

Charter Schools:

Governance by Paradox

A Report to the Community
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Executive Summary

Charter schools are experiencing a period of rapid growth, strong public acceptance, and significant impact on public education policy. Recognizing the paramount importance of engaged, informed, and effective boards of trustees for the sustained success of charter schools, the Center for Community Engagement and the St. John Fisher College School of Education surveyed trustees of charter schools in central and western New York to assess their backgrounds, governance experience, and training needs. The collective profile revealed boards composed of trustees with previous nonprofit board experience, deeply dependent on the school leader for information, and lacking in formal training in governance. Specific issues identified by trustees were academic accountability, charter renewal, fiduciary responsibilities, and succession planning. The Center for Community Engagement recommends an ongoing program of governance training involving the board and the school leader, and encourages interaction and dialogue between trustees of different charter schools.

Introduction

The Center for Community Engagement at St. John Fisher College recognizes that charter schools are a rapidly growing force in public education. In the twenty years since the first charter school opened in St. Paul, Minnesota, charter schools have grown in dramatic fashion. Now numbering over 4,600, these schools hold the responsibility for the education of 1.4 million children. The 2011 Phi Delta Kappa Gallup Poll (www.pdkpoll.org) reported a 70% approval rating for charter schools, the highest rating in the ten years the question was asked.

Given that the 200 charter schools in New York State will potentially double in the coming years, it is timely to gather accurate information on the needs and interests of charter school boards. Through collaboration with the Executive Leadership Program of the School of Education at St. John Fisher College, the Center for Community Engagement sought to identify the type of training that would be the most helpful to trustees of charter schools.

The report that follows summarizes the findings of a survey of trustees of charter schools in central and western New York conducted in the winter of 2011 and offers recommendations to improve the governance of those schools. A copy of the full report, including sources, detailed survey tabulations, and appendices, is available on the Center for Community Engagement webpage, www.cce-rochester.org.

Seventeen of twenty-eight charter schools in central and western New York participated in the survey with 78 total respondents in the three regions of Buffalo, Rochester, and Syracuse. Respondents represented boards with a range of grade levels and configurations, and spanning Kindergarten through 12th Grade. Some of the participating schools work with professional partners that provide an instructional design for the school, and others work with management companies that provide a replicating framework and central support for

operations. Some partner with a community resource, such as museum. Others were conceptualized by local community members without the help of a management company or partner, and some work with higher education and community partners. Participating board members represent schools in various stages of development from schools just receiving their charter to schools growing out by grade level to fully configured schools.

Perspectives from the Survey

The results of the survey distributed to board of trustee members of charter schools identify several areas to consider in developing resources that will support better charter school governance. Areas of academic accountability, charter renewal, fiduciary matters, and school leadership succession were prominent interests emerging from the survey. Responding to these identified needs, this report concludes with recommendations for the training of charter school boards of trustees.

Academic Accountability and Renewal

The highest priority area in participant responses is that of understanding academic accountability and student results. Of the 78 board members responding to the survey, 67% (52 trustees) rank academic accountability as a high level need or interest. Seventy-four respondents, or 95%, consider academic accountability a high or moderate need/interest area.

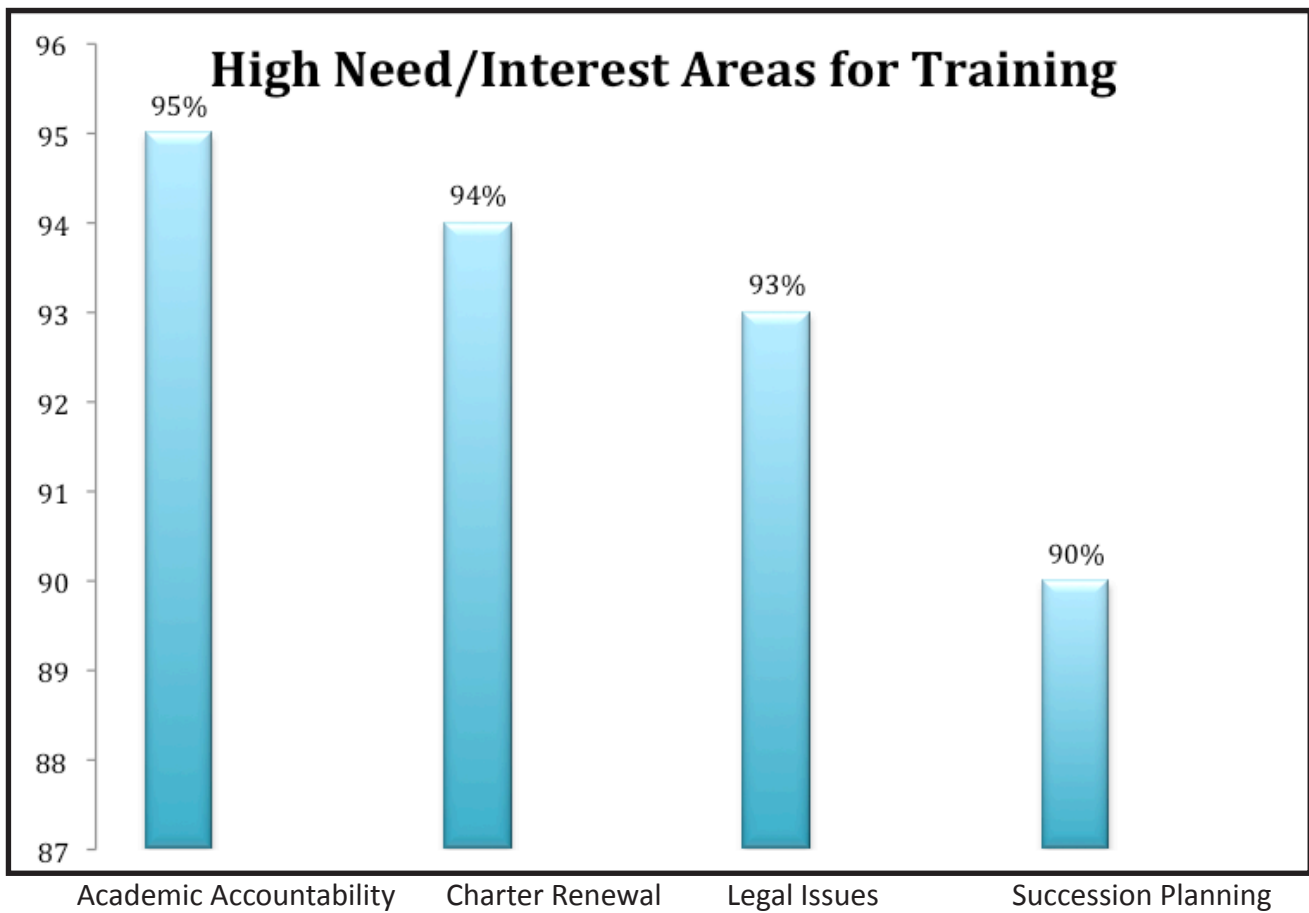
Academic accountability is a critical area for charter boards. With complex federal requirements in No Child Left Behind (NCLB), and New York State requirements to fully implement the federal requirements of Race To the Top legislation, charter boards are responsible for ensuring that the schools they represent demonstrate results quickly and comprehensively. The rigor of academic benchmarks and the complexity of federal and state requirements connect directly to the second highest need/interest area, which is charter renewal. Ninety-four percent of

respondents indicate a high or moderate need in this area, meaning that the process of renewing a school's charter is paramount in planning the agenda of boards of trustees.

Legal issues pertaining to charter schools rank high in need and interest as well. Given that 79% of responding trustees have no background in K-12 education and are essentially running a single school district without the structural resources of a district organization, it is understandable that trustees reported a keen interest in school legal issues. The newness of charter schools, the litigious nature of education in New York State and the limited experience

of charter board members may explain why trustees value the importance of board expertise in this area. Further, although more than 50% of respondents had previous nonprofit board experience, they would not have typically been responsible for the same level of program accountability and compliance as a charter school trustee.

The idea of succession planning for board members and school leadership also results in a high need/interest level with 90% of respondents indicating a high or moderate priority in this area.



Governance Needs and Fiduciary Responsibilities

In the area of governance, fiduciary responsibility was identified as one of the highest areas of interest and need. Eighty-eight percent of the respondents indicated an interest in training to meet their fiduciary responsibilities. Over 50% listed the area as a high need.

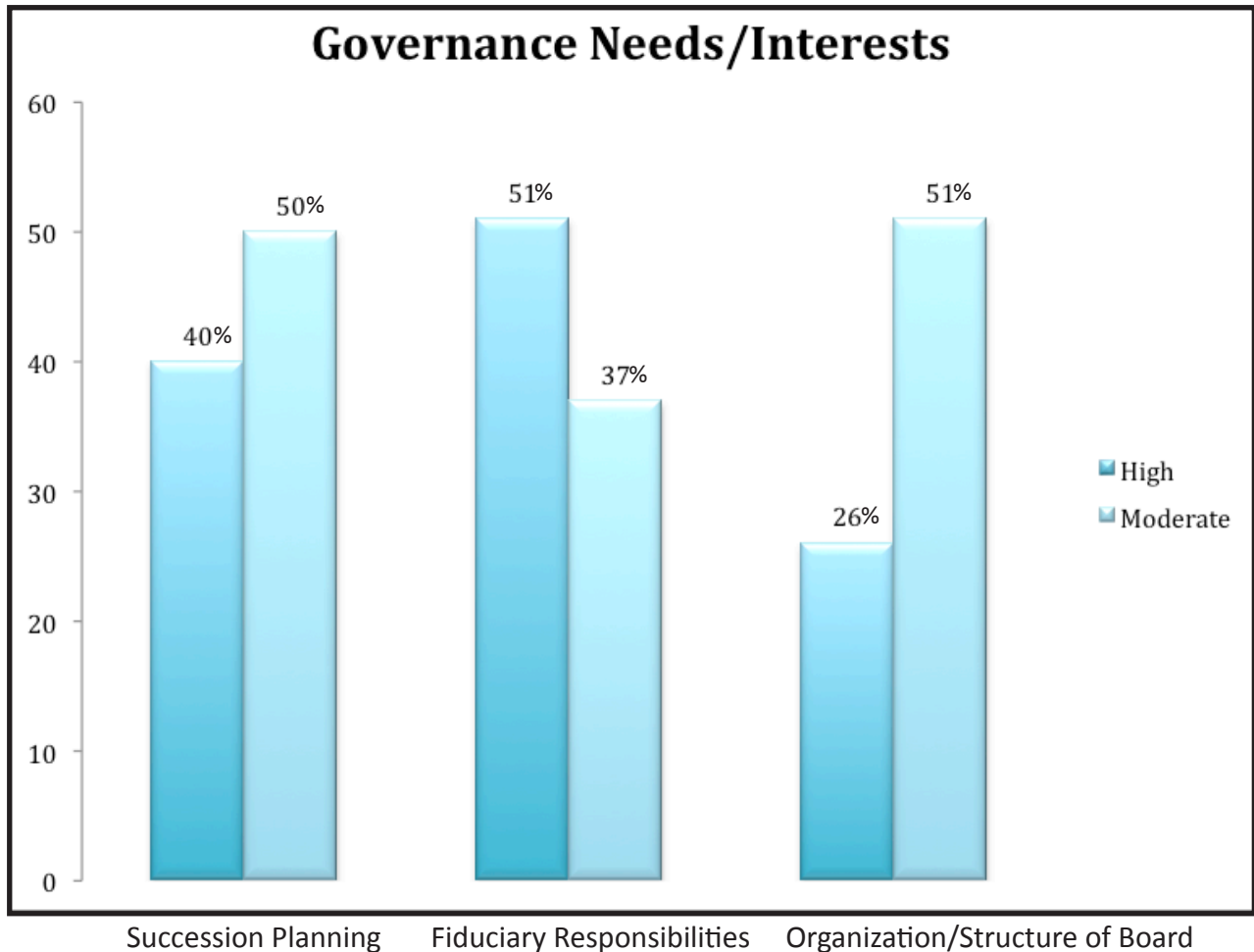
Board members also expressed a keen interest or need in the area of board succession planning with 90% selecting the topic as a high or moderate need and 40% indicating a high need. Finally, trustees are interested in the organizational structure of the board with 77% indicating a high or moderate need/interest.

Board members are charged with three primary responsibilities that account for the majority of their work. They must establish critical board policies that provide direction and guidance to the operations of the school. Boards must select and

supervise the chief executive officer for the school. And lastly, they must approve the annual budget, develop multi-year financial plans, and assure the integrity of the school's financial affairs. It is not surprising that board members are seeking training in their fiduciary responsibilities.

Billions of public dollars are currently allocated to charter schools across the nation. The public trusts board members to allocate these monies in accordance with the mission of the charter and to monitor the expenditures to assure compliance with all laws, regulations, and acceptable accounting practices. In addition, the board must take the necessary actions to protect all assets of the school including facilities, equipment, materials, and investments.

Based on the responses from the survey, trustees appear to have interest in training that would encompass the following areas



of general fiduciary responsibility: annual budget development, employee compensation and benefit plans, accounting and reporting responsibilities, risk management, and fundraising and foundation support. The executive committee and particularly the board treasurer will require expertise in these areas.

School Leaders and Governance

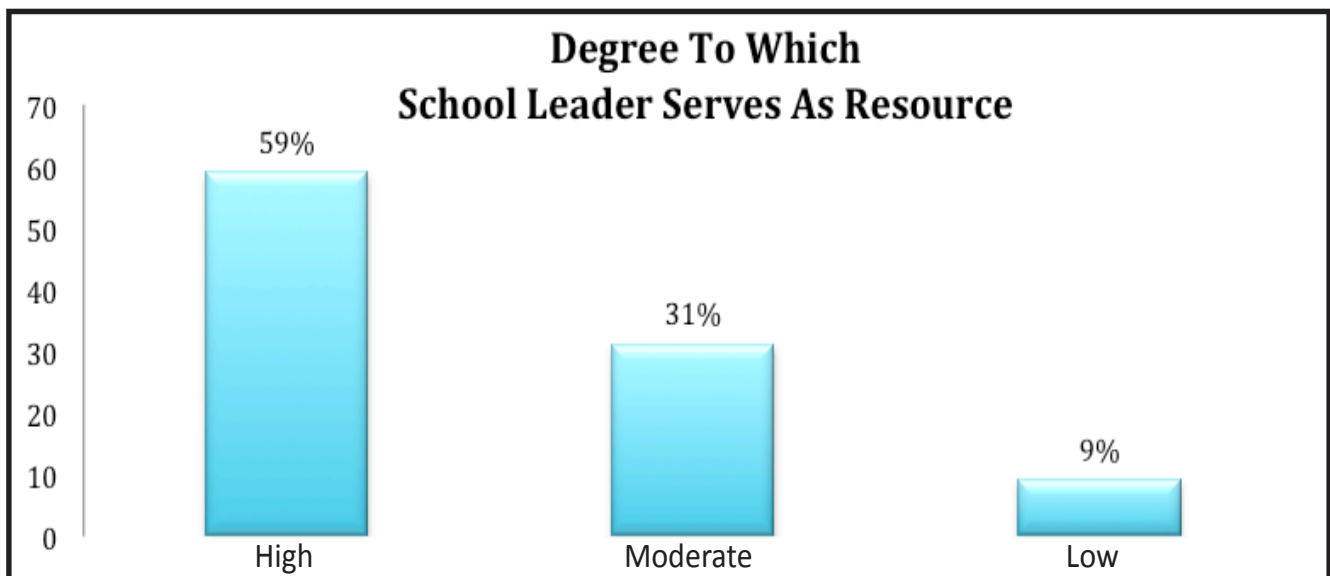
Nearly two thirds (64%) of the responding trustees indicated they had previous nonprofit board experience, and only one individual school's cluster of responses revealed a board without any trustees with previous experience. The average number of years of previous experience was eleven. It appears that, on average, most charter school trustees have experience in governance in other settings.

The background of charter school leaders is predominately public school experience. As reported by board members, 13% of school leaders are certified teachers, 57% are certified in public school teaching and administration and 16% have experience in higher education.

Given the nature of public education, it is likely that these school leaders have limited previous experience in working with boards of trustees, individual trustees, or governance principles.

However, 59% of responding trustees indicated that the school leader has served to a "high degree" as a resource for board development and 31% indicated that the school leader served to a "moderate degree" as a resource. This reliance by trustees on school leaders for guidance in these areas would indicate the most effective training for trustees would take the shape of joint training sessions for school leaders and trustees.

This governance paradox (trustees experienced in nonprofit governance, school leaders drawn from a different governance model, and trustee reliance on school leaders as a resource in governance) can be built into a strength. The partnership of school leaders (and their educational expertise) and school trustees (and their frame of reference for governance) is critical for the success of charter schools.



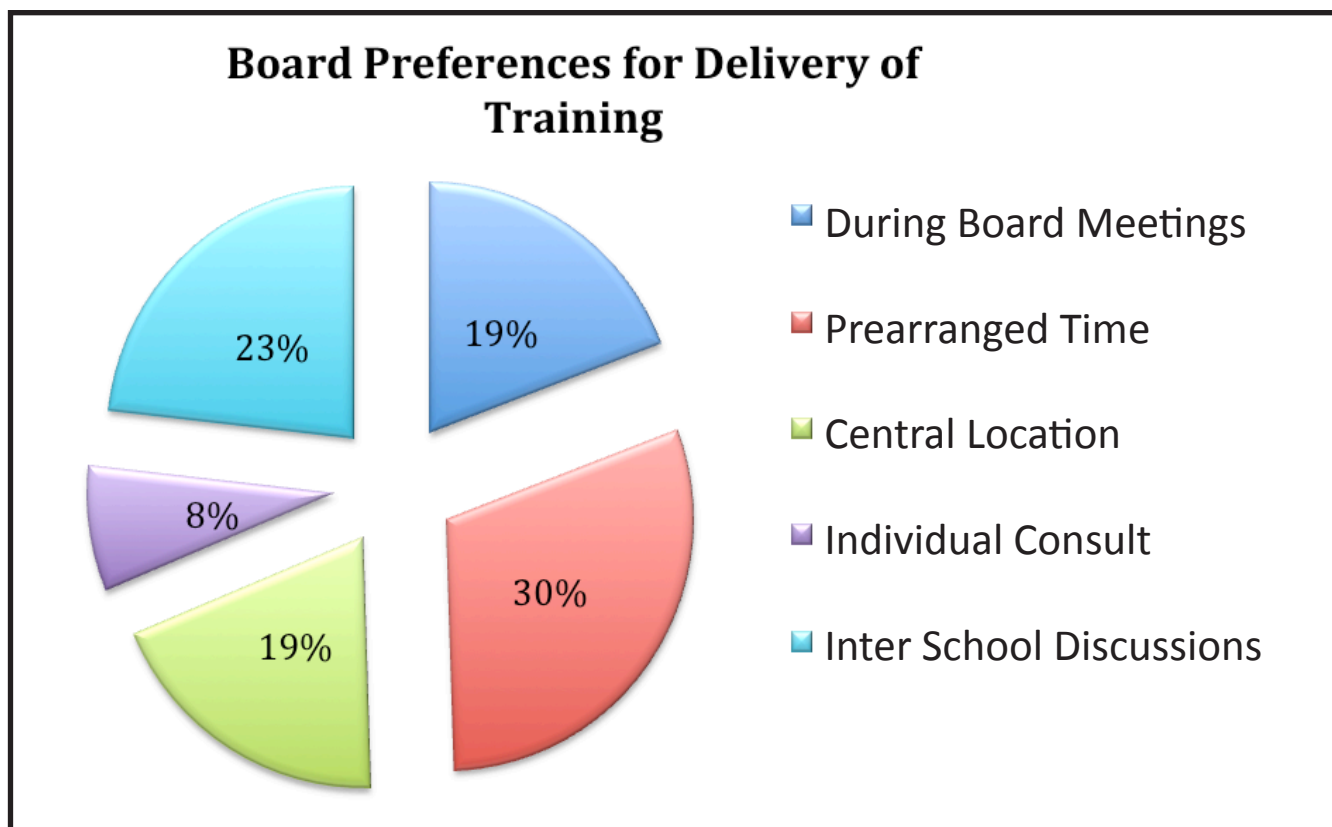
Existing Trustee Training

While preliminary general research indicates training does exist for charter school boards, most of it is in the form of online resources and guidebooks, with only a few consultants offering specific and on-site training. Despite the depth of nonprofit board experience reported by trustees, more than half indicated they have had no formal board training.

board. School leaders should be included in board training sessions, as the mutual experience in governance training would lead to more effective collaboration.

Trends Beyond the Survey

In addition to the survey, the Project Director conducted informal conversations with trustees of six charter schools. Several topics mentioned



Most charter schools appear to have a budget for board training, though several trustees were unaware of the existence of a budget for this purpose. There is an array of responses for what training methods would interest trustees.

The results seem to indicate that individual trustees have different needs, and that many boards would like to undergo training with fellow trustees from their school, but deep interest in sharing ideas with trustees from other charter schools was expressed as well.

As noted above, based on the survey analysis, training should recognize the need for a strong partnership of the educational leader and the

in these discussions might influence the future of governance and the duties of trustees of charter schools in New York State.

Four of these trends grow from actions or possible actions by the chartering agencies and changes in the charter school law by the New York State Legislature. First, in a tightening of regulations, in most cases, employees of schools can no longer serve on their boards of trustees. While this restriction follows typical conflict-of-interest policy in nonprofit governance, it is contrary to the highly collaborative nature that is part of the founding vision of some charter schools, as school leaders often led the original boards.

Furthermore, there is a possibility that the authorizing agencies (The Board of Regents and the State University of New York) will adopt a standardized application for chartering. This might have a chilling effect on the unique and special missions upon which charter schools are based.

Third, anecdotal reports by trustees about the charter renewal process indicate an increase in board accountability measures, with trustees required to be more involved in the process and to be more engaged in the site visits that are part of renewal. Charter renewal is obviously critical for continuity of operation, and in a larger sense, for sustaining the entire charter school movement.

Finally, trustees often mentioned the new requirement that schools “demonstrate good faith efforts to attract and retain” student bodies that reflect, by percentage, the local district population in regards to disabilities, English language learners, and eligibility for free and reduced lunch. As a result, fully transparent admissions lottery procedures and a re-emphasis on enrollment preference for district residents are trends.

Other broader concerns have been voiced by trustees, often about the general situation of charters in the state and their overall growth. In a quest for federal Race to the Top funds, the statewide cap on charters was raised from 200 to 460 in 2010. While there are more charters available, one variety of chartering force is frozen: for-profit managers are prohibited from receiving new charters. These for-profit charter management organizations have created some successful schools in the state, and their vigor and variety will be absent from the newly chartered schools.

Groups seeking new charters might be facing even greater challenges. They might encounter difficulties as they seek buildings, as the number of closed parochial schools (a source of convenient locations and existing plants) is finite. As well, many of the most obvious community partner organizations

(e.g. museums, community action centers) are already aligned with a charter school. Those collocating in district buildings face deeper review of their leases and have additional requirements if they intend even minimal renovations. Another longer-term concern grows from the fact that the great majority of charter schools do not include the high school grades. As charter schools “graduate” students from the elementary grades, there are limited opportunities to continue education in a charter school environment.

While the increased cap signals that charters have become and will be a force shaping the future of education in the state, many of the changes and possible changes noted above represent a deepening regulatory climate and an erosion of individual charter school autonomy. Boards of charter schools need to maintain vigilance in these areas.

Summary and Recommendations

The survey of charter school boards in central and western New York reveals that trustees at charter schools possess a general background in nonprofit governance but have interest in further training with their full boards at their individual school. As well, many trustees expressed an interest in sharing ideas and solutions to common challenges with trustees from other schools’ boards. And while there is an ongoing need for training in fundamental nonprofit leadership and governance principles, many experienced trustees are eager for information and training about specific areas: academic accountability, charter renewal, succession planning, and effective partnerships with school leaders.

Although most trustees indicated they anticipated continued service to their boards in the near term, the historical cycle of charter schools and their founding would predict a number of new trustees joining boards in the future. For these schools, the challenge will be conveying the culture imbedded in the founding vision so that it is sustained with future boards. As the number of charter schools grows with

the lifting of the statewide cap, more and more trustees will be new to charter school governance and perhaps to nonprofit trusteeship in general. Identifying, recruiting, and inducting new trustees will be increasingly important tasks for boards. Since no for-profit management companies will receive new charters, founding boards will need to be particularly strong and informed volunteers.

With the “double prospect” of new trustees joining the boards of established charter schools through ordinary turnover, as well as entirely new boards forming, orientation in general governance and fiduciary principles and individual mentoring programs will be needed to assure success of the boards of charter schools. Moreover, many emerging trends in regulation signal a need for charter school boards to be knowledgeable in these areas; most likely, the educational leader of the school will provide information on these topics. Strong and effective partnerships between boards and school leaders will be critical.

Effective governance demands informed, attentive, and dedicated trustees. The Center for Community Engagement encourages the governing boards of charter schools to place a high priority on training in governance, especially training that develops an effective partnership with the school leader.

Charter schools are transforming the educational opportunities for thousands of New York students. They provide a distinct and promising alternative for families, and have demonstrated some notable results in their brief history. Charter schools will be as strong as the boards that govern them. Successful charter school boards will be those that create a culture of engaged governance at the school level, establish a systematic program of trustee training, and seek cooperation with their peer boards.

The Charter School Project Team would like to thank the Center for Community Engagement and the Executive Leadership Program in the School of Education at St. John Fisher College for supporting this exploration of governance in charter schools. The Project Team would also like to thank the responding trustees of the charter schools of western and central New York, who shared their experiences, needs and interests freely and candidly. Their commitment to their schools, and ultimately to the children educated in charter schools, is superlative. Special thanks as well to Melanie Phillips, Operations Manager of the Center for Community Engagement, for her patience and wonderful skills in the production of this Report to the Community.

For More Information

For more information on this issue and programs for nonprofit boards and executives, contact Thomas Toole, Executive Director, Center for Community Engagement at ttoole@sjfc.edu, or visit the Center Web site at www.cce-rochester.org.



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