

Report Card on Charter Authorizing:		Arizona
I. State Policy Environment		
A. Support for Charter Schools		B
B. Support & External Accountability for Authorizers		B+
II. Authorizer Practices		
A. Application Processes		B-
B. Approval Processes		B
C. Performance Contracts		B+
D. Oversight		B
E. Renewal & Revocation Processes		B
F. Transparency & Internal Accountability		B-
<b>Overall Grade</b>		<b>B</b>

## Arizona Charter School Law Overview

Passed in 1994, Arizona allows the State Board of Education, the State Board for Charter Schools (a separate state agency), and local districts to charter an unlimited number of schools, though districts are now limited to chartering schools within their geographic borders. All state-approved charter schools function as local education agencies (LEA) and operate as legally and financially autonomous entities. Schools sponsored by local districts are only an LEA for federal aid; for state purposes, they are considered part of their districts.

As of Fall 2002, 457 operating charter schools existed, sponsored by 11 authorizing entities: the State Board of Education (84 schools); the State Board for Charter Schools (329 schools); and nine local boards (44 schools).

### State Policy Environment

**Support for Charter Schools:** Arizona's policy environment for charter schools has historically been very supportive. While strong support still exists among legislators, a new Democratic Governor (the first since

charter activity began in the state) has created uneasiness. The Governor appoints members to the two boards that authorize 94% of the state's charter schools, and the level of support that such schools will enjoy from future appointees is unknown.

Parental support for charter schools runs high. On a recent State Board for Charter Schools-sponsored parent satisfaction survey, 64% gave their children's school an A or A+. (By contrast, 38% of parents with children in traditional district schools conferred A or A+ grades on those schools.) While charter parents are supportive, most local districts are not, viewing charters as pesky competitors for dollars. This is reflected in low marks from survey respondents regarding district acceptance of charter schools.

The state has a resource center and a state association that provides technical workshops from time to time; much of the training offered is geared towards starting new schools. However, Arizona State University-West's Leadership for Educational Entrepreneurs program offers a charter-oriented Masters degree in Educational Administration and Supervision with a business focus. Regional Training Centers provide training on topics ranging from developing technology plans to reporting student level data.

The state received high marks for its charter-friendly Department of Education.

#### **Support and External Accountability for**

**Authorizers:** Arizona received a B+ in this area. While three of eight district authorizers charge their schools fees, the two statewide authorizers do not; they are supported directly from state funds. Both state entities partner with other agencies (i.e., state retirement system, fire marshal, county health departments, municipalities, attorney general's office, office of administrative hearings, auditor general's office) and the Arizona Department of Education (ADE) in the execution of their duties. For example, all special education is handled by ADE's Exceptional Student Services with each charter school assigned a special education consultant.

Since the Governor appoints both state-level boards, they are accountable to the executive branch. The State Board for Charter Schools is a stand-alone agency that submits annual performance reports to the Governor and the State Legislature. Once every 10 years, it must submit to a performance audit by the Auditor General. The state's newspapers keep close watch on the activities of both state-level authorizers, regularly attending and reporting on their meetings. This degree of attention and visibility is reflected in high marks from survey respondents regarding oversight of authorizers and media scrutiny.

Arizona also received high marks for its appeals process and for having a school-based accountability system.

### **Authorizer Practices**

**Application Processes:** Arizona received a B- for its application processes. The major chartering entities provide technical workshops for current schools and prospective applicants, either conducting such workshops directly or partnering with ADE in areas such as special education. All necessary materials are readily available on the web. Survey respondents give high marks for detailed application timelines and holding informational meetings. However, the state received mediocre marks on other criteria, and report that there is little soliciting of applications to fill market gaps.

**Approval Processes:** Arizona's grade of B is driven by high marks relating to how Arizona deals with flawed applications—allowing for questions to be addressed in an interview, and providing written explanations of denials. The two state-level boards are similar in how they authorize schools. Information regarding district authorizing practices is not readily available. However, there is some evidence that the process is becoming more rigorous throughout the state.

**Performance Contract:** Arizona's performance contracts received a B+. Survey respondents report that they do a good job of covering all necessary areas. (These include alignment of curriculum with state standards, participation in statewide testing, the provision of special education, and annual external financial audits.)

**Oversight:** Due to its strong system of audits, site visits, and remediation of charter-school problems, Arizona received a B for oversight. For example, each school has a school report card that is sent to parents that contains information ranging from test data to safety records. Also, all public schools in the state, including charters, are subject to a labeling program. A charter may be revoked if schools receive a "failing" label two years in a row. However, there is concern that some of the reporting systems are too complicated to use properly.

**Renewal and Revocation Processes:** Arizona received a B for this category. While a school is chartered for up to 15 years, a formal review is conducted every five years. Under most circumstances, when a school is found to be out of compliance, the first act of the state-level authorizing boards is to deduct 10% of its monthly appropriation until compliance is achieved. If that doesn't work, the second step is to issue a 90-day "intent to revoke" letter; during that period, the school has an opportunity to take corrective steps. Survey respondents gave the state high marks for its revocation process and for having clear criteria to measure schools. As of Fall 2002, seven charters had been revoked or denied renewal.

**Transparency and Internal Accountability:** On transparency issues, Arizona earned a B-. All charter authorizing proceedings must be in compliance with the state's Open Meeting Law. Much information is

available on the State Board for Charter Schools and ADE websites (including applications). However, no charter school information is available on the web from either of the school districts that sponsors at least three schools (i.e., “major” authorizers—those with fewer schools were not examined in detail.)

## Overall Grade

Based upon scores for 56 criteria, Arizona earned a B+ for its policy environment and a B for authorizer practices, resulting in an overall grade of B. When Arizona observer and school operator survey respondents were asked to provide a single “holistic” grade, the average grade given was a B-. This means that participants believed things are overall not going quite as well as their ratings on individual criteria reflected. Although this state is often credited for its charter-friendly policy environment, local experts see some room for improvement. Policymakers and authorizers are advised to carefully review the specific criterion-based scores for Arizona found in Appendix A of this report, and on the web at <http://www.edexcellence.net/tbf institute/authorizers.html>.

Note: The survey data for Arizona came from seven authorizer respondents (representing the four “major” authorizers in the state, overseeing 98% of operating schools); 17 observer respondents; and 115 charter operator respondents (of 457 total operating charter schools, or 25%, if only one response per school was received).

## Arizona

### Charter School & Authorizer Numbers

Year Initial Charter Law Enacted	1994
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#### Total Charter Schools & Students (as of Fall 2002)

# Approved Charter Schools	479
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# Operating Charter Schools	457
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# Charter Students (% of Total Public School Students)	About 71,000 (7.4%)
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#### Total Closures (to date)

# Revocations or Non-renewals	7
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# Voluntary Closures	33
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#### Major Authorizers (those with three or more schools)

Name	# of Schools
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Arizona State Board for Charter Schools	329
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Arizona State Board of Education	84
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Peach Springs Unified School District	22
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Higley Unified School District	7
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Data Sources: Arizona State Board for Charter Schools; Peach Springs Unified School District; Higley Unified School District