

# The Washington State Board of Education

Governance | Accountability | Achievement | Oversight | Career & College Readiness

<b>Title:</b>	<b>Proposed Rules, RCW 28A.710.100 (Charter Schools)</b>	
<b>As Related To:</b>	<input checked="" type="checkbox"/> Goal One: Effective and accountable P-13 governance. <input type="checkbox"/> Goal Two: Comprehensive statewide K-12 accountability. <input type="checkbox"/> Goal Three: Closing achievement gap.	<input checked="" type="checkbox"/> Goal Four: Strategic oversight of the K-12 system. <input type="checkbox"/> Goal Five: Career and college readiness for all students. <input type="checkbox"/> Other
<b>Relevant To Board Roles:</b>	<input checked="" type="checkbox"/> Policy Leadership <input checked="" type="checkbox"/> System Oversight <input type="checkbox"/> Advocacy	<input type="checkbox"/> Communication <input type="checkbox"/> Convening and Facilitating
<b>Policy Considerations / Key Questions:</b>	<ol style="list-style-type: none"> <li>Do the proposed rules effectively meet the intent of the provision of the charter school law requiring an annual report to the State Board by each charter authorizer?</li> <li>Do the proposed rules set an appropriate date by which the reports must be made?</li> <li>Is the language of the proposed rules clear on the information must be submitted by authorizers?</li> <li>Do the proposed rules provide for information from authorizers that will be useful to the SBE in preparing its annual reports on the state's charter schools?</li> </ol>	
<b>Possible Board Action:</b>	<input checked="" type="checkbox"/> Review <input type="checkbox"/> Adopt <input checked="" type="checkbox"/> Approve <input type="checkbox"/> Other Approve for filing of CR 102 and scheduling of public hearing.	
<b>Materials Included in Packet:</b>	<input checked="" type="checkbox"/> Memo <input type="checkbox"/> Graphs / Graphics <input checked="" type="checkbox"/> Third-Party Materials <input checked="" type="checkbox"/> PowerPoint	
<b>Synopsis:</b>	<p>RCW 28A.710.100(4) requires each charter authorizer to submit an annual report to the State Board of Education according to a timeline, content and format specified by the Board. Rule-making is required to set the date by which the report must be submitted, to specify the required information to be submitted, and to establish the form and manner in which the report must be submitted. The rules apply to all authorizers -- both school districts approved by the SBE under RCW 28A.710.090 and the Washington Charter School Commission.</p> <p>Draft rules to this section:</p> <ol style="list-style-type: none"> <li>Set a due date of November 1 for the authorizer reports.</li> <li>Direct the SBE to develop and post a standard form to be used in submitting the report.</li> <li>Add a requirement for an executive summary.</li> <li>Provide for certain information about authorizers and their charter portfolios to be included in the report, in addition to that required in statute.</li> <li>Add detail and clarity to the content required in statute, focusing most on the academic performance of operating charter schools overseen by the authorizer, including the progress of the schools based on the authorizer's performance framework.</li> </ol> <p>In your packet you will find a memo summarizing the draft rules, a copy of the draft rules, and a copy of the authorizing statute, RCW 28A.710.100.</p>	

## PROPOSED RULES, RCW 28A.710.100 CHARTER SCHOOLS

### Policy Consideration

Members will review and approve for filing a CR 102 for public hearing on proposed rules to RCW 28A.710.100 (Charter school authorizers – Powers and duties), with any changes to the rules they may direct.

### Background

**RCW 28A.710.110 (4)** requires each charter school authorizer – both school districts and the Washington Charter School Commission -- to submit an annual report to the State Board of Education “according to a timeline, content and format specified by the Board.”

In rules to this subsection, the SBE therefore must:

- 1) Set a date by which the reports must be submitted;
- 2) Prescribe in appropriate detail what must be included in the reports;
- 3) Establish the form in which the reports must be submitted.

By law, the authorizer report must include:

- (a) The authorizer's strategic vision for chartering and progress toward achieving that vision;
- (b) The academic and financial performance of all operating charter schools overseen by the authorizer, including the progress of the charter schools based on the authorizer's performance framework;
- (c) The status of the authorizer's charter school portfolio, identifying all charter schools in each of the following categories: Approved but not yet open, operating, renewed, transferred, revoked, not renewed, voluntarily closed, or never opened;
- (d) The authorizer's operating costs and expenses detailed in annual audited financial statements that conform with generally accepted accounting principles; and
- (e) The services purchased from the authorizer by the charter schools under its jurisdiction under RCW 28A.710.110, including an itemized accounting of the actual costs of these services.

The reports required by this section have significance for other sections of the charter school law, and for rules previously adopted by the Board. RCW 28A.710.250 provides that the annual reports the SBE, in collaboration with the Commission, must make to the governor, legislature and general public on the state's charter schools for the preceding school year “*must be based on the reports submitted by each authorizer as well as any additional data compiled by the board.*”

WAC 180-18-060 directs that in conducting periodic reviews of the adequacy and efficiency of the authorizer oversight fee established through this rule, the SBE “shall utilize the information

on authorizers' operating costs and expenses included in the annual report submitted to the board by each authorizer as set forth in RCW 28A.710.100(4).”

The reports also can provide a key set of information to the SBE in exercising its duty for oversight of the performance of district authorizers under RCW 28A.710.120.

## Summary

The draft rules propose in subsection (1) that each authorizer submit its report no later than **November 1** of each year. This date is not optimal for use of the reports by the SBE in the annual reports it must make under 28A.710.250, but recognizes that Achievement Index and other data required for the reports may not be available to authorizers soon enough to set a much earlier date.

SBE staff will continue to consult with OSPI on how best to coordinate the annual date for the authorizer report with the projected availability of data necessary to it. The date can be adjusted as appropriate as the Board goes through the public hearing and amendment process prior to adoption.

The rules require the SBE to develop and post a standard form for authorizers to use in making their reports, in a way similar as the Board has posted forms for BEA waivers and charter authorizer applications. This makes the reports easier for authorizers to complete and for the SBE to use.

Subsection (2) sets forth the required content of the report. The lettered subsections (a) and (b) add such basic content as the date the authorizer (if a school district) was approved and the names and job titles of key authorizing personnel. In (c) we provide for an executive summary in which authorizers may provide an overview of the more detailed information to follow. Here and elsewhere we pay mind that the charter authorizer reports should be useful not only to the State Board in carrying out its duties, but to policy makers and the public as well.

The remainder of subsection (2) adds detail to the components of the report required in law. For example, in the part on the status of each charter school in the authorizer's portfolio, the rules require that for schools approved but not open, the authorizer must submit the grades to be served, the projected enrollment, and the planned date for opening. Information on schools open and operating would include enrollment, in total and by grade, and the number and percent of students enrolled who are at-risk.

In (2) (f), the rules link the academic performance data to be reported by the authorizer to the performance framework required by [RCW 28A.710.170](#). This section lists indicators that must be included in all performance frameworks, while providing for authorizers to add their own, valid indicators to augment these. They specify, for emphasis, that proficiency, growth, achievement gaps, graduation rates and postsecondary readiness must be included as reported in the Achievement Index developed by the SBE.

For both required and authorizer-specific indicators, the authorizer must report the data both as absolute values and in relation to the annual performance targets in the performance framework. This implements the language of 28A.710.100 (2) (b), which requires that the report “include the progress of the charter schools based on the authorizer's performance

framework.” Beyond compliance, this provision is critical to understanding how well each school is doing in relation to the expectations set for it in the charter contract.

The draft rules also add detail and clarification to the parts of the report on the authorizer’s operating costs and expenses and any services the charter schools it authorizes has purchased from it. They specify, for example, that the accounting of the authorizer’s costs in the report must conform not only to Generally Accepted Accounting Principles but to applicable requirements of the Office of Superintendent of Public Instruction.

## **Action**

The Board will review and consider approval of the proposed rules for public hearing.

## Charter Schools Rule-Making Authorizer Annual Report

Jack Archer  
Director, Basic Education Oversight  
State Board of Education  
July 10, 2013

### RCW 28A.710.100 Powers and duties of authorizers

- RCW 28A.710.100 enumerates the powers and duties of charter school authorizers.
- (4) “Each authorizer must submit an annual report to the state board of education, according to a timeline, content and format specified by the board.”
- Required of all authorizers – School districts approved by the SBE and the Washington Charter School Commission.

## Annual authorizer reports – Rules required

In rule, the SBE must specify:

- ✓ When the reports must be submitted
- ✓ What must be included in the reports
- ✓ In what form the reports must be submitted

## Authorizer reports – Required content

- Authorizer's strategic vision for chartering and progress toward achieving that vision.
- Academic and financial performance of all charter schools overseen by the authorizer.
- Status of authorizer's charter school portfolio.
- Authorizer's operating costs and expenses.
- Services purchased from the authorizer by its charter schools.

## Authorizer reports – Impacts

- SBE required to use authorizer reports in the annual reports it must make to the governor, legislature and general public under RCW 28A.710.250.
- The authorizer reports provide key information for use by SBE in oversight of district authorizers under RCW 28A.710.120.
- A critical source of data for evaluating the performance of charter schools.

## Proposed rules – Timeline

- **September 1** – SBE posts standard form and instructions for authorizer report.
- **November 1** – Due date for submission of authorizer report.
- Data availability is issue for timing of report.

## Proposed rules – Charter school portfolio

- Statute requires authorizer to identify the schools in its portfolio by category, e.g., approved but not yet open, operating, renewed, and not renewed.
- Proposed rules require additional information, such as:
  - For schools not yet open – Targeted student population, community to be served, projected enrollment, planned date for opening.
  - For schools operating – Location, grades operated, enrollment, at-risk students served.

## Proposed rules – Academic performance

- Academic performance data required is rooted in the authorizer's performance framework.
- Must report on each of the required indicators in performance frameworks under RCW 28A.710.170.
- Must report on performance on additional, district-specific indicators in performance framework.
- Must report data both as absolute values and in relation to annual performance targets.

## Proposed rules – Financial performance

- Financial performance data required in the report is rooted in the authorizer’s performance framework.
- Must report on the financial performance of each operating school based on the indicators and measures in the performance framework.

## Proposed rules – Authorizer financial data

- Must report on operating costs in carrying out statutory duties of an authorizer during the prior year, detailed in annual financial statement.
- Must report on any fee-based, contracted services purchased from authorizer by its charter schools under RCW 28A.710.110.

## Policy considerations

- Do the proposed rules ask for too much? Not enough? Are there additional data SBE should require on the performance of each authorizer's charter schools?
- Do the proposed rules make clear to authorizers what information they must include in the reports?
- Is the proposed timeline for the reports appropriate?

## Next steps

- Approve draft rules for filing of CR 102, with any changes requested.
- Outreach for public comment.
- Consultation with OSPI, Commission, districts.
- Public hearing in September and scheduling for adoption.

**Chapter 180-19 WAC**  
**CHARTER SCHOOLS**

**WAC 180-19-210 Annual Report by Authorizer** (1) Each authorizer must, no later than November 1 of each year, submit an annual report to the state board of education meeting the requirements of RCW 28A.710.100(4). The board shall develop and post on its web site by September 1 of each year a standard form which must be used, and instructions which must be followed, by each authorizer in making its report. The completed report must be sent via electronic mail to [sbe@k12.wa.us](mailto:sbe@k12.wa.us).

(2) The report must include:

(a) The date of authorizer approval by the board;

(b) The names and job titles of district personnel having principal authorizing responsibilities, with contact information for each;

(c) An executive summary, including but not limited to an overview of authorizing activity during the prior year and the status and performance of the charter schools authorized;

(d) The authorizer's strategic vision for chartering, as submitted to the state board under WAC 180-19-030(a), and its assessment of progress toward achieving that vision;

(e) The status of the authorizer's charter school portfolio, identifying all charter schools in each of the following categories:

(i) Approved but not yet open, including, for each, the targeted student population and the community the school hopes to

serve; the location or geographic area proposed for the school; the projected enrollment; the grades to be operated each year of the term of the charter contract; the names of and contact information for the governing board, and the planned date for opening;

(ii) Operating, including, for each, location; grades operated; enrollment, in total and by grade, and at-risk students served, in total and as percent of enrollment;

(iii) Charter renewed, with date of renewal;

(iv) Charter transferred to another authorizer during the prior year, with date of transfer;

(v) Charter revoked during the prior year, with date of and reasons for revocation;

(vi) Voluntarily closed;

(vii) Never opened, with no planned date for opening.

(f) The academic performance of each operating charter school overseen by the authorizer, based on the authorizer's performance framework, including:

(i) Student achievement on each of the required indicators of academic performance in RCW 28A.710.170(2)(a)-(f), as applicable by grade, in absolute values and in relation to the annual performance targets set by the charter school under RCW 28A.710.170(3). Student academic proficiency, student academic growth, achievement gaps, graduation rates and postsecondary readiness must be included as reported in the achievement index developed by the state board of

education under RCW 28A.657.110.

(ii) Student achievement on each additional indicator of academic performance the authorizer has chosen to include in its performance framework to augment external evaluations of performance, in absolute values and in statistical relation to the annual performance targets set by the authorizer under RCW 28A.710.170.

(g) The financial performance of each operating charter school overseen by the authorizer, based on the indicators and measures of financial performance and sustainability in the authorizer's performance framework;

(h) The authorizer's operating costs and expenses for the prior year for fulfilling the responsibilities of an authorizer as enumerated in RCW 28A.710.100(1) and provided under the terms of each charter contract, detailed in annual financial statements that conform with generally accepted accounting principles and applicable reporting and accounting requirements of the office of the superintendent of public instruction;

(i) The contracted, fee-based services purchased from the authorizer by the charter schools under its jurisdiction under RCW 28A.710.110, including a brief description of each service purchased and an itemized accounting of the revenue received from the schools for the services and the actual costs of these services to the authorizer.

**RCW 28A.710.100**

**Charter school authorizers — Powers and duties — Delegation of authority — Annual report — Liability.**

(1) Authorizers are responsible for:

(a) Soliciting and evaluating charter applications;

(b) Approving quality charter applications that meet identified educational needs and promote a diversity of educational choices;

(c) Denying weak or inadequate charter applications;

(d) Negotiating and executing sound charter contracts with each authorized charter school;

(e) Monitoring, in accordance with charter contract terms, the performance and legal compliance of charter schools including, without limitation, education and academic performance goals and student achievement; and

(f) Determining whether each charter contract merits renewal, nonrenewal, or revocation.

(2) An authorizer may delegate its responsibilities under this section to employees or contractors.

(3) All authorizers must develop and follow chartering policies and practices that are consistent with the principles and standards for quality charter authorizing developed by the national association of charter school authorizers in at least the following areas:

(a) Organizational capacity and infrastructure;

(b) Soliciting and evaluating charter applications;

(c) Performance contracting;

(d) Ongoing charter school oversight and evaluation; and

(e) Charter renewal decision making.

(4) Each authorizer must submit an annual report to the state board of education, according to a timeline, content, and format specified by the board, which includes:

(a) The authorizer's strategic vision for chartering and progress toward achieving that vision;

(b) The academic and financial performance of all operating charter schools overseen by the authorizer, including the progress of the charter schools based on the authorizer's performance framework;

(c) The status of the authorizer's charter school portfolio, identifying all charter schools in each of the following categories: Approved but not yet open, operating, renewed, transferred, revoked, not renewed, voluntarily closed, or never opened;

(d) The authorizer's operating costs and expenses detailed in annual audited financial statements that conform with generally accepted accounting principles; and

(e) The services purchased from the authorizer by the charter schools under its jurisdiction under RCW [28A.710.110](#), including an itemized accounting of the actual costs of these services.

(5) Neither an authorizer, individuals who comprise the membership of an authorizer in their official capacity, nor the employees of an authorizer are liable for acts or omissions of a charter school they

authorize.

(6) No employee, trustee, agent, or representative of an authorizer may simultaneously serve as an employee, trustee, agent, representative, vendor, or contractor of a charter school under the jurisdiction of that authorizer.

[2013 c 2 § 210 (Initiative Measure No. 1240, approved November 6, 2012).]