

It's well established—by excellent work from the Center for Research on Education Outcomes (CREDO) and others—that some charter schools do far better than others at educating their students. This variability has profound implications for the children who attend those schools. Yet painful experience shows that rebooting or closing a low-performing school is a drawn-out and excruciating process that often backfires or simply doesn't happen. But what if we could predict which schools are likely *not* to succeed—before they even open their doors? If authorizers had that capability, they could select stronger schools to launch, thereby protecting children and ultimately leading to a higher-performing charter sector overall.

This study employs an empirical approach to do just that. Analysts coded charter applications for easy-to-spot indicators and used them to predict the schools' academic performance in their first years of operation.

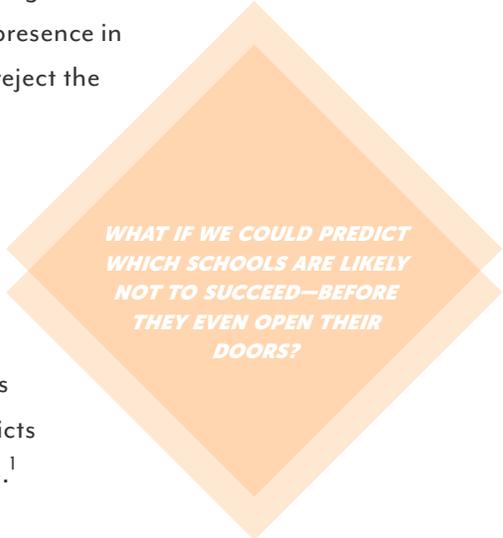
Authorizers rejected 77 percent of applications from a sample of over 600 applications from four states. They worked hard at screening those applications, seemingly homing in on a common set of indicators—"trigger warnings," if you will—whose presence in or absence from applications made it more likely that they would reject the application.

Yet despite the vigorous screening process that authorizers used to determine which applicants to turn down and which to entrust with new schools, 30 percent of the approved applications in this study led to charter schools that performed poorly during their first years of operation. Given that research has shown that a school's early-year performance almost always predicts its future performance, those weak schools are unlikely to improve.¹

Could a different kind of screening process, informed by common risk factors, have prevented at least some of this school failure? It was surely worth investigating.

We turned to Dr. David Stuit, co-founder of Basis Policy Research and the author of two previous Fordham Institute reports on school choice. He was joined by lead author Dr. Anna Nicotera, senior associate at Basis who brings substantial charter school and school choice expertise. Before joining Basis, Anna was senior director of research at the National Alliance for Public Charter Schools, worked for the National Center on School Choice at Vanderbilt University, and served as an advisor to the U.S. Department of Education's evaluation of the federal Charter Schools Program.

Our Basis colleagues found three risk factors that were present in the approved applications that also turned out to be significant predictors of future school performance in the initial years:



1. **Lack of Identified Leadership:** Charter applications that propose a self-managed school without naming its initial school leader.
2. **High Risk, Low Dose:** Charter applications that propose to serve at-risk pupils but plan to employ “low dose” academic programs that do not include sufficient academic supports, such as intensive small-group instruction or individual tutoring.
3. **A Child-Centered Curriculum:** Charter applications that propose to deploy child-centered, inquiry-based pedagogies, such as Montessori, Waldorf, Paideia, or experiential programs.

The presence of these risk factors in charter applications significantly boosted the probability that the school would perform poorly during its first years of operation. When an application displayed two or more of these risk factors, the probability of low performance rose to 80 percent.

We also learned that the following indicators, among others, made it more likely that authorizers would reject the application entirely:

- A lack of evidence that the school will start with a sound financial foundation;
- No description of how the school will use data to evaluate educators or inform instruction;
- No discussion of how the school will create and sustain a culture of high expectations; and
- No plans to hire a management organization to run the school.

Here’s what we make of those findings.

First, authorizers already have multiple elements in mind—though not always consciously—that they use to screen out applications. The factors named above that are already linked to rejection may well predict low performance, had the schools displaying them been allowed to open. But since those schools *did not* open, we have no way of knowing for sure. Still, the authorizers we studied—and their peers throughout the country—would probably be wise to continue to view these factors as possible signs of likely school failure and to act accordingly.

Second, we were somewhat surprised to see that an applicant’s intention to use a child-centered, inquiry-based instructional model (such as Montessori, Waldorf, or Paideia) made it less likely that the school would succeed academically in its first years. It’s hard to tell what’s going on here. Some of these pedagogies, expertly implemented, can surely work well for many children. But they are not intended to

prepare students to shine on the kinds of assessments that are typically used by states and authorizers to judge school performance—in other words, the same tests that our research team used to judge quality for purposes of this analysis.

We do not mean to discourage innovation and experimentation with curriculum and pedagogy in the charter realm going forward. That sector’s mission includes providing families with access to education programs that might suit their children and that might not otherwise be available to them. Fordham is a charter authorizer itself (in its home state of Ohio) and we’re keenly aware of the need to balance the risk that a new school may struggle academically against a charter’s right to autonomy and innovation. Well-executed versions of inquiry-based education surely have their place in chartering. But the present study finds that they boost the probability of low performance as conventionally measured.

Third, let’s acknowledge that quality is in the eye of the beholder. Many of these child-centered schools aren’t “failing” in the eyes of their customers. The parents who choose them may not care if they have low “value added” on test scores. But authorizers must balance parental satisfaction with the public’s right to assure that students learn. Schools exist not only to benefit their immediate clients but also to contribute to the public good: a well-educated society.

Yes, it’s a tricky balance, especially in places where dismally performing district schools have been the only option for many youngsters. The best we can say to authorizers is to exercise your authority wisely. Consider the quality of existing options, plus a prospective charter school’s ability to enhance those options—not only academically, but in other ways fundamental to parents and the public. Pluralism is an important value for the charter sector, and is worth taking some risk to achieve.

Fourth, these findings aren’t a license for lazy authorizing. Yes, the trio of significant indicators that we found helps to identify applications that have a high probability of yielding struggling charter schools. But these aren’t causal relationships. Nor do they obviate an authorizer’s responsibility to carefully evaluate every element of a charter application. If our results are used to automatically reject or fast-track an application, they have been misused. Yet they ought, at minimum, to lead to considerably deeper inquiry, heightened due diligence, and perhaps a requirement for additional information. In short, their proper use is to enhance an authorizer’s review.

Deciding whether to give the green light to a new school is a weighty decision. Failing to authorize a potentially successful school for children desperately in need of one is just as bad as authorizing a school that ultimately fails to educate them. The information herein adds one more tool to authorizers’ toolkits. May they use it wisely.

ACKNOWLEDGMENTS

This report was made possible through the generous support of the Walton Family Foundation and our sister organization, the Thomas B. Fordham Foundation. We are especially grateful to authors Anna Nicotera and David Stuit, who thoughtfully conducted the research and authored this report; to Lori Ventimiglia and Jeff Johnson (Colorado League of Charter Schools), who kindly provided access to charter applications from Colorado; to Sy Doan, Lauren Shaw, and Emily Sholtis (Basis Policy Research), who assisted in coding the applications; and to external reviewer Dr. Ron Zimmer (University of Kentucky), who provided valuable input on the draft report.

On Fordham's side, we extend thanks to Chester E. Finn Jr. for thoughtfully reviewing drafts, Kathryn Mullen Upton for offering an authorizer's feedback during critical junctures, Alyssa Schwenk for handling funder and media relations, and Jonathan Lutton, who developed the report's layout and design. Fordham interns Chris Rom and Lauren Mason provided administrative assistance. Finally, we thank Shannon Last, who copyedited the report, as well as Zager of Getty Images from whom elements of our cover originated.