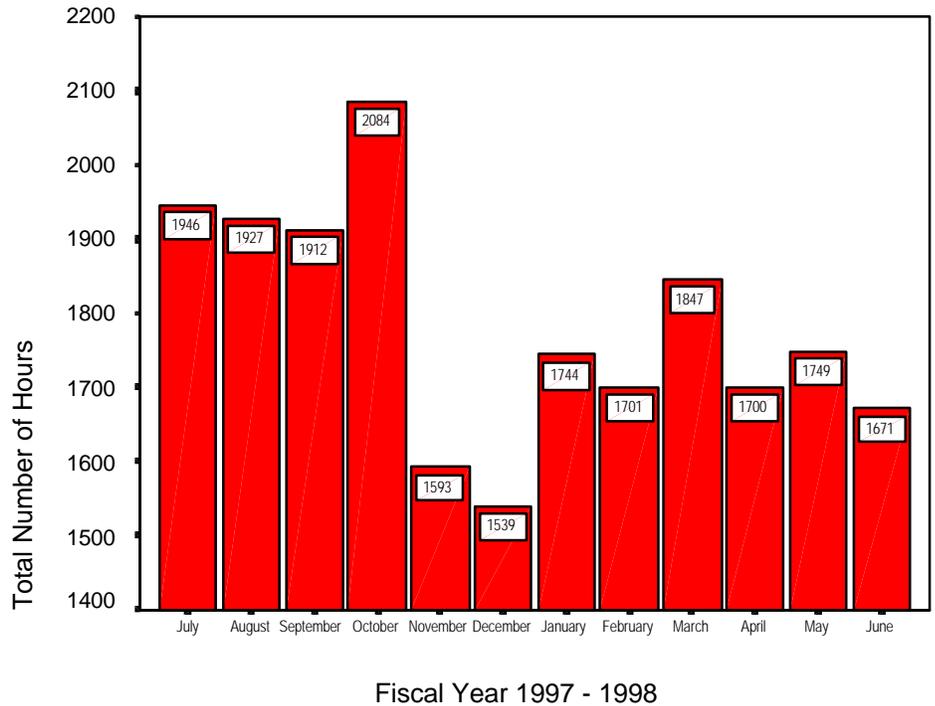
Time Spent on Charter Schools

Annual Report: July 1997 - June 1998

Total Number of Hours, FY 1997-98

In the past 12 months, a minimum of 21,411.05 hours has been spent by agency staff on Charter Schools' efforts.

Total Hours by Month, FY 1997-98



Note: Total monthly hours may have increased from previous reports due to additional staff updates.