

Issue: AZ - Education

## Charter School Oversight – Talking Points

Ever since charter schools took the Arizona public education landscape by storm in 1994, they have generated a range of reactions, from pride in the best of them to rage over fraud and profiteering.

- Charter schools comprise approximately 31% of Arizona’s 2,267 public schools—the largest proportion of any state in the U.S.—serving some 200,000 students in 720 charter schools.
- Competition has produced big winners—like the BASIS schools that rank among the top public high schools in the country—to utter failure among online charter schools.
- Of Arizona’s online charter schools, serving 20% of charter school students overall, not a single one met the state charter board’s academic standards.
- In November 2019, 30% of Arizona’s charter schools either failed or just managed to eke by, receiving letter-grade rankings of “C,” “D,” or “F” from the state Department of Education.

### Failed Oversight leads to Fraud, False Reporting, and Poor Performance

While two-thirds of the state’s charter schools maintain acceptable performance standards, the remainder’s disreputable records sully the entire concept of exceptional performance.

- Lax state oversight and regulation of charter school operations have produced multiple charter school millionaires—owner/operators who award themselves hefty consulting fees, property rents, and management contracts funded with taxpayer dollars.
- Neither the AZ State Board for Charter Schools nor the AZ Board of Education has addressed poor academic performance or financial irregularities, including false reporting, self-dealing, and profiteering. The ASBCS has not closed a failing charter school since 2014.
- Only 15% of AZ charters receive site inspections to ensure financial and enrollment accuracy.
- In the past four years, the Charter School Board investigated only 12% of public complaints.

Charters managed by private operators are free of many requirements placed on public schools:

- While charter schools are required to install a board of directors, there are no rules about board composition; in some cases, the owner/operator acts as the sole board member.
- Charter school boards consistently ignore the state’s open meeting laws. Thus, decision-making takes place behind closed doors, without input from parents, students, and teachers.
- There are no conflict-of-interest rules to restrict charters from outsourcing management and services—at hefty fees—to private, for-profit companies owned by the operators themselves.
- There are few guidelines for reporting expenses, nor are there any limits on how much charter schools can spend on non-instructional, administrative goods and services.
- AZ is the only state to allow charters to operate for 15 years before receiving external review.

In 2019, Democrats introduced 24 different bills for greater transparency and oversight to crack down on charter schools that misuse public funds. The Republican-controlled legislature killed every one in committee. An overhaul of charter school governance would enrich school choice, optimize the use of taxpayer dollars, and enhance student outcomes in Arizona’s public education sector.

See complete report: [Strengthening Oversight of Arizona’s Charter Schools](#)