Note to Readers

Our fieldwork for this study was completed in the autumn of 2003. The final report was prepared in late 2003 and finalized in the summer of 2004, after we received comments from participating schools and members of the study’s review panel. The report was not immediately released, however, because of concerns that the identity of the schools should be masked.

While not all the participating schools cared whether or not we used pseudonyms, all agreed that our rich and detailed descriptions of practices or particular events might be used in the wrong way by oversight agencies or by the local media. One option for us was to use general or generic references to the schools. However, the study builds on in-depth case studies and we wanted readers to be able to distinguish the schools and interpret findings and new information in light of what they increasingly know about the unique case schools. For this reason, it was decided to go through the text of the report and insert pseudonyms for the schools and for the management company of one of the schools.

While there were concerns about how information from these rich case studies might be used, these concerns were outweighed by the belief that the lessons learned from these schools could benefit other charter schools and charter school authorizers.

Gary Miron
Project Director
Challenges of Starting and Operating Charter Schools: A Multicase Study

Executive Summary

Introduction and Background to the Study

While charter schools\(^1\) can work as intended, this 3 year–largely qualitative–study of four Cleveland charter schools sheds light on the barriers that charter schools face during their establishment and development. Before outlining our study’s findings, portraying the schools’ obstacles, and the describing safeguards that should be considered, we depict the context of the reform and provide an overview of the methods used in this study.

In 1998 The Cleveland Foundation developed a strategy to support select Cleveland area charter schools as part of its commitment to local school reform. The Cleveland Foundation provided start-up funding to four charter schools it deemed both promising and viable. In 2000, The Cleveland Foundation contracted with The Evaluation Center to provide technical assistance to these schools and to evaluate the four schools in terms of how they were developed and implemented. The study also examined the impact of these schools on the students they enroll as well as the communities in which they are located. This report focuses on the evaluation components of the project, addressing the following questions:

1. What has been the process of developing and implementing these schools?
2. What factors influenced the effectiveness of their development and implementation?
3. How are the charter schools utilizing the opportunity space they have been provided by the charter school law, and to what extent are they implementing the ideas contained in charter school theory as far as autonomous and site-level governance, professional opportunities for teachers, parental participation, innovative curriculum and instruction, and cohesion around mission?
4. Are charter schools able to promote academic growth in students?
5. Are charter schools accountable to the market?
6. Have the schools fulfilled the expectations of fiscal and regulatory accountability?
7. How do the charter schools affect Cleveland public schools and the district as a whole?
8. How have these charter schools provided an incentive for other public schools to reform?
9. To what extent are charter schools using evaluation?

In addition to addressing these questions, the full technical report also describes the national, state, and local contexts regarding charter schools and draws lessons from these schools that can apply to charter schools and traditional public schools alike.

\(^1\) In Ohio, charter schools are officially referred to as community schools, although few use this label in practice. In the text of this report, we have used community schools and charter schools interchangeably.
Methods. The study was largely qualitative in nature. Interviews were conducted with various school level stakeholders, as well as representatives from local traditional public schools, local district officials, state education officials, policymakers, and representatives from advocacy and support groups. Field notes were prepared based on personal observations in the charter schools. Further, extensive documentation collected from schools as well as relevant literature were reviewed for the study. In terms of quantitative data, surveys were administered to parents, students, and staff, and test data and demographic data were collected from participating schools and from the state.

Despite the extensive data collected, there were substantial limitations in the study that need to be highlighted. The most critical limitations include the following: limited access to one of the four participating schools, suboptimal sample of parents at one school, and availability and consistency of test data. Because the schools are still in their "start-up" phase, it is too early to draw conclusions regarding the success of the participating schools or the potential impact they can have on the public school system as a whole.

Charter schools in Ohio. Ohio's charter school legislation was passed in 1997. Fifteen charter schools were approved to start in 1998; by March 2003, this number grew to 135. Most of the schools were sponsored by the Ohio State Board of Education (OSBE). As of Spring 2003, there were 17 charter schools in the Cleveland area, 4 of which received financial support from The Cleveland Foundation and were also sponsored by OSBE. Two critical legal issues impacted the growth and direction of the charter school movement in Ohio: (i) The Ohio Congress of Parents and Teachers’ lawsuit (OCPT v. OSBE) against charter schools in May 2001, and (ii) Am. Sub. H.B. 364, which was passed in December of 2002.

The lawsuit primarily focused on charter schools that utilize for-profit management organizations, but threatened all of Ohio's charter schools. After consuming the attention and substantial resources of schools, the lawsuit was thrown out in April 2003.

Am. Sub. H.B. 364, among other matters, restricts the OSBE from sponsoring charter schools. Later in this executive summary we describe the main impetus for this revision in the charter school law, and how it relates to the case schools in our study. But first, we describe the origins of the case schools and their facilitators and barriers to implementation.

Case Schools and Their Unique Missions and Innovative Educational Approaches

Each of the four participating charter schools in this study have envisioned unique and innovative schools that will open new opportunities from which parents can choose. The charter school law grants these new schools greater autonomy in designing their programs in exchange for greater demands for accountability. In theory, a decentralized governance structure, coupled with a unifying mission, promotes innovation since ideas can be rapidly developed, approved, and implemented.

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All four schools in our study had missions that emphasized both academic and character education, yet each mission had its own distinct elements. To approach its respective mission, each school had what appeared to be educational innovations unique to the district. However, staff were far more concerned about the propriety and effectiveness of their practices rather than the novelty of them. Some of the noteworthy innovative aspects of these schools include the following:

- Partnering with outside organizations to promote intergenerational and lifelong learning experiences
- An extensive after school enrichment program as well as several programs that addressed students’ emotional well-being
- A hybrid Montessori-traditional educational approach
- Afrocentric elements in the curriculum and school design

The largest obstacle the charter schools faced in implementing their unique missions was the demand to fulfill state requirements and standards for academic achievement. One school had to compromise its Montessori-based approach in order to implement curricula aimed at the state standards. Another school had to discontinue its yoga program in order to focus more on improving standardized test scores. One other noteworthy obstacle to implementing the school missions was the fact that some of the schools attracted a student body that was different than originally envisioned. There were various other challenges to fulfilling a school’s mission, beginning with a school’s start-up.

### Challenges of Start-Up

Each of the four schools in our study began with a group of founders who shared an educational vision and hoped to create an alternative school by which to fulfill it. The autonomy afforded by charter school law provided opportunities to develop these unique schools. However, there were numerous barriers to start-up. Founders had an extensive list of regulations to follow. Most saliently, lack of resources proved to be one of the trade-offs for increased autonomy. Limitations in funding and especially lack of optimal facilities hampered start-up at the participating schools. Other factors that influenced start-up included governance and management, the rate of growth, and the partnerships with community organizations.

**Obtaining facilities.** In each of the 4 schools in our study, securing adequate facilities was particularly problematic, especially as the schools grew. Each of the 4 schools, at least initially, had to share building space with another organization (e.g., house of worship, office building, senior citizen center). During their brief history, all 4 schools had to either move locations or spend considerable funds updating and expanding their original facilities. One school changed buildings 3 times in 18 months and is planning yet another move.
facilities. Securing a facility was particularly problematic for one school, which changed buildings 3 times in 18 months and is planning yet another move.

**Governance and management.** Decentralized, site-based management is a cornerstone of charter school philosophy. Charter schools have extensive flexibility in governance structure. Boards are appointed, not elected, and can include parents and staff. This flexibility can help boards find the varied expertise needed to initiate and manage a school and also promote a common mission. However, steps have to be taken to avoid nepotism or a monopoly of power.

Educational management organizations (EMOs) can offer small charter schools some of the same benefits as large districts. On the other hand, they can lead to “re-centralized” governance and diminished autonomy. One school in our study that utilized an EMO found that it provided many needed human and material resources, but at the price of the school’s independence.

**Speed and pattern of growth.** Each school in our study started relatively small and added additional classrooms and grades over time. Various factors helped influence the speed and pattern of growth of the schools. The school with the most rapid growth experienced some problems with teacher-administration relations over time. One school opted to stop growing much sooner than originally planned, in order to focus on quality rather than quantity. A third school that stayed relatively small struggled financially. Finally, one school, although struggling financially and enrollment-wise, opted to grow at the fastest rate of all.

**Forming partnerships.** Partnerships with community organizations are helpful in gaining human and material resources. One school was particularly effective in building partnerships and obtaining outside funding while another had few partnerships which might have been one source of its difficulties. On the other hand, one of the schools was concerned that too many partnerships could compromise its autonomy and thus was quite selective. Via partnerships or other arrangements, charter schools could solicit additional human and financial resources.

**Who Chooses Charter Schools and Why?**

Charter schools are schools of choice for parents and staff. Both parents and staff reported choosing their school largely because of its mission and educational approach.

Among staff at all four schools, the top-ranked reasons for choosing employment were *Opportunity to work with like-minded educators*, *My interest in being involved in an educational reform effort* and *Safety at school*. *Difficulty finding other positions* was by far the lowest-ranked reason. Despite common reasons for choosing employment, there were numerous differences among the staff. Within all of the four schools, staff varied considerably in the number of years of teaching experience. Most teachers were fully certified; only one school had trouble recruiting fully certified
teachers. Staff at three of the four schools varied considerably in ethnicity, much more so than their homogeneous surrounding communities.

The student bodies at each of the four charter schools reflected the demographic compositions of their surrounding communities. Three schools serve predominately African-American students, and one school serves a majority of European-American students. At each of the three schools that had students in grades 5 and above, the top reason given by 5th-8th grade students for selecting their charter schools was My parents thought this school was better for me. The top three reasons that parents chose the charter schools were Safety for my child, Good teachers and high-quality instruction, and I prefer the emphasis and educational philosophy of this school.

Professional Opportunities for Teachers

Because of their autonomy and small size, charter schools are expected to be able to promote both professional development and the building of a cohesive school culture. Staff at each school often described their school’s working environment as more “family-like” than bureaucratized. The localized governance allowed increased autonomy and more flexible roles for staff. However, flexibility and autonomy, at times, led to excess work and unclear expectations for staff.

As a rule, the schools in our study have had high staff turnover rates at some point in their short history. Charter school staff usually lack the security of tenure and the benefits of a union. The salary scales at the charter schools were also lower than in surrounding district schools. Each school had instances in which contracts were not renewed because of unsatisfactory job performance and/or because a particular staff member was deemed to be a poor fit with the school’s philosophy and environment; this was considered “functional turnover” by school administrators. At one school most of the turnover was due to personal reasons; but at another school the high rate of turnover—which at one time was as high as 86 percent—appeared to be related to its financial instability.

Contrary to the implications of the high turnover rates, most staff were generally satisfied with their leadership and with school climate. At one school about half the staff were highly satisfied, while the others appeared rather dissatisfied with their working conditions. Positive, open relationships with the administration was a crucial factor in staff satisfaction. Good working relationships with parents was important as well.

Parental and Community Involvement

A successful charter school should consider creative ways to involve parents and community members, as this helps build school cohesion and can result in additional human resources. Parental and community participation in the schools was actively encouraged by each of the four schools in this study. Flexibility and consideration of family situations (e.g., work schedules) enabled this. Types of parental participation ranged from involvement in founding the school to simply being actively involved in their children’s education. School staff considered parental involvement in their children’s education to be most vital in their students’ success.
Although the amount of parental volunteer time varied from school to school, parents at the four charter schools seemed generally satisfied with the opportunities for involvement and influence at their respective schools. Staff and parents at one school were especially enthusiastic about the quality and quantity of parental participation. However, this participation was enabled by a relatively large proportion of stay-at-home mothers, a phenomenon that the other three schools did not experience. Another school had ample opportunities for parents to get involved, from serving on the board to attending various workshops for parents. While the participating parents expressed considerable satisfaction, some staff were disappointed that parental participation wasn’t higher. A third school had few regular parent volunteers, but had an abundance of community volunteers that helped fulfill its educational and value-driven goals. The fourth school experienced considerable problems with its parent-staff council, which eventually disbanded. All four schools hoped to maximize parent participation and developed unique methods for improving parent-staff relations.

**The Dilemmas of Special Education in Charter Schools**

Educating students with special needs involves heavy financial and administrative challenges in most public schools, but these challenges are intensified in charter schools. In addition to limitations in resources, charter schools face the dilemma of adhering to their unique mission and educational approaches while attempting to accommodate the needs of virtually every potential student. However, some charter schools are especially effective in serving children’s particular special needs, thanks to their unique pedagogy and high staff-to-student ratio. The four schools in our study had varying proportions of students with special needs and differing approaches to address their needs. There were some commonalities in their approaches; each of the four schools used some level of multi-age classrooms and individualized instruction to accommodate children at various levels. Beyond these similarities, the approaches differed substantially from one another. One school had individualized education plans for all students. Their general curriculum was able to accommodate students who would have required separate special education services elsewhere. An EMO was efficient for obtaining special education resources in another school. One school had an unusually large proportion of students with special needs, especially students with behavioral problems. Over time, the school developed a number of interventions to support and serve these students. At times the human resources had difficulty keeping up with the increasing demand, and staff sometimes disagreed upon the best approaches for addressing the students’ needs. Finally, one school that was labeled an “at risk” school, counseled out students with severe behavior problems. The director indicated that this was permissible. However, officials at the Ohio Department of Education stated that even though an “at risk” school can define a target population it cannot discriminate. The practical and legal issues related to the provision of special education in charter school are very complicated and will likely remain an intensely discussed and debated topic.
Accountability

Accountability is the price that charter schools pay for their autonomy. Charter schools need to demonstrate accountability as far as consumer satisfaction (market), adherence to rules and accurate reporting of finances and other matters (regulatory), and student achievement (performance). However, Ohio has been experiencing considerable limitations with its accountability system regarding regulations as well as outcomes.

Market accountability is a central component of the charter school movement; students and parents should show satisfaction with their schools of choice. Students’ opinions of their respective schools varied considerably. Among the 3 schools with students in grades 5 and above, student satisfaction at one particular school was quite high while at the other two schools it was significantly lower. However, as parents are generally responsible for deciding where to enroll their children, parental satisfaction is at least as important as student satisfaction. According to our surveys, parents generally were satisfied with the curriculum and instruction as well as the school climate at 3 of the 4 schools. At the fourth school, parent satisfaction was rather low.

Enrollment may be the ultimate indicator of consumer satisfaction; at the three schools where parent satisfaction was high, enrollment was fairly stable and there were waiting lists for prospective new students. In the fourth school student attrition was high, and enrollment was below capacity at times. In addition, it often reported inaccurate enrollment and experienced financial problems as a result. Indeed, many charter schools throughout Ohio have had problems reporting accurate enrollment, resulting in financial problems for themselves as well as their districts. This has been but one of the problems concerning regulatory accountability.

Regulatory accountability involves a school’s responsibility with the taxpayers’ monies that fund it, and compliance with the rules and regulations that protect students and staff. According to the Auditor of State reports, three schools in our study have generally demonstrated regulatory accountability. The other school’s records were deemed “inauditable,” and several agencies reported that they had not been providing enrollment, fiscal, and regulatory records in a timely nor accurate manner. At one time, this school was fined substantially for this shortcoming.

One dilemma is that charter schools that fail to turn in their fiscal and regulatory records in time are not publicized as being delinquent in this respect. Also, schools cannot be penalized for excessive debt. A school that is experiencing financial or regulatory problems thus has little incentive to turn in such records. Further changes in charter school policies could address this. Policies regarding performance accountability are flawed as well.

Performance accountability is arguably the most important phenomenon for a school to demonstrate. In Ohio, Local Report Cards are the required format for all public schools, including charter schools, to publish their student performance outcomes. These report the results of standardized tests, such as the Ohio Proficiency Test (OPT) in 2002-03, as well as other criteria such as attendance and graduation rates. However, Local Report Cards are an ineffective accountability tool for many charter schools, because many do not have...
enough eligible students in the grades that are tested. Further, the categories of “Excellent” through “Academic Emergency” are given inconsistently and often inappropriately. For example, one school in our study was given a rating of “excellent” because it met the singular criterion of attendance; the other criteria did not apply to it because of its small size. Ironically, this was the school with high attrition, low parent satisfaction, and delinquent records. Charter schools often need different methods for assessing and reporting student performance.

The charter school law provides schools the opportunity to develop their own additional goals, objectives, benchmarks, and methods by which to assess progress on them. Ohio has stricter performance accountability requirements than many other states, mandating that charter schools be held accountable to the specific objectives in their contracts and report on them in their annual reports. However, thus far charter schools have not been sanctioned based on their performance on these self-stated goals, nor even for reporting on them inadequately. While schools should not be sanctioned for failing to meet unreasonably lofty goals, there should be more help in defining sensible goals as well as stricter expectations for schools to report on them. Authorizers should emphasize that schools have the opportunity to revise these objectives and modify the contracts.

Academic performance, and the reporting thereof, varied considerably among the four schools. One school in our study never provided us a completed annual report for either 2001-02 or 2002-03. Of those who completed annual reports, one school outperformed the district much of the time on the OPT. However, its neighboring schools were also relatively high performing. One school had relatively low scores on the OPT, even compared with its neighboring schools. Nevertheless, it did show substantial year-to-year improvement in some areas. Although both of the aforementioned schools had mission-related objectives that went beyond the results of standardized tests, neither provided adequate information regarding measurement of or progress toward them. On the other hand, one school did an exceptional job of defining, assessing, and reporting on its unique objectives for both academic and value-oriented goals. It usually met the objectives it set for itself, and it thoroughly described their successes, as well as their shortcomings and intended remedies, in its annual reports. This school’s annual report has been heralded as a role model for other Ohio community schools. However, missing and suboptimum annual reports, as well as numerous other indicators of accountability, have been problematic not just in our study but throughout Ohio’s charter schools.

According to the Auditor of State, the Ohio Department of Education (ODE) has not been holding the schools accountable to their contracts. Further, the Ohio State Board of Education (OSBE), which until 2003 had sponsored the vast majority of Ohio’s charter schools, had not been providing adequate assistance for charter schools’ accountability plans. These findings resulted from


in substantial changes to the charter school law, Am.Sub. H.B. 364. This new bill delegates both assistance and oversight to local entities (e.g., districts, universities, nonprofit agencies), and defines OSBE’s new role as to oversee as well as assist these local groups.

With enough assistance to develop measurable goals and objectives, and enough motivation to report on them accurately, charter schools can demonstrate true performance accountability. This in turn could affect market accountability, as schools that effectively demonstrate high performance attract more families while poor-performing schools lose customers. Theoretically this competition, both amongst other charter schools and with the school districts, would lead to better performing schools all around.

Impact on the Cleveland Public Schools and Community

Thus far the largest impact the charter schools have made on the Cleveland Municipal School District (CMSD) has been financial. In 2002-03, at least 22 million dollars was diverted from the CMSD to the area’s 17 charter schools plus on-line charter schools. However, the 17 charter schools in Cleveland, including the 4 small schools in our study, are insufficient to make a significant and recognizable educational impact upon a large urban district with a long history of challenges. Although the CMSD has made considerable progress, the progress is attributed to reforms from within rather than competition with or influence from the charter schools.

Charter school opponents, including the plaintiffs in the OCPT v. OSBE lawsuit, often decry that district schools have lost an unjustifiable amount of resources to the charter schools. Articles and brochures vehemently criticizing charter schools have been published in various media all over Ohio. Such hostile reactions have not promoted diffusion of innovation, either in the form of emulating the charter schools’ innovations or actively competing with them. Despite this animosity, some collaborations have occurred between the charter schools in our study and their neighboring noncharter schools. The end of the lawsuit, the legislation permitting more charter schools statewide, and the spread of charter/noncharter collaborations may foster diffusion of innovation among the school systems. Nevertheless, the staff and board of the charter schools in our study were less focused on reforming the CMSD at large than on effectively operating their own schools.

Building and Maintaining Cohesion

In general, effectively running a charter school requires a series of balancing acts: managerial autonomy vs. obtaining resources; administrative flexibility vs. organization; innovative educational approaches vs. striving toward state standards; mission coherence vs. equity in enrollment; and accountability vs. unique measures of success. These balancing acts help a school strive toward its mission.
Cohesion of mission is both the result of and a facilitator for other goals such as parental participation, professional opportunities for instruction, and innovative educational approaches. Both staff and parents appear to choose the schools largely based on agreement with its mission. One dilemma is that not every student can be educated effectively under strict implementations of a school’s mission, but schools legally cannot select whom they enroll.

The decentralized governance and management of a charter school appears to promote cohesion of mission. Because members are appointed rather than elected, there is less chance of political gridlock. In addition to a shared vision, a charter school’s governing board should include a broad array of expertise and connections with the larger community. However, safeguards for conflicts of interest should be put in place.

Parental and community involvement, on a wide range of levels, also supports charter school cohesion. This involvement can enhance a school’s human resources as well as its climate. In order to encourage involvement, charter schools should take the needs and limitations of parents into consideration. Further, in some instances community involvement may be more attainable and at least as beneficial as parental involvement.

Professional opportunities for teachers also appear related to cohesion of mission. Because charter schools often lack the salaries and job security of district public schools, professional opportunities must outweigh these disadvantages in order to attract and retain quality staff. Autonomy and a positive, “family-like” work environment are especially appreciated by charter school teachers; many teachers reported these benefits to be more important than a higher salary. Relevant professional development activities and a flexible, yet organized staffing structure promote autonomy and a positive school climate.

Professional autonomy, coupled with an expedient decentralized governing board, can promote innovative educational approaches. These innovations can facilitate progress toward a school’s unique mission. However, curriculum and instruction must take state standards into account, as well as the unpredictable needs of students.

A small school size often facilitates autonomy and cohesion of mission. On the other hand, smaller schools may have difficulty obtaining needed resources. Larger community schools, or schools who are governed by an EMO, may have greater access to human and material resources. However, they may have difficulties obtaining efficiency, consensus, or positive relations between the board and the school staff.

Ohio’s charter school laws allow a broad spectrum of opportunities concerning mission; governance, administrative and staffing policies; and pedagogy, curricula, and instruction. The four charter schools in this study were somewhat homogeneous in that they were in the same city, had the same sponsor, and received some of their start-up funds from The Cleveland Foundation based...
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on its criteria for promising new charter schools. However, there were vast differences during their
start-up years as far as successful maximization of their opportunities. These differences ultimately
led to differences in staff and parent satisfaction, as well as their abilities to demonstrate student
achievement. However, the particular structural limitations within a state (e.g., funding
mechanisms, regulations, accountability measures) limit a school’s opportunities, as well as the
opportunities for the charter school movement as a whole.

Recommendations: Promote Viability and Enforce Accountability

Our study of four Cleveland schools illustrated some of the facilitators of and obstacles to
successful implementation of Ohio’s charter school law. Generally, the two most salient barriers
were insufficient resources and lack of accountability. With enough resources to keep schools
afloat and enough incentives to demonstrate accountability, Ohio’s charter school movement can
provide informed choice to families and effective education to students.

Ohio charter schools need assistance in obtaining essential resources. Charter school
founders spend considerable time and effort securing the basic material needs of the school,
leaving less time for developing the mission or curriculum. Further, the lack of resources can
directly impede the fulfillment of the mission, if needed space or instructional materials are
lacking and if salaries are too low to attract and keep quality staff. More assistance in securing facilities and other resources would help schools focus less on survival and more on education. Assistance with real estate savvy, fund-raising techniques, and budgeting can help. Human resources are essential as well. Schools may need assistance in developing effective governance and administrative leadership, as well as finding and nurturing mutually beneficial partnerships.

Ohio charter schools need to truly be held accountable to market, fiscal, regulatory, and
performance expectations. In order to ensure that only successful charter school remain in
operation, charter school law in Ohio should include more stringent demands for accountability.
There should be publicized consequences for failing to turn in enrollment records, financial
statements, or annual reports. Annual reports should reflect progress on measurable educational
and other goals that charter schools set for themselves. These measures would help provide
prospective parents accurate information about the quality of the schools of choice.

Most Ohio charter schools have a pressing need for more technical assistance in
demonstrating various types of accountability, particularly performance accountability. Since
they are founded as an alternative to traditional public schools and their definitions of student
achievement, charter schools should develop specialized measures of progress related to their
unique missions. Charter school authorizers can provide this assistance or the means to obtain it.
This can take substantial time and resources, but ultimately it can help charter schools demonstrate
their true levels of success regarding matters that pertain to their missions.