

district's wealth or demographic composition.<sup>83</sup> While local voters may still choose to authorize a supplemental levy, this voter-approved levy is not limited or driven by the level of property values in the district.

Idaho is a high-poverty state. All of the highest poverty schools are eligible for Title I funds. However, traditionally Title I funds are used in elementary schools, and the majority of our schools most at risk are secondary. Race to the Top funds would allow us to provide much needed resources to secondary schools.

**(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools (40 points)**

The extent to which—

- (i) The State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools (as defined in this notice) in the State, measured (as set forth in Appendix B) by the percentage of total schools in the State that are allowed to be charter schools or otherwise restrict student enrollment in charter schools;
  - (ii) The State has laws, statutes, regulations, or guidelines regarding how charter school authorizers approve, monitor, hold accountable, reauthorize, and close charter schools; in particular, whether authorizers require that student achievement (as defined in this notice) be one significant factor, among others, in authorization or renewal; encourage charter schools that serve student populations that are similar to local district student populations, especially relative to high-need students (as defined in this notice); and have closed or not renewed ineffective charter schools;
  - (iii) The State's charter schools receive (as set forth in Appendix B) equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues;
  - (iv) The State provides charter schools with funding for facilities (for leasing facilities, purchasing facilities, or making tenant improvements), assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports; and the extent to which the State does not impose any facility-related requirements on charter schools that are stricter than those applied to traditional public schools; and
  - (v) The State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.
- In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.*

<sup>83</sup> Appendix F1.1- Description of Idaho's public school funding formula

Evidence for (F)(2)(i):

- A description of the State’s applicable laws, statutes, regulations, or other relevant legal documents.
- The number of charter schools allowed under State law and the percentage this represents of the total number of schools in the State.
- The number and types of charter schools currently operating in the State.

Evidence for (F)(2)(ii):

- A description of the State’s approach to charter school accountability and authorization, and a description of the State’s applicable laws, statutes, regulations, or other relevant legal documents.
- For each of the last five years:
  - The number of charter school applications made in the State.
  - The number of charter school applications approved.
  - The number of charter school applications denied and reasons for the denials (academic, financial, low enrollment, other).
  - The number of charter schools closed (including charter schools that were not reauthorized to operate).

Evidence for (F)(2)(iii):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the State’s approach to charter school funding, the amount of funding passed through to charter schools per student, and how those amounts compare with traditional public school per-student funding allocations.

Evidence for (F)(2)(iv):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the statewide facilities supports provided to charter schools, if any.

Evidence for (F)(2)(v):

- A description of how the State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

*Recommended maximum response length: Six pages*

***(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools***

**(F)(2)(i) State Charter School Law Does Not Inhibit Growth of Charters**

Idaho has had a law allowing the creation of charter schools since 1998<sup>84</sup>. The number of charters authorized has gradually grown since that time, reaching the current all-time high of 36 charter schools in operation for the 2009-2010 school year. This represents 5% of the total public schools in Idaho. Idaho's charter school law is designed in such a way that there is no cap on the percent of schools that may be charters, nor is there an artificial cap on the percent or amount of funding that charter schools may receive. Pursuant to Section 33-5208, Idaho Code, charter schools are funded by the same state formula as schools districts, with very few exceptions<sup>85</sup>, which is why Table F.1 shows charter schools receiving almost the exact same level of per pupil state funding as school districts (102.1% of the district funding level). Charter schools also do not have any geographic limitation (beyond those that the charter imposes on itself) on which students may attend. In order to provide adequate technical assistance to ensure they are successful, Idaho does limit the number of *new* charter schools that may begin operation in any given school year to six. Since 1998, only three schools have been delayed in opening by one year as a result of Idaho's charter school law.<sup>86</sup>

In Idaho, charter schools may be authorized by the school district board of trustees. However, given that some school districts may view charter schools as providing unwelcome competition for students (and the state dollars that go with them), Idaho has provided an alternative route to authorization in the Public Charter School Commission. This statewide Commission, which is appointed by the Governor, consists of three individuals with a school district background, three individuals with a charter school background and one individual from outside of education. There is no limit on the number of charters that the Commission may authorize, apart from the overall statewide annual limit on new charters. In the 2009-2010 school year, we have 22 charter schools

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<sup>84</sup> Chapter 92, *Idaho Session Laws*, Laws of 1998 (HB 517).

<sup>85</sup> Section 33-1003, Idaho Code does not apply to charter schools. Memorandum decision, *Hidden Springs Charters Schools, Inc. v. Thomas R. Luna, Superintendent of Public Instruction for the State of Idaho*, case number CV OC 08 22452, Fourth District Court for the State of Idaho (June 9, 2009). When there is a reduction from one school year to another in the average daily attendance of more than 1% within a school district, Section 33-1003, Idaho Code provides that “*the allowance of funds from the educational support program may be based on the average daily attendance of the school year immediately preceding, less one percent (1%)*”. Also, state funding of school district pupil transportation reimbursements is limited to the transportation of pupils residing within the school district's boundaries. Charter schools, however, will be reimbursed not only for the transportation of pupils residing within the boundaries of the school district in which the charter school is physically located, but also those who live outside the district boundaries, but within 15 miles of the school (subsection (4) of Section 33-5208, Idaho Code).

<sup>86</sup> Appendix F2.1- Idaho Charter School Data

that are independent LEAs as authorized by the Charter School Commission and 14 charter schools authorized by the district for a total of 36 operating charter schools. For the 2010-2011 school year, there will be 25 independent LEA charter schools and 16 district authorized charter schools for a total of 41 charter schools.

Those wishing to start a new charter school who are unable to do so through their local school district may transfer their charter petition to the Commission if the local school district and the petitioners have not reached agreement within 60 days of the petition's submittal to the district (Idaho Code 33-5205(1)(c)). Due to their geographically dispersed nature, virtual charter schools are under the Commission. The only limitation on the type of charter school that the Commission can authorize is that it cannot authorize the conversion of an existing public school into a charter school. Only a school district can do that.

**(F)(2)(ii) Charter School Authorizations**

Under the provisions of Idaho Code 33-5202, public charter schools can be created with any of the following goals:

- 1) Improve student learning;
- 2) Increase learning opportunities for all students, with special emphasis on expanded learning experiences for students;
- 3) Include the use of different and innovative teaching methods;
- 4) Utilize virtual distance learning and online learning;
- 5) Create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site;
- 6) Provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system;
- 7) Hold the schools established under this chapter accountable for meeting measurable student educational standards.

In addition to being held to the same goals pertaining to Adequate Yearly Progress (AYP) that all Idaho schools are required to meet, the charter school's authorizer must determine which other standards, including at least one from the list above, to which it will hold the charter. Charter schools must also comply with the general education laws of Idaho, unless specifically exempted by law, as provided in Section 33-5210, Idaho Code. A charter that fails to meet the standards established by Section 33-5209, subsection (2),

Idaho Code, must be issued a Notice of Defect by its authorizer. A charter that fails to correct the defect within the time prescribed will be closed.

In addition to the state’s oversight, the ultimate accountability is in the hands of parents. If a charter school fails to meet the needs of its customers, namely the students and their parents, then those students and parents will vote with their feet and move themselves – and the state funding that goes with them – to another venue. Whether through the formal Notice of Defect process or simply the financial impact of dissatisfied parents pulling their children out of the school, charter schools have been allowed to fail and close – the ultimate in accountability. Since 1998, four charter schools have closed.

As schools of choice, it cannot be guaranteed that a charter school’s student population will be identical in composition to that of the school district in which it is located. That would require those who choose to enroll their children in the charter school to be a perfect reflection of the demographics of the school district. In Idaho, charter schools are public schools; therefore, any child in the attendance area is eligible to attend. If enrollment at the charter school is oversubscribed, as it often is, attendance is determined by lottery. This lottery process helps ensure that the charter school will be a better reflection of the district’s demographics and student abilities than it might be if the charter school was simply allowed to select the attendees from an impacted pool of applicants.

**(F)(2)(iii) Equitable Funding for Charter Schools**

For FY 2008 (the most recent year for which such data has been compiled), the comparison of average school district versus average charter school per pupil funding is as follows in **Table F1**:

**Table F1**

	<u>Average Charter</u>		<u>Average District</u>	<u>Charter as % of District</u>
Property Taxes	\$0		\$1,448	0%
State Funds	\$5,403	\$5,290		102.1%
Federal Funds	\$406	\$781		52.1%

Other Funds	\$2,269	\$1,248	_____	181.8%
TOTAL	\$8,078	\$8,767		92.1%

As can be seen in **Table F1**, the average charter school receives 92.1% of the per-pupil funding of the average school district. A portion of this is driven by the difference in federal funds received. If the federal funds are removed from the equation, the average charter school receives 96.1% of the per-pupil state and local funding of the average school district.

**(F)(2)(iv) Funding for Facilities**

The state of Idaho provides funding for facilities maintenance for both school districts and public charter schools.<sup>87</sup> The state does not provide any specific funding for charter school facility acquisition. However, by funding a charter school under the state’s funding formula as if it were a separate school district, most brick-and-mortar charter schools are able to receive the higher level of per-student funding that accrues to smaller school districts, due to the application of smaller Average Daily Attendance (ADA) divisors. In the case of a school district, this feature is meant to recognize the fact that small school districts serving rural communities lack the economies of scale enjoyed by larger school districts. However, because charter schools often spend less on administration and have larger class sizes (23.7 as compared to 18.0 for the 2008-09 school year), they are able to use the excess funds to pay the lease or mortgage on a facility.

**(F)(2)(v) Charter Schools are Innovative, Autonomous Public Schools**

Numerous other public school “choice” options are made available by Idaho school districts beyond the standard public school setting. School districts are permitted to offer open enrollment to Idaho students residing outside their district boundaries. Students are also allowed to dual enroll in more than one school district or public charter school at a time.<sup>88</sup> Many school districts also offer alternative secondary schools for students at risk of dropping out. Some of the state’s larger school districts have also created magnet programs, organized around a particular area of educational interest, such as the Christine Donnell and Eagle Elementary Schools of

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<sup>87</sup> Sections 33-905, 33-1019 and 67-7434, Idaho Code

<sup>88</sup> Section 33-203, Idaho Code

the Arts, Galileo Magnet School (math/science) and Renaissance High School (three tracks – law, medical and international studies, including International Baccalaureate). Others have organized schools of choice around a particular approach to education, such as Owyhee Elementary in the Boise School District, which utilizes the Harbor Method that is offered by several of the state’s charter schools. The State Department of Education (SDE) encourages school districts to continue developing innovative new approaches to education to meet the varied needs of students. The autonomy of the schools of choice is dependent upon the district in which they operate. In the initial design and implementation of the school, the design committees are given latitude to choose the curriculum suited to the school, hire teachers and staff that are passionate about the school’s mission and develop the budget to reflect the goals. Many of the schools of choice have advisory councils to help maintain the mission and focus of the school, but the actual oversight of the schools remains with the districts and their school boards.

**(F)(3) Demonstrating other significant reform conditions (5 points)**

The extent to which the State, in addition to information provided under other State Reform Conditions Criteria, has created, through law, regulation, or policy, other conditions favorable to education reform or innovation that have increased student achievement or graduation rates, narrowed achievement gaps, or resulted in other important outcomes.

*In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State’s success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.*

Evidence for (F)(3):

- A description of the State’s other applicable key education laws, statutes, regulations, or relevant legal documents.

*Recommended maximum response length: Two pages*