



Highlights of [GAO-05-5](#), a report to the Secretary of Education

Why GAO Did This Study

Charter schools are public schools that are granted increased autonomy by states in exchange for meeting specified academic goals. State law determines who approves the formation of a charter school, often the board of education. As public schools, charter schools are subject to the performance requirements of the No Child Left Behind Act (NCLBA) as well. In this environment, states' systems for allowing charter schools flexibility and ensuring school performance and financial integrity assume greater importance. GAO examined (1) how states allow charter schools flexibility, (2) how states promote accountability for school performance and financial integrity for charter schools, (3) the implications of NCLBA for charter schools, and (4) the role the Department of Education (Education) plays in charter school accountability. GAO surveyed the 39 states and jurisdictions with operating charter schools in 2002-03 and interviewed charter school experts and Education officials.

What GAO Recommends

To enhance Education's charter school monitoring and research, GAO recommends that Education help states track federal funds to charter schools, require Charter School Program grant recipients to report the number of charter schools started with program funds, and include accountability in its planned charter school impact evaluation. Education agreed to take actions related to all our recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-05-5.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Marnie Shaul at (202) 512-7215 or shaulm@gao.gov.

CHARTER SCHOOLS

To Enhance Education's Monitoring and Research, More Charter School-Level Data Are Needed

What GAO Found

In school year 2002-03, some states reported that they provided charter schools flexibility by allowing them to choose their authorizer. Authorizers—state education agencies, local education agencies, universities, and other nonprofit organizations—oversee the formation and operation of charter schools. Also, nearly all states provided flexibility by releasing charter schools from some traditional public school requirements, such as teacher hiring and termination practices, schedules, and collective bargaining agreements.

To promote charter school performance and financial integrity, states reported that they took action to oversee charter schools and to oversee and provide assistance to authorizers. About half of the 39 states reported having primary responsibility for enforcing school improvement actions in charter schools not achieving annual school performance goals under NCLBA. Most states reported that they intervened when authorizers were not performing their responsibilities and conducted or required audits of authorizers' finances. About half of the states assisted authorizers with funding for their charter school oversight responsibilities or gave them fee collection authority.

NCLBA requires charter schools to meet the same requirements as other public schools, but the law permits certain flexibilities where allowed by state law. Charter schools must be included in the statewide assessment system, and charter schools that receive NCLBA Title I funds must take school improvement actions if they do not meet state performance goals. However, NCLBA allows state law to determine the entity responsible for charter school oversight. In addition, while NCLBA requires certification for all other teachers to meet the highly qualified teacher requirement, the law exempts charter school teachers from this requirement where state law permits.

As it does for all public schools, Education administers grant programs that provide funds to charter schools, monitors grant performance, and sponsors research on accountability for academic performance and financial integrity. Under NCLBA, the department and states must ensure that new and expanding charter schools receive timely payment of federal grant funds for which they are eligible and meet the act's academic achievement goals. However, in its monitoring and data collection, Education gathers little information on the timeliness of charter school grant payments or how well the schools perform. Moreover, Education's Office of the Inspector General (OIG) reported delays in states' Title I payments to charter schools. Education is in the process of developing new systems that are expected to provide both academic performance and financial reports for the department's major grant programs, but the ability of the new systems to provide financial reports for charter schools is uncertain.