TO: The Honorable the Members of the Board of Regents

FROM: Ken Slentz

SUBJECT: Enrollment and Retention Targets for Charter Schools

DATE: July 9, 2012

AUTHORIZATION(S):

SUMMARY

Issue for Decision

Establishment of enrollment and retention targets for charter schools for students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program

Reason(s) for Consideration

Required by the May 2010 amendments to the New York State Charter Schools Act, specifically, Education Law §2851(4(e) and §2852(9-b).

Proposed Handling

This issue will be before the full Board of Regents for discussion and action at the July 2012 meeting.

Procedural History

An item related to this issue was discussed at the May 2012 and June 2012 Board of Regents meetings. This item proposes a final methodology for consideration and adoption by the Board of Regents.

Background Information

As discussed at the May 2012 and June 2012 Board of Regents meetings, the 2010 amendments to the New York State Charter Schools Act, (Education Law §2851(4)(e) and §2852(9-b)), require the Board of Regents and the Board of Trustees

of the State University of New York (SUNY) to prescribe enrollment and retention targets for charter schools for students with disabilities, English language learners, and students who are eligible applicants for the free and reduced priced lunch program.

Department staff worked with the SUNY Charter Schools Institute to analyze and summarize public comment. Comment can be categorized into the following broad areas: 1) respondents who disagree with the law and believe that any quota or target setting is socially irresponsible, effectively perpetuating failings of segregated and underperforming systems; 2) respondents who provided critique of the proposed methodology, offering scenarios where schools would be "penalized" or "rewarded" depending on approaches to identification of at-risk students; 3) respondents who pointed out inaccuracies in our draft empirical files; and 4) general questions or specific case-dependent questions that staff was able to answer through a "Questions and Answers" document. A full summary and analysis of public comment, Questions and Answers, and the project overview is posted at: http://www.p12.nysed.gov/psc/enrollment-retention-targets.html

The final proposed methodology contains the following changes to the initial methodology presented at the May 2012 Board of Regents meeting, based on continuing consideration of the data sets and careful consideration of public comment:

1. Updated proposed methodology sets targets for students with disabilities in New York City (NYC) at the Community School District (CSD) level. The previous methodology set targets for students with disabilities at the district level in NYC, consistent with NYSED past policy related to data reporting.
2. Updated proposed methodology sets targets for charter schools serving high school students in New York City at the CSD level. The previous methodology set targets for charter schools serving high school students in NYC at the district level due to the high school choice system.
3. Updated proposed methodology establishes confidence intervals for charter schools with small subgroup populations ("n" sizes). The Department set and calculated these confidence intervals to ensure statistical accuracy and the ability to set targets for all subgroups of students at all charter schools in the state.

The technical description of the final proposed methodology is attached to this item (Attachment A). The Department believes that the final proposed methodology is the best approach to ensure that the targets are fully reflective of the intent and letter of the law, are fair and balanced in holding public charter schools accountable for enrolling and retaining at-risk students at rates proportional to schools in their districts of location, and addresses concerns from the public to the extent permitted by the law. Department staff will advise the Board if an update to the methodology for establishing these targets should be considered based on future policy concerns and/or enhancements to our data collection and reporting systems.

Once the methodology is approved, Department staff will analyze and calculate the data necessary in accordance with the approved methodology to set specific targets

for individual charter schools, as applicable, over the course of each school's charter term.

The Department is working to create proposed policy for charter school accountability at renewal, for the Board of Regents review, which will include implementation of enrollment and retention targets. Much like our previous project related to new charter schools applications in the Fall of 2010, staff is re-building standards and processes for charter school renewal, including defining "how good is good enough" for charter renewal; setting timelines, policies and procedures for renewal; creating renewal application handbooks and guidance documents; and defining what "good faith effort" and "repeated failure" means when considering renewal and retention targets.

The Board of Regents may consider interventions and sanctions for charter schools not making good faith efforts to meet effective targets, or for schools repeatedly failing to meet effective targets.

Interventions may include, but not be limited to:

- considering a request from a school to modify an admissions policy, consistent with Education Law and Civil Rights Laws; and/or
- considering track record of a charter management organization (CMO) when considering applications for new schools or replication or expansion of the CMO portfolio.

Sanctions may include, but not be limited to:

- placing the school's charter on watch, warning or probation; and/or
- non-renewing or revoking the charter of a school that repeatedly fails to meet the effective targets and shows no good faith effort in attempting to meet established effective targets.

Recommendation

VOTED: That the Board of Regents adopts the final proposed methodology as described in Attachment B to prescribe enrollment and retention targets for students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program, pursuant to the May 2010 amendments to the New York State Charter Schools Act, specifically, Education Law §2851(4(e) and §2852(9-b); and that the Board of Regents directs Department staff to set such enrollment and retention targets for individual charters schools, as applicable, in accordance with the final proposed methodology.

Timetable for Implementation

The Regents actions will become effective immediately.

Attachment

Charter School Enrollment and Retention Targets Technical Report
Draft for Review Only – updated June 28, 2012
New York State Education Department Charter School Office and
SUNY's Charter Schools Institute

This report describes the current proposed methodology behind the calculation of charter school enrollment and retention targets for free- and reduced-price lunch eligible students, limited English proficient students, and students with disabilities as required by New York Education Law Section 2851(4)(e).[1] According to the stipulations of this law, enrollment and retention targets are calculated for students in all districts at the level of the school district, and in the case of New York City, the Community School District (CSD). The specific rules applied to setting the targets are discussed in detail below. This report also discusses a proposed way to apply the targets to charter schools.

Calculating Enrollment Targets

Enrollment targets are based on student demographic and school enrollment information from New York State Education Department student-level data files. Students who enrolled in a traditional district or charter school in the 2010-11 school year were included in the target setting sample. Students explicitly omitted from the target sample include those enrolled full-time in: a) Boards of Cooperative Educational Services (BOCES) schools, b) private schools, including those for students with disabilities or other special education needs, c) District 75 in New York City, and d) PS 42 and PS 84 in Buffalo Public Schools.

Because the timing of student classification differs across schools and districts, and to ensure that schools are not "penalized" for declassifying students over time, students were identified as free- or reduced-price lunch students, limited English proficient students, or students with disabilities if they were ever classified as such in the NYSED student-level data files in school years 2009-10, 2010-11, or 2011-12. This approach, by definition, gives credit to schools and districts that enrolled classified students at any point during the most recent three school years.

After restricting the target sample to the population of interest, students were assigned to their school and district of attendance on October 1, 2010. Sample targets were also tested using observed enrollments on April 1, 2011 and June 30, 2011, and on these dates in other school years. These analyses validated the use of October 1st enrollments for setting targets since alternative enrollment snapshots yielded comparable targets.
Enrollment targets were created through the following two-step process:

1. The total number of students from each target classification group in each potential grade span was aggregated at the district level.
2. The number of classified students (obtained in step 1 above) was then divided by the total number of students enrolled in the district and grade span, yielding a unique proportion of classified students for each district and grade span configuration.

[1] The target methodology was established by the New York State Education Department Charter School Office, in collaboration with the State University of New York Charter Schools Institute.

Calculating Retention Targets

The process for establishing retention targets involved starting with the same set of student-level data files as for setting enrollment targets. Calculating these targets also employed the same set of initial sample restrictions, i.e. restricting the target sample to include only students who enrolled in traditional district or charter schools, and students were also identified as free- or reduced-price lunch students, limited English proficient students, or students with disabilities if they were ever classified as such in the NYSED student-level data files in school years 2009-10, 2010-11, or 2011-12.

After restricting the target sample to the population of interest, retention targets were created through the following four-step process:

1. The total number of students from each target classification group in each potential grade span that experienced a Type 2 discharge between October 1st of a given school year and September 30th of the subsequent school year was aggregated at the district level. [2]
2. The number of classified students with Type 2 discharges (obtained in step 1 above) was then divided by the total number of classified students enrolled in the district and grade span between October 1st and June 30th of the given school year, yielding a unique withdrawal rate for classified students for every district and grade span combination.
3. The withdrawal rate was then subtracted from 100%, corresponding to the total proportion of students initially enrolled, to obtain a unique retention rate for classified students for every district and grade span combination. Retention rates were separately calculated for each district from 2009-10 to 2010- 11, and from 2010-11 to 2011-12.
4. A 2-year average retention rate for each district was calculated by averaging the rates from 2009-10 to 2010-11, and from 2010-11 to 2011-12. With the exception of Albany City School District, Hempstead Union Free School District, and Middletown City School District, this 2-year average retention rate was used in place of a single year rate because enough variation was observed in school-level rates across years to justify an averaging approach to achieve more precise retention targets. Retention targets for Albany City School District and Hempstead Union Free School District were based solely on retention from 2009-10 to 2010-11 because of data quality concerns in the most recent school year that resulted in systematically lower retention rates in the district from 2010-11 to 2011-12. Conversely, retention targets for Middletown City School District were based exclusively on retention from 2010-11 to 2011-12 because of data quality concerns in the earlier period that resulted in systematically lower retention rates in the district from 2009-10 to 2010-11.

[2] Type 2 discharges constitute all discharges other than a) articulation up to a higher school level, b) graduation, and c) death.

Calculating Standard Errors and Lower Limits ("Effective Targets")

Fluctuations in student populations and sampling frames are likely to yield natural variation in school-level enrollment and retention rates in any given year. A lower limit, or "effective target," calculated for each target, accounts for this expected variation and thus reflects the lowest possible enrollment or retention rate a school must report to meet its target.

Effective targets are set as a one-sided 95% confidence interval around the target. [3] A one-sided interval is used instead of a more traditional two-sided interval because the question of interest is whether schools meet or exceed the target, not whether schools fall within the upper or lower bound intervals of the target. Because enrollment and retention targets are proportions (i.e. targets assume values between 0 and 1), and because the total number of classified students at a school is sometimes quite small (fewer than 30 students, for example), the confidence intervals are calculated using the Wilson Score Interval (WSI) method. The WSI method is preferred to more common methods for calculating confidence intervals for proportions, such as the Wald method, for a number of reasons: a) the WSI does not make the assumption that the target data approximates the normal distribution (which it does not), b) the WSI provides more precision when targets are very close to 0% or 100%, and c) the WSI is valid even when school-level enrollment and retention rates are calculated from a very small number of students.

The formula for calculating the effective target using the WSI confidence interval for a proportion is:

$$ET = \frac{\left(T + \frac{1.645^2}{2n} - 1.645 * \sqrt{\frac{T(1-T)}{n} + \frac{1.645^2}{4n^2}}\right)}{1 + \frac{1.645^2}{n}}$$

where ET is the effective target, T is the unadjusted target, n is the total number of students (for enrollment targets n is the schools size, while for retention targets n represents the number of classified students enrolled), and 1.645 corresponds to the z-score for a standard normal probability distribution in which the likelihood of the target falling below the effective target is less than or equal to 5%.

[3] The use of one-sided confidence intervals is widespread among states for establishing accountability targets. See, for example:

California - http://www.cde.ca.gov/ta/ac/ay/documents/aypinfoguide11.pdf;
Missouri - http://dese.mo.gov/divimprove/sia/dar/documents/qs-si-understanding-your-ayp.pdf; and
New Mexico - http://ped.state.nm.us/ayp2011/AYP%20FAQ%202011.pdf.