

# Balancing District Impacts and Community Interests

## CONSIDERATIONS FOR DISTRICT CHARTER AUTHORIZERS



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Over the past year, the national conversation about authorizing charter schools has increasingly focused on the need to take a community-based approach to authorizing.<sup>1</sup> The idea is that authorizers—whether district, county, state, or other—should work more closely with local communities to better understand and meet the needs and interests of the students, families, and communities that charter schools intend to serve.

This shift is unfolding in the context of state statutes and regulations and, in some places, local policies or processes that require authorizers to assess “district impact”—that is, the impact of opening a new charter school on traditional public schools or the district as a whole.

District impact provisions often seem to position a proposed charter school in opposition to districts or traditional public schools rather than as a potential contributor to schooling options in a community. For example, California recently passed a new provision for its charter statute (AB 1505) that is termed *community interest*.<sup>2</sup> The provision requires an assessment of the impact of opening a new charter school on traditional public schools or on the district as a whole. Specifically, it requires California authorizers, which are primarily school districts, to consider the following factors: (a) the extent to which the proposed charter school would substantially undermine existing services, academic offerings, or programmatic offerings;

(b) whether the proposed charter school would duplicate a program currently offered within the district; and (c) whether the school district can absorb the fiscal impact of the proposed charter school.

Interestingly, California’s definition of community interest in the statute does not appear to actually include input from the community on how the charter school might address unmet needs. Rather, the provision appears to require that authorizers assess the application almost exclusively in terms of the new charter school’s impact on a traditional public school or the district as a whole. California’s law does require a public hearing to get input on new charter petitions from teachers, school district employees, and parents. Other state statutes similarly require authorizers to hold public hearings or conduct some other type of community engagement activity to collect feedback from a variety of stakeholders on the impact of opening a new charter school on the community and district. Collecting feedback on a proposal, however, is different from proactively assessing needs or asking what programs community members may want that are not currently offered. In many cases, moreover, authorizers can meet community engagement requirements without getting meaningful community input. This leaves us wondering whether or to what extent community interests and desires will be considered under these statutes or policies.

1. See, for instance, NACSA, *Communities at the Center*, available at <https://withcommunities.org>.

2. AB-1505 was approved by the governor on October 3, 2019.

Consider the case of a new charter school that is applying to open in a district with multiple charter schools already in operation. In the application, the founding governing board has provided evidence that families in the community are interested in additional, evidence-based STEM programming and support opening this new charter school. The new charter school would be located within 5 miles of an existing STEM program. However, the existing STEM program is poorly implemented and underenrolled. At the same time, the student population in the area is sufficient to support an additional school. The application for the new charter school is of high quality and meets statutory requirements for authorization. In such a case, there are stakeholders in California and elsewhere who fear that district impact provisions will give too much latitude to authorizers and could be used to deny a high-quality charter petition, even if it has community support.<sup>3</sup>

We posit that it is possible and important to balance the interests of students, charter schools, the district, and the broader community in authorizing new charter schools. We believe it is possible to consider the role a new charter school will play in a portfolio of district schools that values the contributions of the new school to the students and community and to also consider how it will impact neighboring traditional public schools.

For context, we reviewed all state charter statutes and relevant regulations to better understand the types of district impact assessments that states require. Of 16 states with district impact provisions in statute or regulation, we found that states had four primary categories of impact: fiscal, demographic, programmatic, and general. Below, we describe how states define these impacts.

### **FISCAL IMPACT**

Fiscal impact is the most frequent type of district impact provision, found in 11 of the 16 state statutes. The statutes require authorizers to consider whether the proposed charter school will have a negative

fiscal impact, either on neighboring traditional public schools in the district or on the district as a whole, by affecting student enrollment. Most of the state policies do not articulate how to determine this fiscal impact or what level of impact should be considered significant.

### **DEMOGRAPHIC IMPACT**

Three of the 16 states require, in statute or regulation, that authorizers consider the impact on racial, ethnic, or economic segregation in neighboring traditional public schools or, as in Arkansas, on court-mandated desegregation orders. As with fiscal impact, state policies do not articulate how demographic impact should be determined.

### **PROGRAMMATIC IMPACT**

Six states require authorizers to consider how the prospective charter school would affect the availability or quality of educational programming, services, or academic achievement in neighboring schools or districts. The rationale is that if a charter school draws enrollment from a traditional public school, the traditional public school may have to eliminate a particular course or curricular program.

### **GENERAL IMPACT**

Four states do not specify the type of impact authorizers must assess but merely state there should be an assessment of the impact of a new charter school on a traditional public school or school district. For example, New Mexico's statute states that authorizers need to consider whether the application is "contrary to the best interests of the charter school's projected students, the local community, or the school district in whose geographic boundaries the charter school applies to operate."<sup>4</sup>

3. Jacobsen, L. (2020, November 22). *As California's new charter law takes effect, schools bracing for shutdowns could win a reprieve from pandemic.* The 74. <https://www.the74million.org/article/as-californias-new-charter-law-takes-effect-schools-bracing-for-shutdowns-could-win-a-reprieve-from-pandemic/>

4. NM Stat § 22-8B-6 (M)(6)

## Considerations for Balancing District Impacts and Community Interests

How should authorizers assess these district impacts while also considering the potential contributions and value of a new charter school in terms of meeting community needs and interests? To take a balanced approach and make informed, strategic decisions, authorizers may want to consider the following factors and weigh them appropriately:

**1. Demonstrated Need.** Are there student needs not currently being met? A community needs assessment to help answer this question would include reviewing existing student achievement, performance, and attainment data for all student populations in existing traditional public schools and charter schools. Are there student populations with particularly low achievement? How are students with disabilities, English Learners, and students from low-income families performing in neighboring traditional public schools and charter schools?

**2. Community Demand.** What schooling options or programs do community members want? Ways to assess community demand would include conducting community surveys, focus groups, and other community engagement activities to better understand the educational options parents and community members want access to. For instance, do families want greater access to bilingual programs or arts programs? Also, if the new school will duplicate a current offering, is there more demand than the current offering can meet (i.e., are there waitlists for similar kinds of programs or schools)?

**3. Unique Offerings.** Does the proposed school provide a school model, a unique academic program, or another extracurricular program that does not exist or at least does not exist in sufficient supply in the community? For example, would this school be the only project-based learning or career and technical program in the neighborhood?

**4. Track Record.** For charter school proposals that are replicating a successful model or are part of a high-performing network, authorizers should give weight to that track record in considering impact on



the district. While past performance is not a perfect future predictor, it indicates a proven approach. The track records of the district's existing schools should also be weighed against the value of authorizing innovative new models or programs.

**5. Fiscal Impact.** Will the school have a negative, long-term fiscal impact on the district? This is an admittedly complicated assessment. Questions that should be considered include the following: What is the current fiscal status of the district? Is the student population in the district and surrounding area increasing or decreasing? Will the new school draw students from neighboring districts or private schools? Can the district make budgetary adjustments over the long term to adjust to the impact of the charter school?

**6. Long-Term Value to the District.** Districts should consider the long-term value of a new charter school to the district as a whole. For example, it is possible that a charter school will have a negative initial impact on enrollment at a neighboring traditional public school but a positive long-term impact on the district as a whole by drawing enrollment to the district; serving as a feeder school to a district school; serving a student population that was not being served effectively; or modeling new practices, with stated plans to disseminate resulting insights to the larger school community.

District authorizers may want to conduct the analyses of the first two items on their own or in partnership with community-based organizations that have existing relationships with families in their communities. For items #3 and #4, district authorizers should review their existing application questions and perhaps add specific questions asking applicants to demonstrate how their proposed school would provide a unique offering or replicate a successful track record. Authorizers may want to provide guidance about the types of data charter applicants should use to demonstrate a track record, including state accountability data and other measures. For items #5 and #6, district authorizers will need to create processes, collect data, and conduct analyses. Again, they should

review application questions to make sure they ask for relevant data. And they may want to talk with applicants to exchange information about the needs of the district and where the proposed school might contribute.

Considering these factors will help ensure informed and inclusive charter school authorizing decisions rooted in evidence of local communities' wants and needs as well as analysis and projections about the impact on traditional public schools and the school district as a whole. When both the authorizer and the applicant keep student and community needs and interests in the forefront, they support a process that is beneficial and nonadversarial.

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The author would like to acknowledge William Berry for research assistance.

Suggested Citation: Chait, R. (2022). *Balancing district impacts and community interests: Considerations for district charter authorizers*. WestEd.

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