



The National Alliance for Public Charter Schools is the national nonprofit organization committed to advancing the charter school movement. Our ultimate goal is to increase the number of high-performing charter schools available to all families, particularly low-income and minority families who currently do not have access to quality public schools. The Alliance provides assistance to state charter school associations and resource centers, develops and advocates for improved public policies, and serves as the united voice for this large and diverse movement.

Dear Friend:

The National Alliance for Public Charter Schools was formally launched on January 31, 2005, at the National Press Club in Washington, D.C.—the beginning of a remarkable inaugural year. By creating a credible, unified voice for the national charter movement, the Alliance has already made a significant mark on behalf of public charter schools and the million-plus students who attend them.

With broad input from charter leaders and advocates, we spoke out for quality, accountability and social justice. We began paving the way for stronger, more diverse leadership while strengthening the capacity of charter support organizations to serve and represent their members. Our efforts helped foster more favorable policy environments on both the federal and state levels. And aggressive communications outreach increased the awareness of the role charter schools play in answering parents' demand for high-quality options in public education.

But we know our work has only begun. Charter schools have made great strides in their 14-year history but the movement continues to face challenges ranging from arbitrary caps on growth, to inequitable funding, to opposition from those with a vested interest in the status quo.

We will continue to leverage national and state-level efforts to harness the true potential of charter schools as we work together to provide new hope and educational opportunities for our nation's children.

Sincerely,

Johnathan Williams
Chairman of the Board

Nelson Smith
President



Quality



Student from a Charter School in New York



Quality and Accountability

Just 14 years since their inception, public charter schools are thriving. There are now over 3,600 charter schools serving more than a million children across 40 states and the District of Columbia. In city after city, charter schools rank among the best public schools.

Why charter schools?

Charter schools are public schools that are independently operated and committed to improving the academic achievement of every student. Charter schools are given freedom to innovate to meet students' needs—from lesson plans to flexible schedules to extracurricular activities. In exchange for this freedom, charters sign a contract, promising to achieve specific goals for their students. Then, most importantly, they are held accountable for their results.

Quality and accountability are the foundation of high performing charter schools. That's why, at the beginning of 2005, the Alliance asked a group of successful charter educators and other leaders to examine the opportunities for ensuring quality across the charter movement. From January through June, the Task Force on Quality and Accountability visited some of the best schools in the country to identify what ingredients are needed to make a quality charter school. Their goal was to provide recommendations that would help all charter schools, regardless of their current level of achievement.

In August, the Alliance released *Renewing the Compact: A Statement by the Task Force on Charter School Quality and Accountability* which outlined seven principles of quality chartering and a set of recommendations for making them real, including:

Let Evidence Drive Operations

Charter schools are about outcomes, but the tools and capacity for data-driven decision-making are scarce. Therefore, the Task Force recommends that school leaders develop a “data dashboard” of indicators including standardized test scores, academic and non-academic growth of students, attendance, and staff performance. This data should be used as a more comprehensive tool to improve internal operations and student achievement.

“To replicate success, the charter movement as a whole must deepen its commitment to excellence, continuous improvement, and our students' success.”

—Dacia Toll,
Task Force member and co-founder of
the Amistad Academy, a high-
performing charter school in
New Haven, Conn.





Student from a Charter School in New Jersey



Quality and Accountability

Build High-Quality Charter Leadership

Traditional teacher colleges are not the right place to look for charter school leaders en masse, since charter founders and leaders need a combination of business, management, and educational skills. The Task Force suggests that universities create charter leadership programs rooted within their business or nonprofit management programs.

Charter Laws Must Be About Quality

A strong charter law is one that supports academic achievement, not just more charter schools. The Task Force urges state legislatures and advocates to revisit charter laws to make sure they provide sufficient financial support, freedom from regulatory burdens, and clarity about

oversight responsibilities. The Task Force also states that caps on charter growth do nothing to enhance quality.

The report of the Quality Task Force was among the highlights of *Chartering 2.0*, a summit of leading charter school advocates and education experts hosted by the Alliance last summer on Mackinac Island, Michigan. Attendees talked candidly—indeed, bluntly—about how to plan for the next generation of charter schooling, with an emphasis on improving quality, developing leadership, strengthening policy, and building state-level support capacity.

The seven principles of charter schooling outlined in *Renewing the Compact* serve as a touchstone for Alliance activities.

- 1** Quality is more important than quantity. Growth is not an end in itself.
- 2** The primary aim of charter schools is to pursue academic achievement for all students. Non-academic goals are important but do not, by themselves, justify renewal.
- 3** Charter schools must achieve at high levels; it is not enough to provide something marginally better than failing neighboring schools.
- 4** Charter accountability must be both internal and external. State mandated standardized tests are a necessary and appropriate condition of public accountability, but are not sufficient. Charter schools should embrace more frequent and expansive student assessment as a source of feedback that guides professional practice.
- 5** People matter. There is no foolproof charter model. A high priority must be placed on mentoring and evaluating those who lead and teach in charter schools.
- 6** Since charter schools are public schools, the students who attend them are entitled to the same level of financial support as students in other public schools.
- 7** Every kind of organization that supports or represents charter schools should be a force for quality.

Full texts of *Renewing the Compact: A Statement by the Task Force on Charter School Quality and Accountability* and *Chartering 2.0* are available on the Alliance web site at www.PublicCharters.org.

Source: *Renewing the Compact: A Statement by the Taskforce on Charter School Quality and Accountability*
National Alliance for Public Charter Schools August 2005



Advocacy



Students from a Charter School in New York



Regional Policy Dialogues

In the fall of 2005, the Alliance completed a first round of regional policy dialogues centered around reauthorization of the No Child Left Behind Act (NCLB). Meetings were held in Providence, Albuquerque, Atlanta and Chicago. Participants included charter operators, state association heads, state legislators, and state education agency administrators.

Several key themes emerged across the meetings:

The charter community values high standards and supports the tough accountability of NCLB;

There is near-unanimity that a student-based growth component should be part of AYP determinations;

The federal Charter Schools Program has been an invaluable asset in the growth of our movement, but needs a tune-up: federal funding should leverage other assets to create a larger funding pool targeted toward quality start-ups and strong replications.

Advocacy

The Alliance is a vigorous advocate for the charter community. To inform its deliberations, the Alliance works closely with its Policy Committee, composed of Alliance board members and other charter leaders from across the nation.

Federal Policy Initiatives

Credit Enhancement for Charter School Facilities Program

The federal Credit Enhancement program has leveraged close to \$450 million in private funds to build and renovate charter schools since 2001. In 2005, the Alliance led a coalition of charter organizations in a successful effort to rescue the program from a \$37 million cut. Working aggressively with facilities funders, and key state associations, the Alliance coordinated an intensive information effort that culminated in victory when the president signed an education appropriations bill restoring Credit Enhancement funding.

Preparing for Reauthorization of NCLB

Looking toward the upcoming reauthorization of the No Child Left Behind Act (NCLB), the Alliance got a head start in three key areas:

1. Building a New Model of the federal Charter Schools Program (CSP)

Created when just seven states had charter laws, the CSP is in need of an overhaul to accommodate this new era of scale and quality.

The Alliance conducted research on the program and gathered charter school stakeholders in a series of regional policy dialogues focused on retooling the CSP. The Alliance will propose recommendations designed to make the CSP a more effective engine for creating high-performing public charter schools.

2. Principles for Creating New High Quality Schools Under NCLB's Restructuring Requirements

A provision of NCLB allows states and districts to reopen chronically low-performing schools as public charter schools. Done right, this provision will create a new supply of high-quality charters. Mishandled, it could mean simply attaching the "charter" label to low-performing schools. In 2005, the Alliance developed policy principles and recommendations for states, districts, and schools to follow as they implement this option. In 2006, the Alliance is working to see that federal, state, and local decision-makers embrace these principles—and will demand action to remove constraints on the creation of new, high-quality charters.



3. Adequate Yearly

Progress and Growth Models

The Alliance has advocated that states should be able to incorporate measures of student growth when making determinations on Adequate Yearly Progress (AYP), bearing in mind that growth must be aimed squarely at reaching state standards.

A member of the Alliance Policy Committee shared our policy position as a participant in the Secretary of Education’s Work Group on Growth Measures. In November 2005, the U.S. Department of Education announced a new program that will enable up to 10 states to develop and pilot their own growth models.

State Policy Initiatives

Amicus Brief in Ohio

On behalf of more than two dozen state and national charter associations, the Alliance submitted an *amicus curiae* brief in response to a lawsuit challenging the constitutionality of charter schooling in Ohio. Citing precedent in 32 states, the brief argues that the public nature of charter schools is clear: Charters have been upheld by every court that has ruled on this issue.

In 2006, the Alliance will establish a national legal advocacy initiative to ensure that charter schools are ably defended from such assaults in the future, whether in state or federal courts.

Statewide Authorizer in South Carolina

Because of district hostility, charter school growth in South Carolina has been slow and arduous. The Alliance has been working closely with state charter advocates to support creation of a new statewide authorizer.

Caps

Twenty-five states have arbitrary limits on the number or size of charter schools. In 10 states “caps” are already constraining growth. The Alliance conducted research and published a well-received Issue Brief on this topic—and then partnered with charter leaders in four states to advocate for change.

Charter Caps Stifling Opportunities For Students In Low-Performing Schools

Nearly all of the 10 states that are at or near their caps have significant numbers of schools “in need of improvement” (see % in chart). As a result, the charter sector cannot expand to help thousands of students who need high-quality options in public education.

State	%	Cap	State	%	Cap
CT	16%	Charters limited to 250 to 300 students or 25 percent of the enrollment of the district, whichever is less. Many charters have hit their ceilings and can’t enroll additional students.	MI	13%	State universities may authorize 150 charters, with no single university authorizing more than 50 percent of the 150. State universities have hit this cap, but may still authorize 15 charter high schools in Detroit.
HI	48%	23 start-up charters are allowed, and 23 are open. There is only room for conversions, which are rare.	NY	18%	Cap of 100 start-up charters—50 by the State University of New York and 50 by the State Board of Regents. Both authorities have reached their caps.
IL	17%	Limit of 60 charter schools, with a maximum of 30 in Chicago, 15 in the Chicago suburbs, and 15 in the rest of the state. Chicago has 22 charters open—but will hit its charter school cap this school year.	NC	9%	Allows 100 charters, with five charters per district per year. The state has reached its cap.
IA	6%	Allows 10 conversion charters, with not more than one per district. This cap has been reached.	OH	13%	Sixty new charters are allowed by 2007, but all of these have opened. The only exception is for “successful operators,” currently defined as management companies.
MA	24%	School districts’ payments to charters cannot exceed nine percent of their net school spending. Approximately 150 of 500 districts are at or near this restriction. Limit of 120 charters, with 48 reserved for Horace Mann charters and 72 reserved for Commonwealth charters. There are currently 57 charters open—eight Horace Mann charters and 49 Commonwealth charters. Commonwealth charters cannot serve more than four percent of the state’s public school population. They currently serve about two percent.	RI	18%	20 charters are allowed. Charter schools may serve no more than four percent of the state’s school age population. A statewide moratorium is also in effect for new approvals in the 2006-07 school year.

Source: *Stunting Growth: The Impact of State-Imposed Caps on Charter Schools*
National Alliance for Public Charter Schools January 2006

The charter movement's impact is still blunted by a lack of public understanding. A national public opinion survey of 1,200 registered voters, conducted by the Alliance in early 2005, found that fewer than half of respondents who described themselves as “well-informed about charter schools” understood that charters are public schools.

Though discouraging, the public’s “blank slate” offers real opportunity: When poll respondents were given an accurate definition, support for charter schools jumped from 37 percent to 60 percent.

To increase the public’s understanding and support for charters, the Alliance initiated a broad-based communications program in 2005 and became the go-to resource for charter information.

State of the Charter Movement 2005

The Alliance released this data-rich report in conjunction with National Charter Schools Week that provides timely, valuable information on key elements of the charter movement: growth, academic achievement, accountability, public opinion, and policy. The report also features a data dashboard, to be updated annually with indicators of progress.

Charter Achievement

Countless reports and studies purport to be the final word on charter school performance. To bring this research together and provide a full and fair picture of how charter schools are doing, the Alliance commissioned an extensive review of all recent, and relevant studies on charter school achievement. The bottom line? When student performance is studied over time, rather than in one-test “snapshots,” the bulk of evidence shows charter school

students gaining at a faster rate than their peers in traditional public schools. This is an encouraging result, particularly in light of research showing that charters attract students whose prior performance in traditional public schools was weak.

The Alliance continues to monitor all sources that can illuminate the progress of charter school students. In the fall, the Alliance heralded findings from the 2005 National Assessment of Educational Progress (NAEP), which showed 4th and 8th grade charter students gaining at a faster rate in reading than students in traditional public schools, with particularly strong performance gains for Latino, African-American, and low-income charter students.



Fourth graders attending public charter schools across the country are making notable strides in reading and math, according to the National Assessment of Educational Progress (NAEP), otherwise known as the “The Nation’s Report Card.” Gains were particularly strong in reading, with charter students gaining at a faster rate than students in traditional public schools, whose scores were unchanged since 2003.

African-American, Latino, and low-income charter students also registered larger reading gains than their fourth-grade peers in non-charter public schools. Gains among Hispanic charter fourth graders were so strong that they have opened a 10-point gap with non-charter Hispanic students.





Student from a Charter School in Connecticut



Keeping the Movement Informed

Through its electronic Weekly News Connection, the Alliance keeps more than 11,000 subscribers informed of news stories and issues important to the movement. Each month, subscribers also receive the Resource Update, which highlights research reports, web links, and other important charter-related information.

A Resource for Media

The Alliance received considerable media coverage in 2005. More than 10 million Americans were reached through stories in leading papers such as the *Washington Post*, *Arizona Republic*, *Chicago Tribune*, *Boston Globe*, *Philadelphia Inquirer* and *Indianapolis Star*. The Alliance also was regularly called upon as a resource for trade publications such as *Education Week* and *Education Daily* as well as a sponsor and regular guest on the online radio program, CharterAmerica.

In addition, Alliance officials and state charter leaders met with editorial boards of the *Wall Street Journal*, *Chicago Sun-Times* and *Atlanta Journal-Constitution*.

The Alliance is working closely with state charter associations, providing a “heads-up” and solid background on breaking stories. A Communications Task Force has been formed to help identify strategies that will leverage and unify national, state, and local media efforts. The goal is to increase awareness that charters are public schools and mobilize support for improved public policies.

National Charter Schools Week

The Alliance coordinated National Charter Schools Week, a time to celebrate and recognize charter leaders, students, parents, teachers, and supporters for all of their great accomplishments. The Alliance disseminated communications materials and promotional strategies to state charter associations to help them build awareness and support for charter schools.

The Alliance also secured several prominent elected officials to serve as honorary co-chairs during the week. The unified effort of the movement further engaged local, state and federal government officials and generated congressional resolutions, a White House proclamation and countless school visits. The combined efforts resulted in significant positive media coverage across the country.





Capacity Building

Students from a Charter School in New York



Capacity Building Initiatives

As autonomous schools, charters need innovative, nimble solutions for their academic and business programs—in addition to strong collective advocacy around policy goals. Yet the “grid” of charter support organizations is porous, and charters in too many states lack access to the right kind of help. Building industry support capacity is a prime component of the Alliance’s mission. In 2005, the Alliance’s State Services Committee was expanded to include a broad array of association and resource-center leaders who have created cutting-edge programs in their own states. By studying what they do, exporting their “best practices” to other states, and deploying direct technical assistance, the Alliance is helping to foster a more dynamic market for charter services.

Mapping the Grid

To better understand the quality and quantity of support services available to charter schools, the Alliance completed an extensive national inventory of state-level support. In 2006, the Alliance is using this information to develop “industry standards” for charter support organizations. The survey’s director, consultant Gregg Vanourek, also has created a benchmarking tool enabling states to assess their progress against “best in class” performers.

Direct Technical Assistance

In 2005, the Alliance began three technical assistance engagements—each in different circumstances, all directed at expanding the supply of high-quality charter schools:

Ohio

Ohio has one of the most expansive charter sectors in the nation. It also faces some of the toughest political opposition and policy challenges. The Alliance is working with local leaders and national foundations to build a

new-principle-driven state charter school association and provide its members with improved services.

New Orleans

Chartering will play an enormous role in the re-establishment of public education in New Orleans in the wake of Hurricane Katrina. These schools will take several different forms—start-up, conversion, local oversight, state oversight—and will have a wide range of needs. The Alliance is working with state charter leaders to ensure that these schools get access to the help they need.

Delaware

Only one state has a higher percentage of students in charter schools than Delaware (Arizona). The Alliance is now partnering with the Rodel Foundation of Delaware in a strategic planning process aimed at strengthening the existing state charter association as a force for sustainable, quality-driven growth.



National Alliance for Public Charter Schools

Financials

For the Year Ended December 31, 2005 (unaudited)

Statement of Financial Position

For the Year Ended December 31, 2005

Current Assets	1,792,604
Net Property & Equipment.	173,933
All Other Assets.	84,648
TOTAL ASSETS	2,051,185

Current Liabilities	47,227
All Other Liabilities	77
Net Assets	2,003,881
TOTAL LIABILITIES	2,051,185

Statement of Activities

For the Year Ended December 31, 2005

REVENUE

Unrestricted Contributions	1,627,462
Temporarily Restricted Grants	870,000
Interest Income	20,615
TOTAL REVENUE:	2,518,076

EXPENSES

Professional Fees	646,874
Compensation and Benefits	545,507
Meetings and Travel	151,609
Facilities	93,061
Outsourced Administration	73,330
TOTAL EXPENSE:	1,510,381

Change in Net Assets	1,007,695
Net Assets, Beginning of Period	996,186
Net Assets, End of Period	2,003,881

- The National Alliance for Public Charter Schools is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

- Audited 2005 Financial Statements will be available after April 30, 2006.

A copy of the organization's audited financial statements is available upon request.

The Board of Directors of the National Alliance for Public Charter Schools is composed of some of the most respected and experienced names in the charter school world, including school leaders, national and state association executives, and representatives from foundations, management companies, and other supportive organizations. We strongly believe that in order to serve and advance this movement, the Alliance must understand its complexities and reflect its great diversity.

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A Unified Voice

Through its diverse board and broadly representative committees, the National Alliance for Public Charter Schools develops policies that support high-quality public education options for families who need them the most. Key priorities include lifting arbitrary “caps” on charter growth, closing the finance gap between charters and other public schools, and updating the federal Charter Schools Program to spur a new era of charter growth and achievement. To increase public support and political understanding of charter schools, the Alliance proactively delivers the message of accountability and results through print, broadcast, and online media; Issue Briefs and other publications; and conferences such as last summer’s Chartering 2.0 leadership summit.

Building Movement Capacity

Although 40 states and the District of Columbia have charter laws, the “grid” of support and services for charter schools is porous. Through strategic planning, technical assistance, and best-practice guidance from industry leaders, the Alliance is helping state associations and other charter-support organizations develop skills and services needed to nurture charter school growth and student achievement.

Quality

In 2005, the Alliance’s Task Force on Charter School Quality and Accountability articulated principles and recommendations for achieving quality-driven growth. Now the Alliance is turning their ideas into action: building a stronger and more diverse pipeline of school-leadership; spreading a culture of data-driven decision making at all levels of the charter enterprise; and making sure that parents, press and policymakers see chartering as a continuous-improvement model for delivering public education.



The National Alliance for Public Charter Schools is Grateful for the Support of Our 2005 Funders:

The Annie E. Casey Foundation

The Bill & Melinda Gates Foundation

Edison Schools, Inc.

Thomas B. Fordham Foundation

National Heritage Academies

The Pisces Foundation

The Walton Family Foundation, Inc.

As part of an overall effort to tell Americans that charter schools are public schools, the Charter School Leadership Council changed its name on August 9, 2005. The organization is now known as the National Alliance for Public Charter Schools to better reflect its mission. Although the name has changed, the organization and its principles remain the same.