Georgia Department of Audits and Accounts
Performance Audit Division
Greg S. Griffin, State Auditor
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Why we did this review

The Senate Appropriations Committee asked that we review school system flexibility options. All but two of the state's school systems are designated as charter systems or strategic waivers systems. All designations are the result of a review of the system's application by the Georgia Department of Education (GaDOE) and approval by the State Board of Education.

The committee asked that we describe the approval process, the extent to which systems are using the flexibility granted, and whether consequences for systems not meeting academic targets are impacting student performance. The committee also asked about charter system's local school governance teams and how charter system supplemental funding is used.

About School System Flexibility

By June 2015, each school system was required to notify the GaDOE of its intention to become a charter system, strategic waivers system, or to remain a Title 20 (no waivers) system by June 2015. Charter systems and strategic waivers systems have varying degrees of flexibility from certain state laws and regulations. The flexibility can be related to academic programs, human resources, or finances.

Georgia Department of Education – School System Flexibility

Requested Information on Charter Systems and Strategic Waivers Systems

What we found

The Georgia Department of Education (GaDOE) supports increased flexibility for school systems, believing that flexibility encourages systems to focus on the academic achievement of students instead of statutory and regulation compliance. The agency assists systems seeking flexibility and has ultimately recommended approval of all applications to become charter or strategic waivers system.

We found that school systems generally have access to more flexibility than is being used, but using all flexibility granted is not necessarily expected. Charter systems can disregard much of the state education law and regulations, and most strategic waivers systems were granted a large number of waivers when converting. However, GaDOE and school systems noted that using flexibility is not their focus. Instead, schools are expected to address student needs, and—if helpful—use the flexibility granted to meet those needs. If a strategic waivers system does not have the required flexibility, it should request an additional waiver.

Many of the waivers frequently cited by systems as used and/or most useful are associated with financial flexibility. These include class size, direct classroom expenditures and expenditure controls, and categorical allotments. These waivers are cited as allowing the schools to allocate money for other student-oriented purposes. Many systems also pointed to waiving the requirement for teacher certification as useful. The waivers may be implemented in a limited manner, such as slightly higher class sizes for only certain types of classes or non-certified teachers for career and technical education classes only.

The contracts between the State Board of Education and the school systems contain both academic targets and consequences for failing to attain them; however, few consequences have been implemented thus far. GaDOE has not yet recommended the consequences outlined for charter systems because systems were acting to address underperforming schools. GaDOE also determined that the academic goals that had been in place were not particularly meaningful (e.g., no improvement required for schools above the state average) and may not sufficiently capture improvement. We found that requiring all charter systems to outperform the state average and all system schools to outperform similar schools to be unrealistic goals. Both the academic targets and consequences for charter systems are being reviewed. Strategic waivers system academic targets were based on the state CCRPI, which was changed in the second year of their contracts. This required a new baseline for performance, delaying the implementation of consequences. For the 2018-19 school year, approximately 25% of strategic waivers system schools were required to implement a school improvement plan.

Most charter systems' local school governance team (LSGT) members responding to our survey reported that the LSGT was effective and had a positive influence within the school. The LSGT members reported providing input in each of the five areas required by state law: finance and resource allocation, personnel, curriculum and instruction, school improvement goals, and school operations. However, we noted that LSGTs did not always provide input or participate in each of the areas at the level required by GaDOE regulations. LSGTs were most likely to have the required input on the hiring of school principals and the least input in curriculum and instruction.

While most LSGT members did not report experiencing barriers to organizational effectiveness, some pointed to a range of issues. We identified best practices that would likely benefit most LSGTs, including training in the areas of responsibility, the use of committees to better address issues, clearly defined roles and responsibilities, some level of staff support, and discretion over some portion of supplemental funds.

Charter systems receive supplemental state funding ($97/student for most systems in fiscal year 2019) that can be used as directed by the LSGTs, for LSGT training, or "to advance student achievement." Most systems use the funds for multiple purposes. Many of the reported innovations supported by the funds are related to academics (e.g., flexible scheduling, college/career, curriculum), but it does not appear possible to isolate the impact of the supplemental funds on measurable student achievement. Other uses of the funds, such as LSGT training or school security, could indirectly improve student achievement but we cannot measure the impact.

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Purpose of the Special Examination

This review of district flexibility options (charter systems and strategic waivers systems) was conducted at the request of the Senate Appropriations Committee. The Committee asked that we address the following questions:

1. What is the process for approving flexibility options, and to what extent are systems utilizing the flexibility granted?

2. What are the consequences to systems not meeting academic targets, and do the consequences impact system behavior?

3. What are the charter systems' local school governance team activities, and how effectively do the teams operate in relation to district boards?

4. How has charter system supplemental funding changed since the 2013 review in regard to the amount allocated, the use of funds, and the impact?

A description of the objectives, scope, and methodology used in this review is included in Appendix A. A draft of the report was provided to Georgia Department of Education (GaDOE) for its review, and pertinent responses were incorporated into the report.

Background

Program Description

Charter systems and strategic waivers school systems are expected to improve academic achievement through their use of greater flexibility from certain state requirements. Both types of systems require a performance contract between the local board of education and the State Board of Education (SBOE). The flexibility granted through the contracts allows the school systems to 1) implement innovations that otherwise would not be permitted; and 2) save money so the system can implement innovations that may or may not be permitted otherwise. Charter systems are essentially granted blanket waivers from most of Georgia's education law, while strategic waivers systems receive exemptions from specific requirements. Other differences between the two types of systems involve the application process, governance structures, accountability, and funding, as discussed below and shown in **Exhibit 1**.

Common Waivers

Graduation requirements

Attendance policies

Promotion and retention

Salary schedules

Certification requirements

Class sizes

Expenditure controls

Categorical allotments

Charter Systems

The charter system model was created to better meet student needs and develop innovative strategies to meet those needs. Charter system applications are reviewed by GaDOE and the Charter Advisory Committee, with final approval by the SBOE. Once approved, the system operates with a blanket waiver exempting the system from almost all Title 20 requirements (state education law), SBOE rules, and GaDOE guidelines. These exemptions relate to academic programs, human resources, and financial resources among others. The flexibility allows systems to address barriers to student achievement, such as promotion and retention policies or graduation requirements. The flexibility can also support innovative strategies such as dual enrollment, alternative schedules and calendars, accelerated instruction, credit recovery, and foreign language programs. To help support these innovations, each charter system receives supplemental state funding.

Exhibit 1
Comparison of Charter Systems and Strategic Waivers Systems

	Charter Systems	Strategic Waivers Systems	Both Types of Systems
Contracts	• 5 year max term for both initial and renewal contracts • GaDOE coordinates with Charter Advisory Committee to review petitions & make recommendations	• 6-7 year contracts[1] • GaDOE coordinates with Governor's Office of Student Achievement (GOSA) to review petitions & make recommendations	• Performance contracts are between the local board of education and the SBOE
Governance	• School level governance • Distributed leadership structure (i.e, collaborative) with emphasis on parent/ community involvement	• No requirement for school-level governance • Centralized, decentralized, or distributed leadership structure are options	
Flexibility	• Broad flexibility or blanket waiver that exempts the system from almost all of Title 20 and almost all SBOE rules and GaDOE guidelines	• Waivers from specific Title 20 provisions, SBOE rules, and GaDOE guidelines • Waivers must include at least one of the following: class size; expenditure control; certification; or salary schedule	• Systems cannot waive: federal rules/ regulations; state & local rules/regulations such as: insurance; physical health; school safety; assessment; QBE funding; court orders, civil rights statutes; conflicts of interest; unlawful conduct
Accountability	• Contracts include goals related to academic targets; school climate; economic sustainability; and school level governance • GaDOE submits annual report to the General Assembly on behalf of the SBOE	• Contracts include academic targets • GOSA monitors progress and reports to GaDOE and the SBOE	• System and schools must meet all federal and state accountability
Consequences	•.Subject to consequences in state law • Termination or nonrenewal of charter; charter system becomes a status quo school system	• Interventions/sanctions for not meeting achievement levels • Loss of governance of non-performing schools	
Fiscal Impact	• Per-pupil supplemental funding • No expenditure controls	• Possible waiver of expenditure controls	• Regular QBE funding • Possible savings through flexibility

Source: GaDOE documents

In exchange for the greater flexibility, charter systems are required to meet contract goals pertaining to academic achievement, school climate, economic sustainability, and school-level governance. To monitor progress, each charter system submits an annual report to GaDOE's District Flexibility and Charter Schools Division staff, who then compile and submit the information to the General Assembly on behalf of the SBOE. Systems that do not meet performance goals are subject to charter termination and other consequences stipulated in state law.

The contract goals related to school-level governance are a defining characteristic for charter systems. School-level governance is carried out by local school governance teams (LSGTs) composed of parents, teachers, and community members who meet at least six times a year. In comparison to school advisory councils, LSGTs are expected

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[1] Contracts beginning July 1, 2015 last for seven years. Since July 1, 2016, contracts last for six years.

School-level governance is based on the theory that those closest to the students can best identify needs and allocate resources

to be active participants in the decision-making process, providing input into a school's personnel, finances, curriculum and instruction, school improvement goals, and school operations. Although LSGTs are expected to have an integral role in school-level decisions, the local boards of education retain constitutional authority for the control and management of the school system.

Strategic Waivers Systems

Strategic waivers systems have more limited flexibility but no requirements for school-level governance. To become a strategic waivers system, a local board of education submits an application for review by GaDOE and the Governor's Office of Student Achievement (GOSA), before approval by the SBOE. The application lists the specific Title 20 provisions and SBOE rules to be waived. By law, requests must include at least one of the "big four" waivers: class size, expenditure control, certification, or salary schedule. Systems typically apply for all four of these waivers, as well as many additional waivers. Compared to charter systems, there are fewer expectations for innovation and there is no supplemental funding provided for this purpose.

In exchange for the flexibility, schools are required to meet performance targets. The accountability measures and targets are the same for all schools regardless of the number of waivers granted to the system (i.e., additional waivers do not increase performance expectations). Performance is monitored by GOSA staff, who submit reports to GaDOE and the SBOE. GOSA is authorized to enforce consequences, such as school improvement plans, for schools failing to meet performance targets. The SBOE is authorized to mandate the loss of governance of nonperforming schools.

GaDOE and GOSA seek to transfer GOSA's strategic waivers monitoring and support responsibilities to GaDOE to reduce the accountability and support structures that school systems must manage. GOSA and GaDOE have executed a memorandum of understanding to allow GaDOE to support GOSA with some strategic waivers responsibilities, but state law must be changed to officially move responsibility to GaDOE.

Program Authorization and Growth

School system flexibility options were authorized in 2007 and 2008 and expanded in 2015. The 2007 Charter Systems Act provided for the creation of charter systems. [2] In 2008, House Bill 1209 created the system flexibility option, which was initially referred as Investing in Education Excellence, or IE2. Systems under the IE2 option became strategic waivers systems when House Bill 502 went into effect in 2015. By June 30, 2015, each school system was required to notify GaDOE of its intention to choose one of three operating models—strategic waivers system, charter system, or Title 20/No Waivers system (the status quo) for implementation by the 2016-17 school year.

In the 10 years since the flexibility options were created, the number of systems choosing one has increased significantly, as shown in **Exhibit 2**. In 2008-2009, the first year of charter system operation, four charter systems with 37 schools enrolled

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[2] Other types of charter schools (conversion charter schools, start-up charter schools) have been authorized since the 1990s.

approximately 17,000 students. By 2018-19, 45 charter systems with 512 schools enrolled over 350,000 students.

Exhibit 2
Charter Systems and Strategic Waivers Systems Have Increased Significantly 2008-19

Systems were required to choose one of three operating models - Charter, Strategic Waivers, or Title 20/No Waivers - by June 2015

Source: GaDOE documents
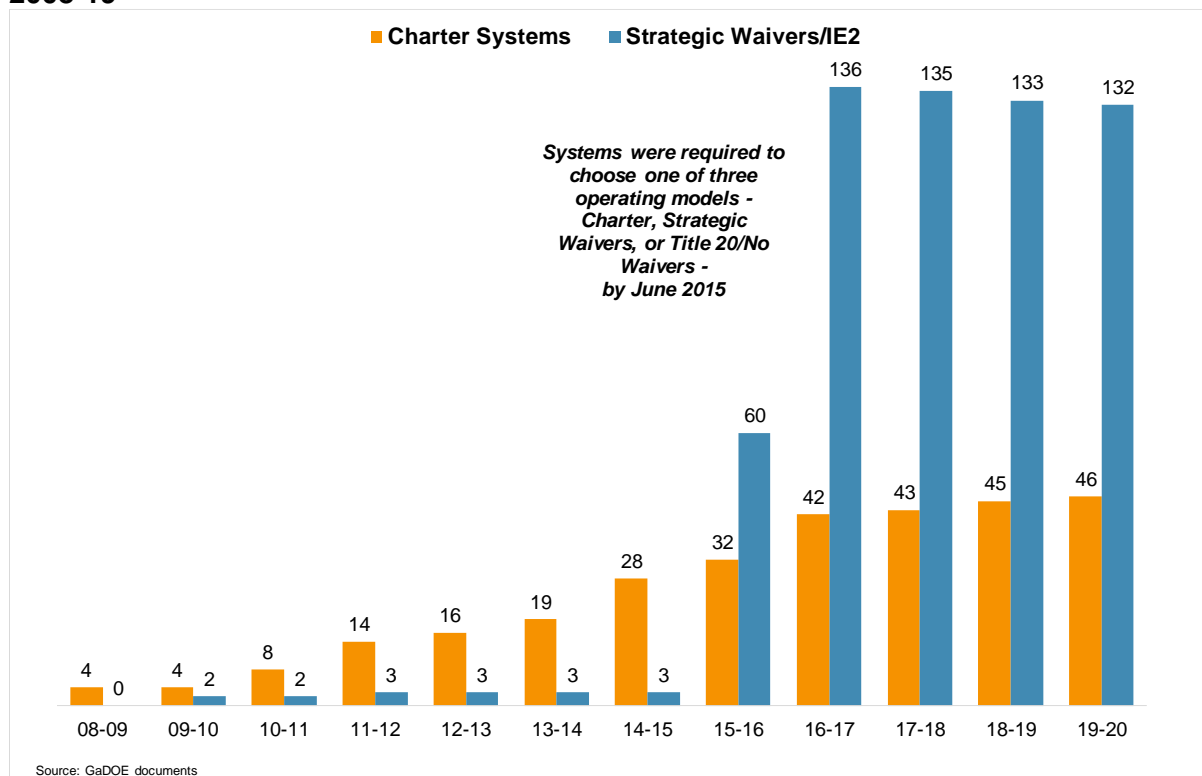
While charter systems have steadily increased over the years, strategic waivers systems were not common until systems were required to choose an operating model in 2015. Prior to that, there were only three IE2/strategic waivers systems—Forsyth, Gwinnett, and Rabun counties. By 2016-2017, the number of strategic waivers systems had increased to 136. According to GaDOE, it seemed that many systems chose the strategic waivers system to avoid a governance structure change while maintaining cost-saving waivers that had been granted to all systems during the recession (e.g., class size). Those waivers would no longer be permitted for Title 20/No waiver systems. Currently, strategic waivers systems account for 132 of the 180 local school systems (73%). [3] Only two school systems remain Title 20/No waivers (see **Exhibit 3**).

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[3] Four systems converted from strategic waivers systems to charter systems in recent years.

Exhibit 3
School Systems by Type in 2019-2020

180 School Systems:

132 Strategic Waivers Systems

46 Charter Systems

2 Title 20/No Waivers Systems

Source: GaDOE documents
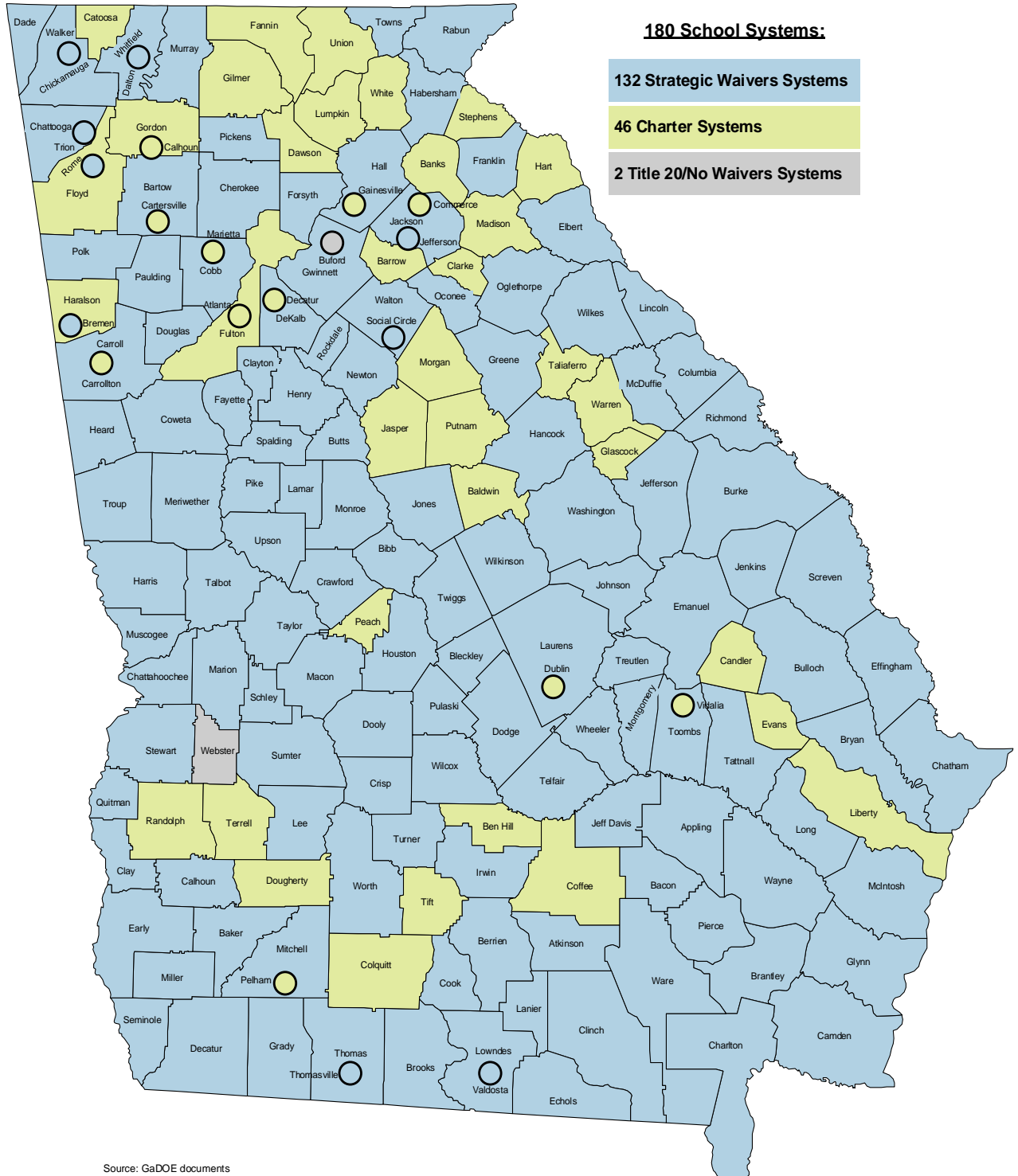
Financial Information

All school systems, including charter systems and strategic waivers systems, receive most of their state funding through the Quality Basic Education (QBE) formula. The main component of the QBE formula is the "base earnings" calculation that provides a foundation level of funding according to the number of full-time equivalent (FTE) students. [4] One FTE represents six periods, or segments, of state-funded instruction in a typical school day. Each school system's FTEs are multiplied by a base amount and a program weight. The base amount represents the funding provided for one FTE in the Grades 9-12 program, the least expensive program. Each of the other instructional programs (e.g., gifted, remedial education) has a specific funding weight.

QBE earnings and other state funds for Georgia's 180 local school systems totaled $9.4 billion in fiscal year 2019, as shown in **Exhibit 4**. The $9.4 billion consisted of $7.6 billion for strategic waivers systems, $1.8 billion for charter systems, and $27.5 million for Title 20/No Waiver Systems. [5] On average, the state allocated $5,491 per FTE.

The $1.8 billion in state funds for charter systems includes supplemental funding allocated only to these systems (not to strategic waivers or Title 20 systems). O.C.G.A §20-2-165.1 provides that charter systems receive an additional 3.785% of the base amount for each FTE up to maximum of $4.5 million per system per year. In fiscal year 2019, the supplement equated to an additional $97 per FTE ($47 for Fulton County and $86 for Atlanta Public Schools because they reached the cap). In total, charter systems received supplemental funding of $29.2 million.

Exhibit 4
State Funding by Operating Model/System Type, Fiscal Year 2019

	FTEs	Total State Funding[1] Amount Awarded	Charter System Supplemental Funding Amount Awarded	Amount Per FTE
Title 20/No Waiver Systems	5,380	$27,513,224	-	-
Strategic Waiver Systems	1,358,653	$7,573,239,497	-	-
Charter Systems	355,269	$1,839,472,134	$29,220,785	$97/$82 [2]
Total	**1,719,302**	**$9,440,224,855**	**$29,220,785**	

[1] Based on state QBE funds after the local five mill deduction; includes grants for transportation, nursing services, and equalization. Does not include a SHBP One-Month Employer Contribution Holiday that lowered state funding to each system by a total of $96.7 million.
[2] The overall average amount per FTE is $82; however, all but two systems received $97 per FTE

Source: QBE allotment sheet

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[4] The other components of the QBE formula adjust for teacher training and experience and central administrative staff salaries.

[5] Based on state QBE funds after the local five mill deduction; other state funds include grants for transportation, nursing services, and equalization.

Requested Information

Finding 1:   **GaDOE encourages school system flexibility, assisting those applying to become a charter or strategic waivers system and ultimately recommending approval of all applications.**

According to GaDOE management, flexibility promotes innovation and shifts a school system's focus from compliance with state laws and regulations to the academic achievement of its students. As such, the intent of the agency's review of waiver requests is to ensure that systems have an understanding and commitment to the concepts—not to pose a barrier to flexibility. After reviewing each application and providing any necessary guidance, GaDOE has recommended that the State Board of Education (SBOE) approve all requests to become a charter system, a strategic waivers system, or to add new waivers for an existing strategic waivers system.[6][7]

GaDOE's review processes vary due to the differing characteristics of the two flexibility models. The process for charter systems requires site visits and interviews, but there is no consideration of specific levels of flexibility because charter systems are granted blanket waivers. In comparison, the approval process for strategic waivers systems is more straightforward, but the systems are required to apply for specific waivers.

Charter Systems

The transition to a charter system is complex because it involves a change in governance structure and culture. To assist systems in making this transition, GaDOE's charter system consultants work with applicants to coach them through the process. In addition, GaDOE conducts site visits and interviews with the applicants to ensure that they are prepared to become a charter system. While GaDOE has recommended approval for all charter system applicants, management indicated that the process has taken longer for several systems that lacked resources and needed additional assistance.

As shown in **Exhibit 5**, the approval process begins with a system developing a draft petition that describes the system's challenges, how flexibility will be utilized, planned innovations, performance expectations, and the implementation of school-level governance. As applicants are drafting the petition, they receive assistance from GaDOE's charter system consultants who help develop school governance plans and training programs and provide information on innovative practices. Prior to submitting the petition, the local board adopts a resolution and conducts public hearings to discuss the petition. The petition is then submitted to GaDOE for review.

GaDOE reviews the petition in consultation with the Charter Advisory Committee. The review process includes site visits and interviews to ensure the system is committed to the school governance concept and has a plan for the school governance councils to be active and have greater responsibility. At this point, the consultants

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[6] Recommendations for strategic waivers systems are made in consultation with GOSA.
[7] GaDOE indicated that systems may request waivers that are either not allowed or needed for what the system intends to do. In these cases, the waiver requests are typically withdrawn.

have already provided coaching and development to correct any major deficiencies. After any concerns are addressed, GaDOE submits its recommendation to the SBOE for final approval.

Exhibit 5
Charter System Approval Process

Source: State law and agency regulations
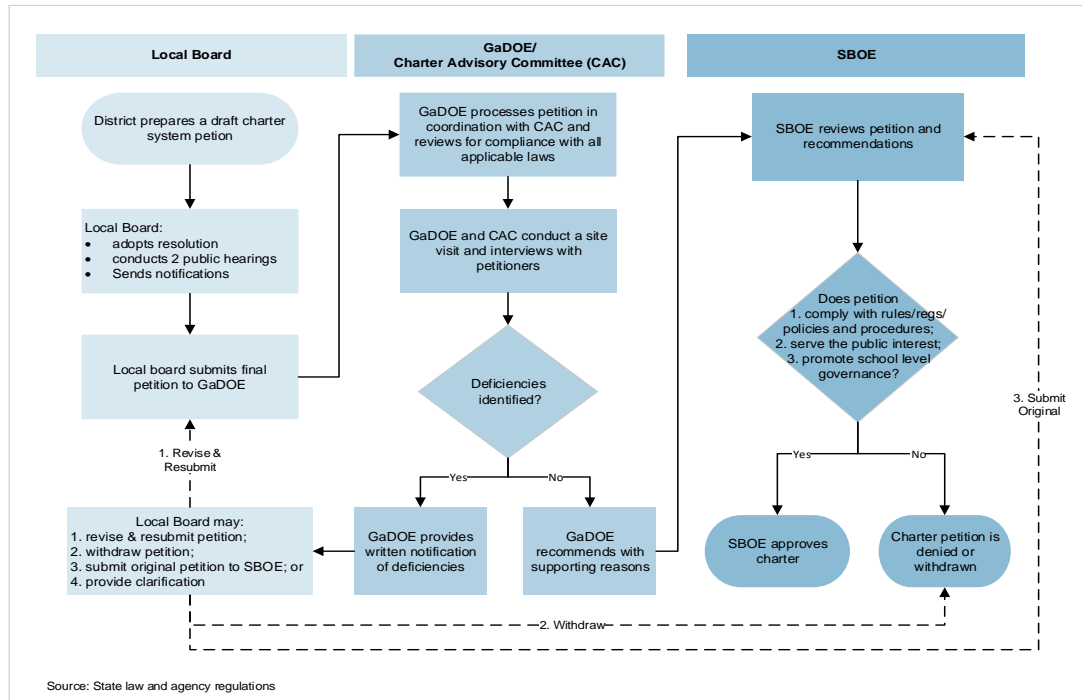
We did not verify every step of the review process, but charter system interviews generally confirmed that the process was thorough and that GaDOE provided sufficient support. For example, one charter system indicated that GaDOE conducted multiple site visits and worked with the system to make necessary changes to the initial charter. The system also received guidance from other established charter systems. Once the charter was finalized, district office representatives, the Local Board of Education, and community members met with the Charter Advisory Committee to discuss the petition before it was approved.

Strategic Waivers Systems

The approval process for strategic waivers systems is less extensive than the charter system process because there is no governance change and systems are requesting specific waivers rather than broad flexibility. GaDOE reviews applications and discusses the waiver requests with the systems but does not conduct site visits or provide assistance through consultants. Based on the application reviews, GaDOE (in consultation with GOSA) has recommended approval of all strategic waivers system applications. Additionally, GaDOE generally recommends approval of amendment requests for additional waivers if they are allowed by law and needed by the system.

The application process begins when a system prepares a proposed contract that includes a five-year strategic plan and components for flexibility, accountability, and consequences (see **Exhibit 6**). Systems must also adopt a resolution and conduct a

public hearing prior to submitting the application for review by GaDOE and the Governor's Office of Student Achievement (GOSA). GaDOE and GOSA review the applications and have discussions with the systems regarding the link between their challenges, proposed strategies, and requested waivers.[8] GaDOE then makes a recommendation to the SBOE.

Exhibit 6
Strategic Waivers System Approval Process

Source: State law and agency interviews
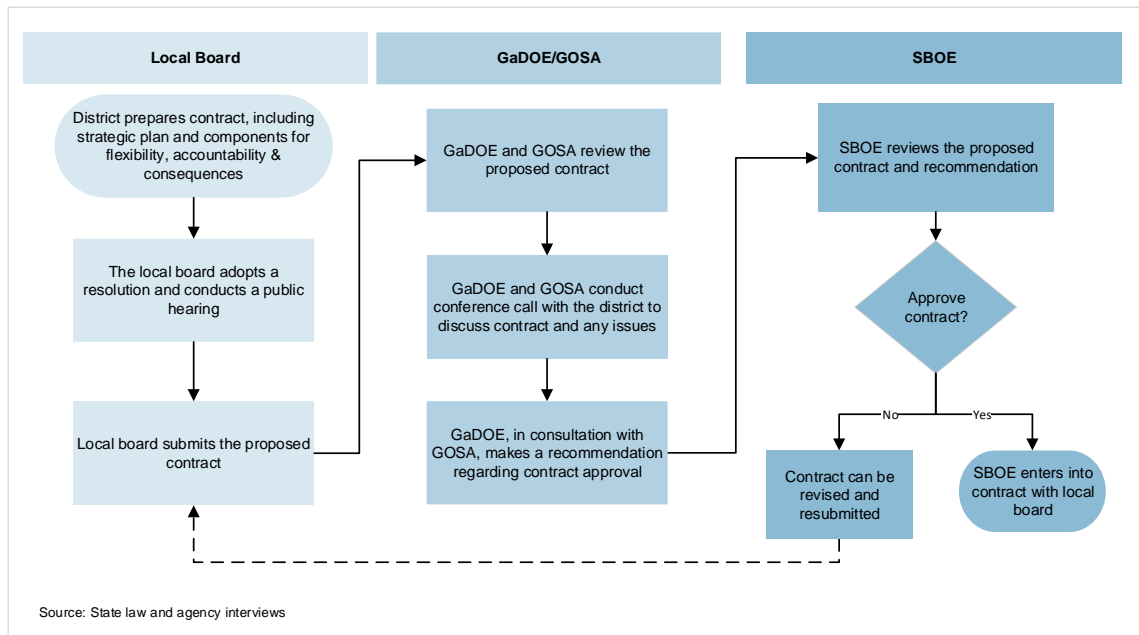
Unlike charter systems, strategic waivers systems are required to apply for specific waivers. When decisions were being made, GaDOE provided a waiver template and encouraged systems to request waivers even if they did not have an immediate use for the waiver in case the flexibility may be needed in the future. A specific explanation for each requested waiver was not required, but the systems were expected to provide a relationship between the flexibility requested and planned strategies to improve outcomes. Regardless of the number or type of waivers requested, the contract components for accountability and consequences are the same for all systems. According to GaDOE, a streamlined approach was needed as over 130 systems were simultaneously converting to a strategic waivers system.

If a strategic waivers system identifies a need for a waiver not included in its contract, the system can request an amendment. GaDOE and GOSA review the request and make a recommendation to the SBOE. Since 2016, SBOE has approved more than 60 additional waivers for 27 strategic waivers systems.

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[8] In November 2019, a memorandum of understanding transferred responsibilities pertaining to strategic waivers systems from GOSA to GaDOE.

Finding 2:   **Charter systems and strategic waivers systems do not use all flexibility granted by the State Board of Education. They most commonly utilize waivers to manage financial and personnel constraints and to modify selected academic policies and programs.**

While charter systems and most strategic waivers systems have been granted the ability to waive scores of state requirements, many utilize only a portion of that flexibility. GaDOE officials do not expect systems to use all, or even most, of the flexibility granted but expect them to identify unmet student needs, identify barriers to meeting those needs, and utilize the flexibility to address those barriers. School system officials also indicated that their focus was not identifying how to utilize a particular waiver but how to address a problem or accomplish a goal, whether a waiver was needed or not.

Our interviews and surveys found that systems are utilizing waivers to both directly address student needs in academic areas and to more indirectly address student needs through financial or operational flexibility. Systems are modifying academic policies related to earning credit, promotion and retention, and graduation. However, the most commonly used waivers—certification requirements, class sizes, and direct classroom expenditure controls—are used to address financial and personnel constraints. Funding can then be redirected to support innovations.

While the systems interviewed emphasized the importance of this flexibility, they were not necessarily using waivers to implement extensive changes. For the waiver of any state requirement, a system could make minor changes (e.g., hiring temporarily noncertified teachers in a single school) or more significant changes (e.g., eliminating certification requirements for all teaching positions except special education).

Amount of Flexibility Utilized

Quantifying the amount of flexibility utilized is difficult because school systems may not accurately identify the waivers being used. Systems may overestimate waiver usage, believing an operational change required a waiver when it did not. They may also underestimate waiver usage because the changes made have now become accepted and no longer recognized as possible only due to the waiver.

- **Charter Systems** – It is difficult to quantify the amount of a charter system's flexibility utilized. Charter systems are waived from complying with much of Title 20, which would equate to scores of separate waivers, and charter systems are not required to document each deviation from previous state requirements.

  The amount of flexibility used by charter systems varies and is likely influenced by the overall culture and processes to foster innovation that they have in place. Most of the charter systems interviewed reported using numerous waivers related to human resources, financial resources, and academic programs. However, several noted challenges with their own personnel who did not understand what could be allowed under a charter system or who were resistant to "thinking outside the box." One charter system official indicated that the system had not really tapped into the

waivers due to the general lack of awareness of the changes that could be made and the absence of a process for schools to propose waiver ideas.

- **Strategic Waivers Systems** – Systems generally use only a portion of the many waivers they have obtained. Most systems are approved for 20-30 waivers. [9] Because the systems were provided a template by GaDOE, many waivers were approved for 90% or more of the systems. To determine which waivers were actually being used, we surveyed all 132 strategic waivers systems and received responses from 52. Of the 52 strategic waivers systems, most systems (40) reported utilizing less than half of their approved waivers. A listing of all the approved waivers, along with utilization rates based on survey responses, is provided in **Appendix B**.

Commonly Used and Valued Waivers

For both charter systems and strategic waivers systems, waivers classified by GaDOE as human resources are the most commonly utilized and valued, followed by financial waivers (see **Exhibit 7**). While academic waivers are less frequently utilized or designated as most valuable by school systems, they are more directly tied to student academic needs. As noted below, there is overlap among waiver types (e.g., a human resource waiver can impact finances and academics).

Exhibit 7
Commonly Utilized and Valued Waivers

Source: Audit team survey of strategic waivers systems; GaDOE's Charter System Annual Report

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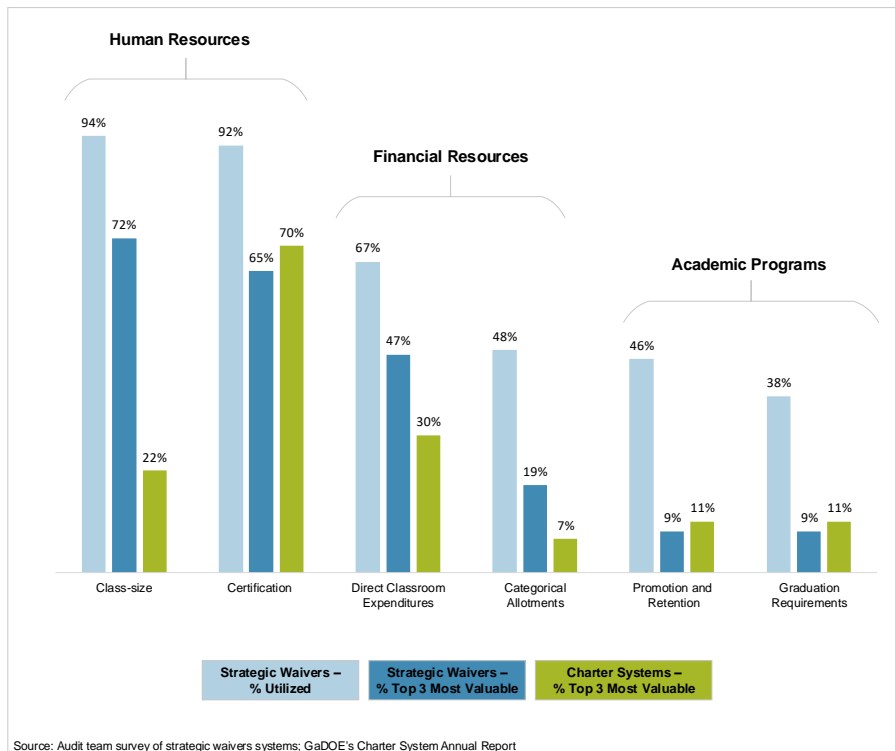
[9] The number of waivers can be counted in different ways. For example, some contracts list a waiver for "educational programs" with multiple code sections referenced for remedial, alternative, etc., while other documents have these programs listed separately.

- **Human Resource Waivers** – The two most common human resource waivers—class size and certification requirements—are often used for operational purposes, such as addressing the lack of certified teachers in the field, rather than to directly support an innovation. Other human resource waivers relate to changing the length of the school day and year, adopting alternative salary schedules, and eliminating requirements for certain personnel positions.

  - Class Size – This waiver allows systems to exceed the maximum class sizes established in regulation for each grade and educational program (gifted, remedial, etc.). Because systems can add students to a class rather than adding course sections or teachers, this waiver can have a budgetary impact. Of the 52 strategic waivers systems that responded to our survey, 94% indicated using the class-size waiver and 72% designated it as one of the three most valuable waivers. [10] This waiver was also designated as one of the three most valuable by 6 of the 27 (22%) charter systems that submitted annual report information. [11]

  - Certification Requirements – This waiver allows systems to hire noncertified teachers in all areas except for special education. Systems reported using this waiver to hire teachers with subject matter expertise rather than utilizing long-term substitutes or certified teachers lacking content knowledge. Among the strategic waivers system survey respondents, 92% indicated using the certification waiver and 65% designated it as one of the three most valuable. This waiver was designated as one of the three most valuable by 19 of 27 (70%) charter systems.

- **Financial Waivers** – Like human resource waivers, these waivers are used for operational purposes or to indirectly support innovations. Many of the systems interviewed and surveyed emphasized the importance of financial flexibility that allows the systems to target funds where there are most needed. The direct classroom expenditure waiver and categorical allotment waiver are two of the more commonly used financial waivers, as discussed below.

  - Direct Classroom Expenditures & Expenditure Controls – This waiver exempts systems from expenditure controls, including the requirement to spend at least 65% of total operating expenditures on direct classroom expenses. The waiver was utilized by 67% of strategic waivers systems and designated as one of the three most valuable waivers by 47% of strategic waivers systems and 30% of charter systems.

  - Categorical Allotment – This waiver exempts systems from the requirement that 90% of direct instructional funds earned in a

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[10] Of the 52 systems that responded, nine systems did not indicate the most valuable waivers or indicated incorrectly (e.g., designated more than three) and were therefore not included.

[11] Only 27 of 45 charter systems provided information on the three most valuable waivers. The other systems either did not report this information or reported it incorrectly (using the wrong drop-down box) due to an error with the GaDOE form.

program category (gifted, remedial, etc.) be spent in that same category and school. Systems reported using this waiver allows them to budget funds according to school needs and strategic plans rather than state requirements. The waiver was utilized by 48% of strategic waivers systems and designated as one of the three most valuable waivers by 19% of strategic waivers systems and 7% of charter systems.

- **Academic Waivers** – While academic waivers are less frequently utilized or designated as most valuable, they are more directly tied to student academic needs. Two of the most common academic waivers are modifying graduation requirements and promotion and retention policies. For example, systems reported using additional criteria when making grade promotion decisions rather than automatically retaining students who do not meet standards on the state assessment. Other academic waivers relate to establishing and enforcing school attendance policies, course requirements including online learning, and the organization and scheduling for middle school programs.

Waiver Changes Range from Limited to Extensive

While waivers can be used to implement extensive changes (see **Exhibit 8**), our interviews and surveys indicate that many changes are limited to moderate. Systems may value the intent of existing requirements but use the flexibility to accommodate specific circumstances. For example, most strategic waivers systems using the school council waiver have not eliminated school councils but have changed requirements such as term limits and meeting frequency. Systems may also use waivers in limited situations. Several systems reported complying with the 180-day school year requirement but would use the waiver to avoid making up inclement weather days. Some systems waive certification requirements only when a teacher was working towards certification, while other systems waive certification regardless of the teacher's progress towards certification or the type of course (except for special education).

Exhibit 8
Waiver Usage Ranges from Limited to Extensive

	Limited Usage	Moderate Usage	Extensive Usage
Certification Requirements	Certification waived very rarely for short period of time	Certification waived for career and technical education teachers	Allow waiving certification requirements in all areas except special education
Class Size	Used sparingly on case-by-case basis	Increased class sizes in some EIP, gifted, remedial, and CTAE courses	All class categories increased to plus 5, except gifted (plus 10)
Graduation Requirements	Used for student transfer situations	Allows substitution for Health & PE course	Requires 3 additional credits to graduate

Source: Strategic Waivers System Survey

Innovations Implemented Via Waivers

Charter systems and strategic waivers systems reported implementing various innovations to support student achievement. The extent to which these innovations required a waiver is unclear. In many cases, it appears that waivers were not directly linked to the innovation but may have provided the financial and operational flexibility needed for implementation.

- **Charter Systems** – The charter system annual report includes a description of each system's innovations that required a waiver(s) to implement. As shown in **Exhibit 9**, the innovations include 1) enhanced curriculum; 2) flexible scheduling/service delivery models such as online learning and credit recovery; 3) college/career programs including dual enrollment and internships; and 4) staffing and professional development initiatives. Innovations related to flexible scheduling/service delivery models, in particular, were emphasized by several charter systems interviewed as improving student achievement. For example, one system indicated that waivers were used to create pull-out segments during the school day to provide targeted assistance to struggling students.

Exhibit 9
Charter Systems Use Waivers to Implement Various Innovations

Curriculum	Flexible Scheduling & Service Delivery	College/Career	Staffing & Professional Development
• Advanced study opportunities for accelerated students in grades 5-8 • Custom courses and pathways, such as business management, accounting • Research-based reading initiative • Foreign language program in grades K-8 • Emphasis on fine arts, including language, music and art	• Online learning for acceleration and remediation • 45-minute pullout segment, targeted at remediation, acceleration, STEM focus • Flexible scheduling for credit recovery, collaboration with local colleges • Learner profiles and personalized learning plans of each student in grades 6-12 • Flexible service model to serve students based on need versus a state required label (e.g., gifted)	• Prepare students through dual enrollment opportunities, alternative ways to earn high school credit, and leadership training • Credit earning internships and community cooperatives with local businesses • Evaluate students' career interests through a survey and assign students to work-based learning internships aligned with their interests and the community business needs	• Utilizing non-certified experts in areas such as art, drama, music, electricity, and welding to provide hands on learning opportunities • Professional development to train teachers to use 21st Century tools and integrate technology in the classroom • Processes to attract and select highly effective, diverse, and innovative faculty and staff

Source: 2018 Charter Systems Annual Report

- **Strategic Waivers Systems** – Although strategic waivers systems do not face the same expectation to be innovative, they are expected to use the waivers to improve student achievement. We found that some strategic waivers systems are implementing the same types of innovations as charter systems. For example, one system reported using waivers to create a "school within a school" so that students who were behind could move at their own pace through online programs with teachers providing assistance, as well as twice-a-week interventions period focused on core content.

It is unclear whether a waiver is actually required for some of the reported innovations implemented by charter and strategic waivers systems, such as professional development or integrating technology. Based on our interviews with charter systems

and GaDOE, some reported innovations do not require a waiver, but a waiver provides the financial or operational flexibility needed to fund and implement the innovations. For example, several systems indicated using the school day and year waiver to reduce the number of instructional days, allowing time for additional professional development.

While certain innovations may not require waivers, the shift in culture associated with charter systems and strategic waivers systems may spur innovative practices that would not have happened otherwise. A benchmarking study on innovative practices[12] highlighted strategic waivers systems that have planning sessions where school leaders brainstorm ideas regarding waiver usage. The study noted that the some of the ideas generated did not require waivers to implement, but the process shifted the school leaders' focus towards innovation. The change in focus is more important than the actual use of waivers.

Finding 3:	Consequences for systems not meeting academic targets have been limited.

*The **College and Career Readiness Index (CCRPI)** is a comprehensive measure of school performance.*

*To "**beat the odds**," schools must outperform similar schools (based on demographics, mobility, etc.) on the CCRPI*

*See **Appendix D** for details*

Although charter systems and strategic waivers systems are expected to meet specified academic targets as part of their performance contracts, the consequences have been limited thus far. For charter systems, GaDOE management has not recommended consequences to date because systems have worked with underperforming schools to make gains. For strategic waivers systems, underperforming schools have been subjected to consequences—school improvement plans—for only one year because changes to academic targets re-set the baseline. While consequences specific to charter systems and strategic waivers systems have been limited, these systems are subject to general statewide interventions for low-performing schools.

The academic targets and consequences for charter systems and strategic waivers systems incorporate some of the same elements, but they also differ. For both types of systems, the targets include 1) CCRPI scores; and 2) the "beating the odds" analysis. However, the current charter system academic targets are more complex and include additional factors. The current consequences are also very similar between charter systems and strategic waivers systems.

Charter Systems

While charter system contracts contain academic goals and accountability provisions, GaDOE management indicated that consequences have not been needed because systems have acted to address underperforming schools. GaDOE also did not believe that the academic goals that had been in place were particularly meaningful towards determining whether the use of flexibility led to improved academic achievement. The academic goals and consequences are shown in **Exhibit 10** and discussed below.

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[12] "Benchmarking Study on Innovative Practices" (Prepared for Douglas County Public Schools); Hanover Research; June 2017

Exhibit 10
GaDOE is Implementing New Accountability Process for Charter Systems

	Contracts *prior to January 2019*	*Contracts (new and renewal)* *beginning January 2019*	
Academic Goals	**Goal 1:Beat the Odds** Each year, every school should "beat the odds." If less than all of the schools beat the odds in the 1st contract year, the system shall increase the number of schools beating the odds each year so that all schools will beat the odds in the 4th year. **Goal 2: CCRPI proficiency and/or improvement** Year 1 - Establishes a CCRPI baseline. Year 2 - System's CCRPI score shall be equal to or better than the State Years 3-5 - System's CCRPI score shall be better than the State	**Goal 1** Each year, the percentage of schools that achieve at least one of the following five measures shall increase by at least 10% of the gap between 100% and the previous year's percentage of schools that achieve at least one of the following five measures: 1. Increase the CCRPI content mastery score each year 2. Increase the CCRPI progress score each year 3. Achieve a positive value-added impact score 4. Beat the odds 5. Increase CCRPI by 4% of the gap between 100 and the previous year's CCRPI.	*Currently Under Review Again*
Consequences	No specific consequences for charter systems, but districts were subject to the consequences in O.C.G.A. § 20-14-41, which include: • Ordering a hearing at the school by the LBOE • Intensive student achievement improvement plan • Appointing GaDOE school improvement team • Removing school personnel • Restructuring of school governance and internal organization	Charter systems failing to meet goals are subject to the following consequences: • In 17-18 or 18-19: Targeted school plan addressing specific achievement deficiencies • For 3 consecutive years: Direct school management support and intensive teacher development support as outlined in a school improvement plan developed by school and district leadership • For 4 consecutive years: Consequences from O.C.G.A 20-14-41, as approved by SBOE	

Source: GaDOE's 2018 Charter System Annual Report and interviews with GaDOE management

- **Academic Targets** – Prior to January 2019, charter system contracts included two academic goals: 1) increase the system's CCRPI single score to outperform the state average; and 2) every school "beat the odds." GaDOE management did not believe these goals sufficiently captured improvement (e.g., a system could be significantly above the state average prior to converting to charter status) or school-level performance. In addition, the expectation that all charter systems outperform the state average and all system schools outperform similar schools before the end of the five-year charter term is not realistic, especially given the increasing number of charter systems. Of the 43 charter systems in 2017-2018, none had 100% of schools beating the odds and only 12 (28%) had CCRPI scores above the state average. Therefore, while GaDOE monitored various academic performance indicators, it did not hold the charter systems accountable to specific contract goals.

GaDOE revised the academic goals for new and renewal contracts beginning January 2019 but is considering additional revisions. As shown in **Exhibit 10**, the 2019 contract goal is for systems to increase the percentage of schools improving in one of five measures: the CCRPI content mastery score; the CCRPI progress score; positive value-added impact; beating the odds; and CCRPI increase over the prior year. (The value-added impact score assesses school quality by controlling for individual student characteristics and school demographics.) The goals are being revised again to: 1) ensure alignment with other state accountability measures; 2) reduce confusion for schools/systems

and increase their focus on student and academic needs; and 3) ensure that the targets are appropriately attainable.

- **Consequences** – Prior to January 2019, charter system contracts did not provide specific interventions or consequences but instead referred to O.C.G.A. § 20-14-41. The law authorizes the SBOE to apply interventions to underperforming schools that include: requiring an intensive student achievement improvement plan; appointing a GaDOE school improvement team to evaluate the school; appointing a school master or management team to oversee the school; and removing school personnel. Additionally, state law authorizes the SBOE to terminate a charter if the system fails to meet performance goals, in which case the system would revert to a Title 20/No waiver system. According to GaDOE management, consequences have not been recommended because systems have shown progress with low-performing schools.

  The 2019 accountability process establishes intermediate consequences (interventions) that are specific to charter contract goals. The consequences escalate from targeted school plans to direct school management support (by the system) to interventions provided in O.C.G.A. § 20-14-41. However, GaDOE indicated that these consequences will likely change in Spring 2020. Academic performance, along with other goals, will determine if a contract will be renewed and the length of the renewal contract.

Strategic Waivers Systems

Due to changes in the CCRPI and the resulting need to re-establish baselines for each system, consequences for not meeting academic goals have only been applied for one year. Approximately 25% of applicable strategic waivers system schools did not meet academic goals in 2016-2017 and were required to implement a school improvement plan in 2018-2019. The academic goals and consequences are shown in **Exhibit 11** and discussed below.

Exhibit 11
Strategic Waivers Systems are Accountable for Meeting Academic Goals

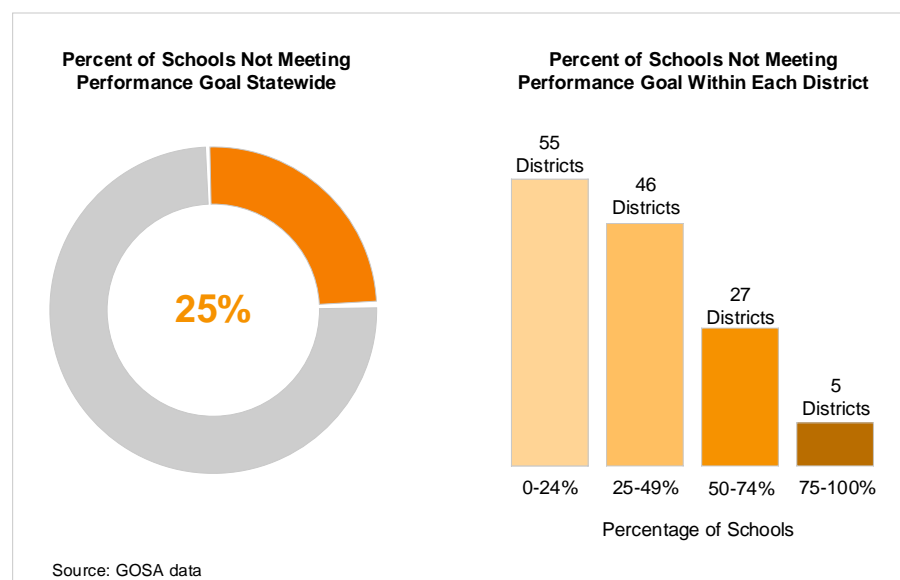| Academic Goals	Consequences
Yearly Performance Target 1. Each school shall increase its CCRPI score (without challenge points) by 3% of the gap between the baseline year and 100. Schools with baseline year scores in the top quartile must maintain a score within the top quartile. 2. Schools failing to meet the CCRPI score can meet the performance target by "beating the odds;" **5-Year Goal** 1. Meet the yearly performance target in two of the four non-baseline reset years (1, 3, 4, or 5); OR 2. Meet the revised Year 5 CCRPI target; OR 3. "Beats the odds" in Year 5	• **School improvement plan** if a school has not made sufficient progress toward goals in 16-17 or met goals in 18-19 • **Direct school management support and intensive teacher development support** as outlined in a jointly developed school improvement plan (school and district leaadership) if a school has not achieved three years of growth based on 19-20 data • **Consequences recommended by GOSA and approved by the SBOE** if a school has not achieved three years of growth based on 20-21 data

Source: GOSA documents

- **Academic Targets** – Strategic waivers systems have annual performance targets and five-year accountability goals that are based on two measures – increasing CCRPI scores and "beating the odds." The strategic waivers contracts provide for five years of accountability, beginning with 2016-2017 or

Year 1. However, because the CCRPI formula was revised in 2017-2018, Year 2 became a baseline reset and did not count for or against a system.

Approximately 25% of schools did not meet the annual performance goal in 2016-2017, the most recent year of accountability.[13] Of 1,588 strategic waivers system schools with scores, 404 schools (25%) did not meet CCRPI targets or "beat the odds" (see **Exhibit 12).** Of the 133 strategic waivers systems, 105 had at least one school that did not meet its annual performance target.[14] In 32 systems, 50% or more of the schools did not meet the annual performance target.

Exhibit 12
25% of Strategic Waivers System Schools Did Not Meet Performance Goal, 2016-2017 School Year

Source: GOSA data

- **Consequences** – Schools failing to meet the performance target are subject to a range of interventions, beginning with a school improvement plan. The school improvement plans outline up to three achievement deficiencies, strategies for addressing the deficiencies, and goals for improvement. In addition to the school improvement plan, contracts authorize direct school management and intensive teacher development support by the system and other consequences as recommended by GOSA and approved by the SBOE. The SBOE can also mandate the loss of governance of nonperforming schools.[15]

Regardless of the number or type of waivers requested by a strategic waivers system, the contract components for accountability and consequences are the same

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[13] At the time this review was conducted, the "beating the odds" analysis for 2018-2019 had not yet been finalized. The 2017-2018 data could not be utilized because this was the year that the baseline was reset.

[14] Three strategic waiver systems from 2016-2017 were not included because they converted to charter systems and were not required to implement school improvement plans.

[15] The school would then be governed by another school system, a private or non-profit entity, or convert to a charter school.

The school improvement plan is the only consequence that has been implemented. The 404 schools that did not meet the annual performance goal in 2016-2017 were required to develop a plan in 2017-2018 and implement the plan in 2018-2019. To monitor the plan implementation, GOSA conducted a mid-year survey and end-of-year survey that collected information on improvement areas, including an explanation of the outcomes. While some systems noted positive outcomes, it is difficult to assess the overall impact of the consequence since the plans have been implemented only for one year and the goals are specific to each system.

Statewide Accountability and School Improvement

In addition to the specific contract requirements, both charter systems and strategic waivers systems are subject to the general statewide accountability process and school improvement requirements.   As discussed below, there is some overlap between these processes.

- **Four "Lists"** – GaDOE uses CCRPI scores, graduation rates, and Title 1 status to identify schools needing additional support and financial assistance. The schools may be placed on one of four lists – comprehensive school improvement, targeted school improvement, additional targeted, and promise. [16] GaDOE's Office of School Improvement requires these schools to conduct comprehensive needs assessments and develop school improvement plans. If a strategic waivers system school was on one of these lists and also failed to meet contract goals, the school was required to submit two school improvement plans – one for GaDOE and one for GOSA.

- **Turnaround Eligible Schools** – CCRPI scores are also used to designate "turnaround schools," under a program administered through GaDOE's Chief Turnaround Office. Turnaround schools are subject to interventions including comprehensive on-site diagnostic reviews, intensive school improvement plans, and individual assessments of low-performing students. The 2019 turnaround eligible list included 101 schools from 34 systems (26 strategic waivers systems and eight charter systems).[17]

GaDOE management acknowledged the multiple layers of accountability and the different entities involved has resulted in some duplication and a non-cohesive process. To reduce duplication, GaDOE and GOSA have signed a memorandum of understanding to transfer many responsibilities related to strategic waivers systems from GOSA to GaDOE. (The agencies will seek a legislative change to eliminate the need for the memorandum.) For charter system schools on one of the four lists above, GaDOE indicated that it is considering aligning the charter system and list-related consequences to provide a consistent support that helps districts identify how flexibility can address their needs.

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[16] The schools are also eligible for Title 1 school improvement funds and GaDOE support which may include professional learning, coaching specialists, and technical assistance.

[17] The turnaround eligible list also includes four schools that are state charter schools or commission charter schools.

Finding 4: **While charter systems' local school governance teams lack decision-making input in some of the areas included in state law, most members believe that LSGTs are effective and positively influence their schools.**

State law requires that local school governance teams (LSGTs) have input into school personnel, finances, academics, and operations, but many members reported LSGT input that did not meet the minimum requirement found in GaDOE regulations. Despite limited input, most members responding to our survey reported that their LSGTs are effective, influential, and have increased parent and community involvement. Members may feel that their LSGT is effective despite the limited input due to a lack of knowledge regarding the statutory role, satisfaction with a more limited role, and/or confidence in the school administration.

LSGT Roles

O.C.G.A. § 20-2-2062 requires LSGTs to have decision-making input in five areas: 1) personnel; 2) financial decisions and resource allocation; 3) curriculum and instruction; 4) school improvement goals; and 5) school operations. For each area, GaDOE's regulations establish a minimum level of authority (i.e., particular task/responsibility). To determine the extent to which LSGTs have input into the five areas, we surveyed LSGT members regarding their responsibilities. We received responses from 736 members representing 302 LSGTs/schools.[18]

As shown in **Exhibit 13**, a significant percentage of the 302[19] school-level survey respondents detailed LSGT activities that did not meet the minimum level of authority. LSGTs are most likely to have input into school operations decisions related to school charter goals, school plans, and communication with stakeholders. Additionally, LSGTs are likely to have input in school improvement by approving and assisting in creating the school improvement plan. Most LSGT members assist in personnel decisions by interviewing principal candidates and recommending the candidates to the superintendent. LSGTs are less likely to have input into financial and resource allocation decisions and curriculum and instruction decisions. Additional details of the five areas are below.

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[18] The survey results cannot be extrapolated to the full population of LSGT members or schools with an LSGT.

[19] For survey questions that were not opinion based, only one response per school was needed. When this was true, the school's LSGT co-chair response was used. When no co-chair response was received, the response of the individual who served on the LSGT the longest was used.

Exhibit 13
Many LSGTs Do Not Exercise the Minimum Level of Authority

Source: LSGT Survey
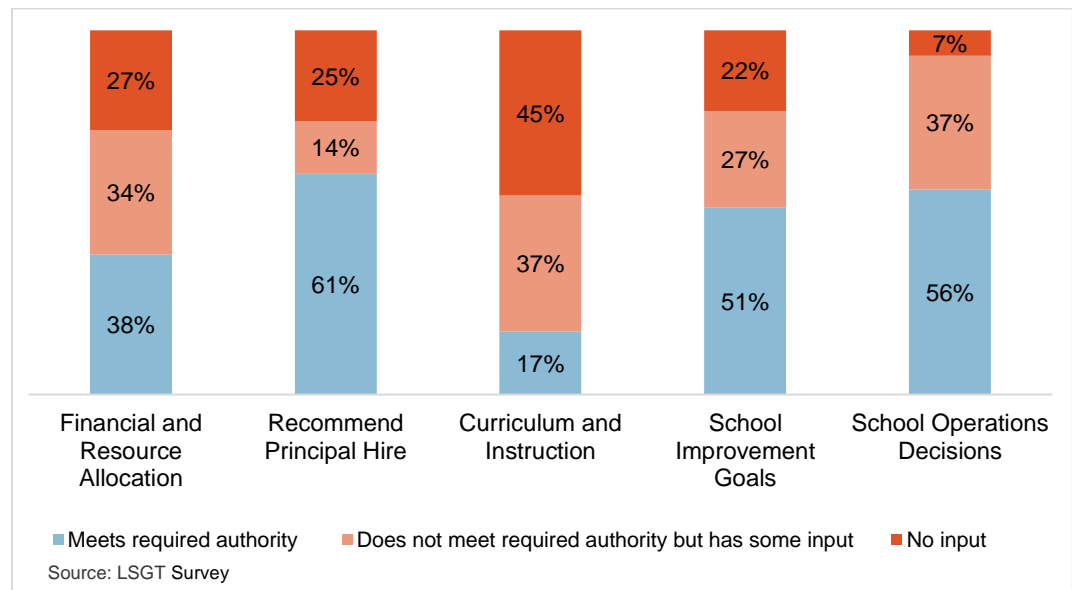
- **Financial and Resource Allocation Decisions** – The minimum authority is finalizing recommendations for the school budget (e.g., the number and type of personnel, curriculum costs, and supply costs). Additional authority can include approving the school budget, setting budget priorities, and conducting fundraising. Of the LSGTs represented[20], 115 (38%) indicated that they finalized recommendations for the school budget. Additionally, 102 (34%) had some input into financial and resource allocation decisions, but 82 (27%) made no decisions in this area.

- **Personnel Decisions** –The minimum authority is recommending the principal or the school leader to the superintendent, while LSGT responsibilities could also include determining the types of positions needed at the school, evaluating the staff, and hiring staff other than the principal. Of the 136 survey respondents who had the opportunity to hire a principal during their time on the LSGT, 80 (61%) did make a principal recommendation as expected of an LSGT. [21] Another 19 (14%) had some input in the principal hiring process, but 33 (25%) reported providing no assistance. Regarding personnel decisions unrelated to hiring the principal, 101 (34%) of respondents indicated they did not provide input.

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[20] The number of LSGTs represented varies from 298 to 300 except in the case of hiring the principal. Depending on the decision-making area, some individuals indicated they did not know the extent of authority their LSGT exercises. These responses were not counted. For principal hiring, 136 respondents are counted since only 136 respondents had the opportunity to hire the principal.

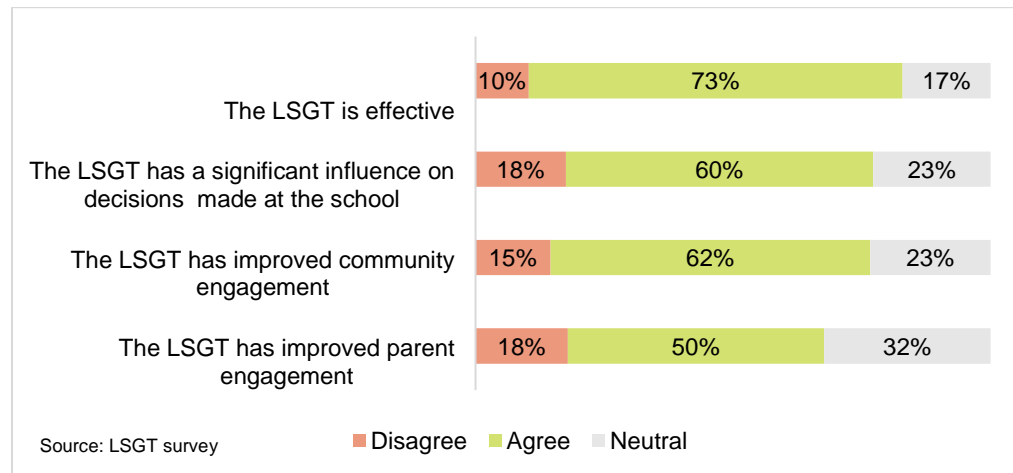[21] Seventeen of the 136 respondents indicated that they did not make a principal recommendation to the superintendent but did participate in interviews. We counted these as meeting the minimum authority. Even if they did not make a formal recommendation directly to the superintendent, it seems likely that they had input into the hiring decision and met the intent of the requirement.

- **Curriculum and instruction** – The minimum authority is the selection of curriculum and materials, though a LSGT may also develop innovative ideas for school-level flexibility, select instructional delivery models, and create new graduation requirements. Of the LSGTs represented, 52 (17%) indicated they selected curriculum and instruction materials. Another 112 (37%) exercised some decision-making authority, but 136 (45%) had no decision-making authority in this area.

- **School improvement goals** – The minimum authority is approving the school improvement plan (sometimes referred to as the school strategic plan) and providing oversight of its implementation. The school improvement plan established the long-term direction for the school and includes long term objectives, short term goals, and strategic initiatives. Additional authority could include assisting in creating in the school improvement plan and approving innovations that would traditionally require a waiver of state law. Of the LSGTs represented, 153 (51%) indicated they approve the school improvement plan and provide oversight of its implementation. Seventy-nine (27%) had some authority over school improvement decisions, while 66 (22%) exercised no decision-making authority in this area.

- **School operations** – The minimum authority is providing input into school operations consistent with school improvement and charter goals. Additional authority includes tasks such as communicating LSGT work to stakeholders, encouraging parent involvement, establishing school partnerships, creating volunteer support, and setting the school calendar. Of the LSGTs represented, 169 (56%) provide input into school operations consistent with school improvement and charter goals. Another 110 (37%) had some input into school operations, but 21 (7%) indicated they did not provide any assistance.

Based on interviews and survey responses, we identified several reasons why LSGTs may not be exercising the required level of authority, including inadequate training, ineffective meeting structures, and unsupportive principal or superintendent. These challenges, as well as best practices that have been implemented, are discussed in greater detail in the next finding.

LSGT Effectiveness
Despite a lack of decision-making authority, most LSGT members feel that their LSGT is effective and influential. Of the 736 LSGT survey respondents, 534 (73%) agreed or strongly agreed that their LSGT is effective (see **Exhibit 14**). Additionally, 60% agreed/strongly agreed that their LSGT has a significant influence on decisions made at their school. Respondents also agreed/strongly agreed that the LSGTs have improved community engagement (62%) and parent engagement (50%).

Exhibit 14
Most members believe LSGT is effective and influencing decisions in their school

	Disagree	Agree	Neutral
The LSGT is effective	10%	73%	17%
The LSGT has a significant influence on decisions made at the school	18%	60%	23%
The LSGT has improved community engagement	15%	62%	23%
The LSGT has improved parent engagement	18%	50%	32%

Source: LSGT survey

LSGT members may feel their LSGTs are effective despite a lack of decision-making authority for one or more reasons.
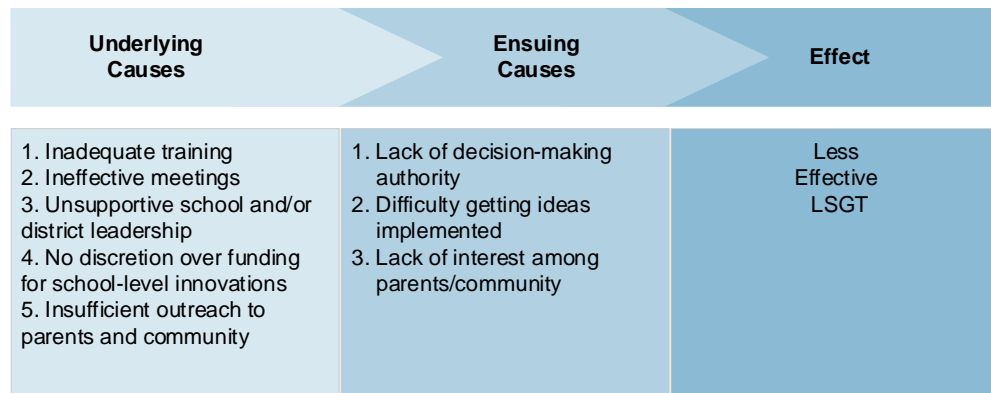
- LSGT members may be satisfied with limited decision-making because they do not fully understand their roles and responsibilities as detailed in GaDoE regulations.

- LSGT members may not desire input into some areas, such as budget or curriculum, due to a lack of expertise, time, and/or resources. This may be particularly true if LSGT members have confidence in their principals and feel engaged in the process. For example, one respondent indicated that while the administration usually makes decisions and presents them to the LSGT, this is not a problem because the administration generally makes the best decision for the school.

- LSGT members with previous experience on school advisory councils that had no decision-making authority may feel more influential by having input in only one or two of the five areas.

Finding 5:   Several practices can improve the operation of LSGTs that face barriers to effectiveness.

While most members believe that their LSGTs are effective, we identified several issues that can hinder LSGT effectiveness. We also identified practices that can help school systems and LSGTs overcome these barriers such as thorough LSGT training, effective meeting structure, and established communication channels with charter system staff. Additionally, interviews with district office personnel indicated that LSGTs become more efficient and effective over time and generally have an increasing role in their schools.

Through surveys and interviews, we identified multiple barriers that can limit LSGT success. Of the 736 survey respondents, 24% reported a lack of interest among parents and community members as a barrier to LSGT success[22]. Survey respondents also selected a lack of decision-making authority (20%), lack of outreach to parents (18%), lack of financial support (15%), and difficulty getting ideas/ innovations implemented (14%) as barriers. Other issues identified through survey comments and interviews include inadequate training, ineffective meetings, and unsupportive school and/or system leadership. Each of these challenges and practices for addressing them are discussed below (see **Exhibit 15**).

Exhibit 15
Barriers to Effective LSGTs

| Underlying Causes	Ensuing Causes	Effect
1. Inadequate training 2. Ineffective meetings 3. Unsupportive school and/or district leadership 4. No discretion over funding for school-level innovations 5. Insufficient outreach to parents and community	1. Lack of decision-making authority 2. Difficulty getting ideas implemented 3. Lack of interest among parents/community	Less Effective LSGT

Source: Conclusion based on survey responses and interviews with charter systems and LSGT members

Training

Although LSGT member training is emphasized by best practices and required under charter contracts, not all members attend training. According to the Charter System Foundation, a non-profit organization that supports charter systems, well-functioning LSGTs have members who are formally trained and prepared for their roles. However, 274 of the 736 LSGT survey respondents (37%) did not attend annual training, as required by the charter contract (see **Exhibit 16**). The remaining 462 respondents primarily received general training on roles and responsibilities and effective meetings. Less than 40% received training in school funding and budgets (38%), school improvement (35%), community engagement (31%), school operations (23%), curriculum and instruction (20%) and human resources/resource allocation (16%).

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[22] 21% of respondents also indicated difficulty recruiting LSGT members is a barrier to LSGT success.

Exhibit 16
Not all LSGT members attended training during the 2018-2019 school year

Source: LSGT survey
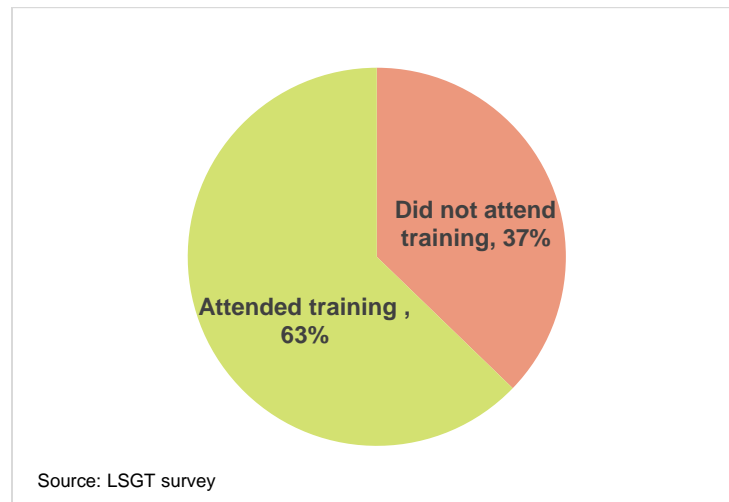
While training for some LSGT members is lacking, we identified several systems with more extensive training programs. For example, one system conducts monthly training sessions that covers topics such as the budgeting process and leveraging partnerships and requires LSGT members to attend seven hours annually. In addition to the LSGT member training, the system provides training for principals regarding how to work with LSGTs. Another system requires LSGTs to perform self-assessments in the five areas of governance and then tailors the training program to the specific needs.

Meetings and committees

While 93% of school-level survey respondents reported that their LSGT met at least six times per year as required by the contract, some members indicated that LSGT meeting structures were ineffective. According to the Charter System Foundation, a well-structured LSGT meeting would have established objectives and sufficient time to accomplish the objectives; action items that have been fully vetted, informed on, and discussed; and fully engaged participants. [23] Based on some LSGT survey comments and interviews, LSGT meetings can be non-productive and more informative rather than interactive.

For LSGT members to be better prepared to exercise decision-making during meetings, some LSGTs have created committees. Committees can research specific topics and then present findings and recommendations at the LSGT meetings to inform decisions. Of the 302 school-level survey respondents, 113 (38%) indicated that their LSGTs have committees to address specific issues such as budget and finance, communication and outreach, principal selection, and school calendar[24] (see **Exhibit 17**).

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[23] Source: Fulton County materials

[24] Questions regarding committees were added after the survey was tested on six respondents. Because of this, only 296 of the 302 school-level respondents were asked whether their LSGT has committees.

Exhibit 17
Majority of LSGTs have no additional committees

Committees, 38%

No committees, 62%

Source: LSGT survey
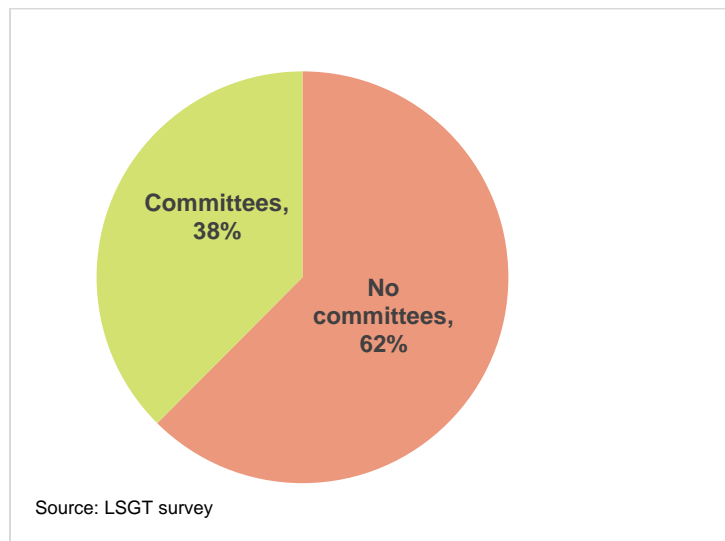
Effective relationships with school and system leadership

LSGT members generally reported positive relationships with principals and superintendents; however, unsupportive leadership can be detrimental to an LSGT's success. One system interviewed indicated needing to work with principals to eliminate heavy-handed management styles. Another reported that the superintendent made unilateral decisions, such as transferring a school's principal without consulting or notifying the LSGT. Effective relationships between LSGTs and school and system leadership can also be difficult to maintain with high turnover in leadership positions and LSGT members who typically serve for only two or three years. Established protocols and support structures can help ensure effective interactions even as superintendents and principals change. They are discussed below.

- **Clearly defined roles and responsibilities** – All charter system contracts stipulate general LSGT responsibilities in each of the five decision-making areas. However, some systems simply replicated the GaDOE's language regarding minimum and additional authority, making it difficult to operationalize the LSGT's role. Other systems detailed how and when they will implement both minimum and additional decision-making responsibilities. The LSGT's role in principal selection is particularly important, as they can help choose school leaders who will be supportive of the LSGT.

- **System support staff/facilitators** –While all systems have a charter system liaison that is responsible for working with LSGTs, this responsibility is often added to the job description of an already employed individual. However, several systems reviewed have staff dedicated to working with LSGTs. For example, one of the larger charter systems has a System Support Team that includes designated liaisons for each cluster; facilitators for community meetings and engagement coaches for principals; and specific contacts from

each area of system purview to serve as cluster advisors. Another mid-sized charter system hired a facilitator to help assess LSGT needs, implement training programs, and share ideas regarding innovations.

- **Established communication channels** – Communication channels between LSGTs and system leadership can help LSGTs get their ideas implemented and can facilitate information-sharing throughout the system. One charter system interviewed has a system-managed process for LSGTs to annually propose school-based solutions utilizing waivers. Another system has a system charter advisory panel (SCAP) that consists of one parent or business member representative from each LSGT. The SCAP meets bi-annually with the superintendent and assistant superintendent to share issues under consideration and to receive information and perspective from the district office.

It should be noted that the effectiveness of any organization, especially smaller organizations like a LSGT, can be significantly impacted by a change in membership or school system personnel (most notably, a new principal or superintendent).

Discretion over supplemental funding to implement innovations
LSGT discretion over supplemental funding is permitted by state law and encouraged by the Charter System Foundation. O.C.G.A. § 20-2-165.1 provides that funds can be used according to recommendations of the school-level governing body, although this is not required. In addition, Charter System Foundation materials on implementing local school governance indicate that LSGT best practices include determining the use of charter system supplemental funds.

Of the seven charter systems interviewed, five allowed LSGTs to utilize supplemental funds for innovations—either by directly allocating funds or through a grant application process. In one system, LSGTs apply for funds to support their own school-based initiatives such as a sensory room, a bus-buddies program, in-house tutoring, mindfulness programs, and parent education. The ability to decide how grant money was spent was seen as one of the most positive aspects of the LSGT members in this system. In the other two systems interviewed, the supplemental funds were consolidated with other general funds and spending decisions were made by the district office.

Community and parent outreach
While overall LSGT members reported improved parent and community engagement, some systems indicated challenges to participation. During interviews, several LSGT members and district offices reported that it can be difficult finding parents willing to serve on the LSGT. Also, the LSGT members interviewed indicated that community members and parents (other than LSGT members) rarely attend meetings. An official from a small, rural system noted that participation is particularly difficult because many parents are lacking education and are hesitant to become involved and community groups are uninterested in establishing partnerships.

While challenges exist, some systems have implemented initiatives to better engage parents and the community. For example, LSGTs in one system created a financial life skills workshop that connected parents with local resources for low-income families,

made phone calls encouraging parents to come to an annual parent breakfast, created events to educate parents on student data, and had a health care resources fair for parents and families. Another system, which is rural and low wealth, was highlighted in the Charter Systems Foundation report for establishing successful partnerships with local farmers and manufacturing companies in a nearby city. Through these partnerships, students can work for a salary while earning high school credit and applying related coursework.

Finding 6: **While charter systems reported using their supplemental funds for various innovations, the funding's impact on student achievement could not be isolated.**

State law affords charter systems latitude in the use of their supplemental funds. As permitted by state law, most charter systems reported using the funds on innovations related to flexible scheduling and service delivery models in order to implement changes such as alternative scheduling or extended school days. Funds are also frequently used for college and career-related programs such as the creation of a college and career academy. While school systems believe that these innovations have a positive influence on student achievement, the actual impact is difficult to measure because the amount of funding is relatively small, and the supplemental funds may support an innovation funded by multiple sources.

Change in supplemental funding

Total charter system supplemental funding has increased significantly over the past seven years, as shown in **Exhibit 18**. In accordance with O.C.G.A. § 20-2-165.1, charter systems receive an additional 3.785% of the base amount established by the QBE formula for each full-time equivalent student. As the number of charter systems and FTEs have risen, total supplemental funding increased from $10.6 million to $29.2 million (175%) between fiscal years 2013 and 2019. Because of its relationship to the base amount established by QBE, supplemental funding has also increased as a result of the General Assembly fully funding the QBE funding formula.

While the total amount of supplemental funding is substantial, it accounts for a small portion of each system's total state funding. In fiscal year 2019, the supplemental funding formula equated to approximately $97 per FTE. The amount awarded per system ranged from $15,557 to $4.4 million and accounted for approximately 1-2% of each system's total state funding (See **Appendix E**). Two school systems – Atlanta and Fulton County – received fewer funds per FTE because state law caps the annual amount per system at $4.5 million.

Exhibit 18
Supplemental Funding Has Tripled Since FY 2013 Due to Increase in Charter System Students and QBE Funding (in millions)

Source: GaDOE allotment sheets
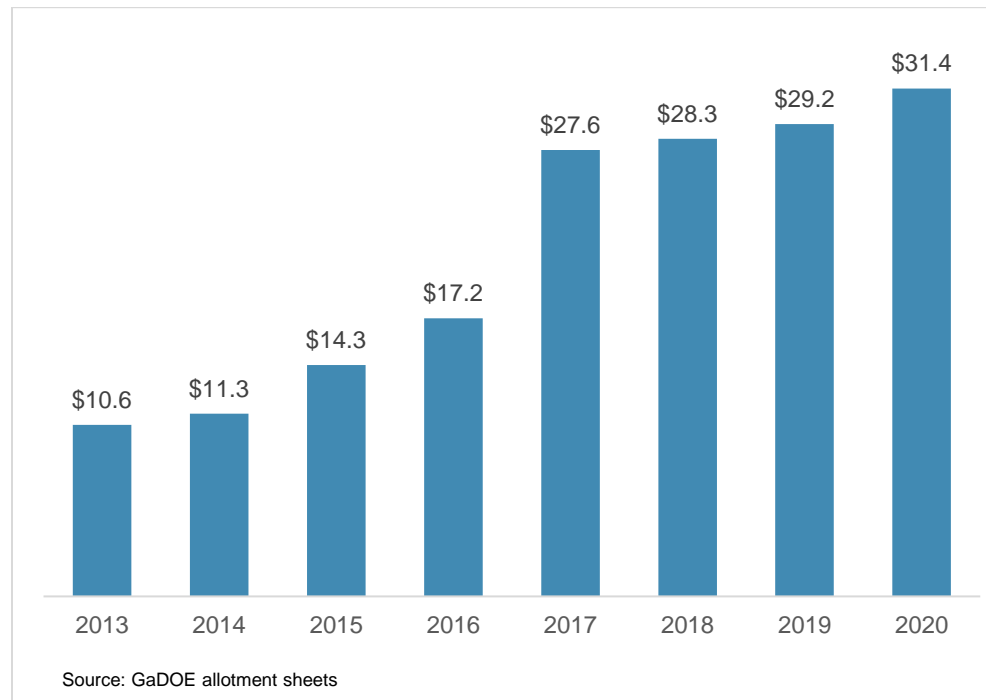
Use of funds

O.C.G.A. § 20-2-165.1 requires that charter school systems utilize supplemental funds "in accordance with recommendations of the {LSGT} established by the charter or to advance student achievement goals and {LSGT} training objectives pursuant to the charter." Therefore, systems can allow the LSGT to recommend use of the funds for virtually any purpose, or systems can use the funds to provide training to the LSGT. Systems may also use the funds to advance student achievement (a broad category) without any LSGT input.

GaDOE annually obtains information from charter systems on their operations, including use of supplemental funds. We reviewed GaDOE's 2018 annual report and classified the fund uses of the 45 charter systems included. Of the 45 systems:

- Thirty-three systems (73%) indicated using funds for flexible scheduling and service delivery, such as virtual learning, hybrid learning, and summer high school course credit (see **Exhibit 19**). [25]

- Thirty-three of the systems (73%) indicated using funds for curriculum purposes such as literacy initiatives, STEM initiatives, foreign language programs, and instructional materials.

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[25] 24 of the 352 fund usages included in the annual report were removed from this analysis because they did not directly indicate how supplemental funds were spent.

- Twenty-six systems (58%) used funds for college and career purposes such as the creation of a college and career academy and credit earning internships.

- Twenty-five systems (56%) used funds for staffing and professional development such as awarding grants to teachers, employee compensation, professional learning, and hiring professional practitioners.

- Less than half of the systems reported using funds for technology, community engagement, school climate, testing, administration, and promoting school-level governance.

Exhibit 19
Use of Supplemental Funding

Category	Percentage
Flexible Scheduling & Service Delivery	73%
Curriculum	73%
College/Career	58%
Staffing and Professional Development	56%
Technology	47%
Community Engagement	20%
School Climate	18%
Testing	16%
Administrative	11%
Promote School Level Governance	9%

Source: Audit team analysis of 2018 annual report
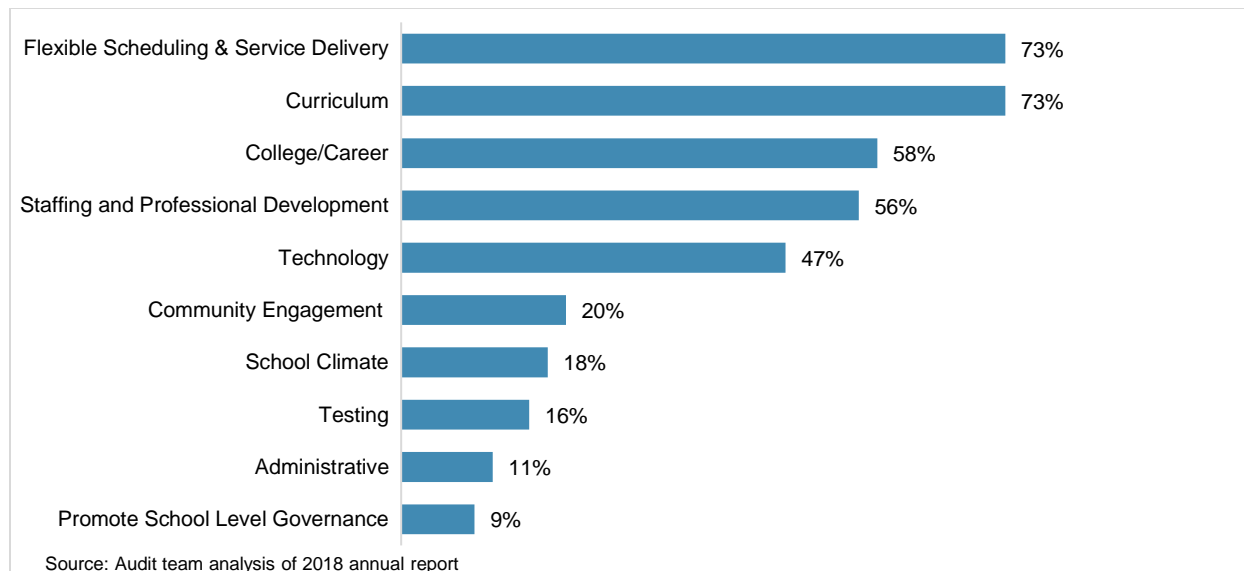
While the annual report requires systems to indicate how supplemental funds are used, it does not require systems to indicate which (if any) uses were recommended by the LSGTs. Based on interviews with the seven charter systems, LSGT's discretion over supplemental funds varies by system. Five of the systems allow their LSGTs to determine use of supplemental funds through either a direct allocation or through a grant application process. The other two systems combined supplemental funds with general funds.

It should be noted that three of seven systems pointed to additional costs associated with being a charter system. These costs were associated with training LSGT members and school administrators on the role of LSGTs, as well as hiring staff that provide administrative support to LSGTs. Four of the seven systems interviewed indicated that they were able to absorb these responsibilities without any additional cost incurred.

Impact of Funds on Student Achievement

Changes in student achievement are impacted by many factors, and we did not have sufficient information to measure the impact of supplemental funds. We also did not identify evaluations that isolated the effect of a supported innovation on student achievement. District officials generally could not point to a direct relationship

between the funds and achievement but contended that student achievement was supported by innovations supported by the funds.

Charter system supplemental funds are a small portion of school funding and may be only one funding source supporting a charter system innovation. Forty-four of 45 charter systems reported using at least a portion of their supplemental funds to support innovations. Many innovations are related to academics (e.g., curriculum, writing coach, teachers) but others fall into areas less related—but arguably beneficial—to academic achievement (e.g., school security, LSGT support and training). School systems generally indicated in their annual report to GaDOE that student achievement was supported by an innovation, and district officials stated they were useful.

It should be noted that, like charter systems, strategic waivers systems are expected to increase student achievement. According to GaDOE management, the rationale for providing supplemental funding only to charter systems is that charter systems may incur additional costs related to governance and are held accountable for being innovative. However, there are strategic waivers systems implementing similar types of innovations. A study of strategic waivers systems found that systems have implemented changes in graduation requirements, a college and career academy, a literacy and math center, an early intervention program, and other innovations similar to those found in charter systems. However, the same study found that lack of funding is a barrier to implementing waivers to promote innovation. Two strategic waivers systems interviewed indicated that they were considering converting to a charter system, at least partially for the supplemental funding. An official from one of the strategic waivers systems pointed out that the system was already doing many of the same things as the charter systems, so it should convert to obtain the extra funding.

Appendix A: Objectives, Scope, and Methodology

Objectives

This report examines the GaDOE's system flexibility options (charter system and strategic waivers). Specifically, our examination set out to determine the following:

1. What is the process for approving flexibility options and to what extent are systems utilizing the flexibility granted?
2. What are the consequences to systems not meeting academic targets, and do the consequences impact system behavior?
3. What are the charter systems' local school governance team activities, and how effectively do the governance teams operate in relation to district boards?
4. How has charter system supplemental funding changed since the 2013 review in regard to the amount allocated, the use of funds, and the impact?

Scope

This special examination generally covered activity related to strategic waivers systems and charter systems that occurred during/from 2013 to 2019, with consideration of earlier or later periods when relevant. Information used in this report was obtained by

- reviewing relevant laws, rules, and regulations;
- interviewing GaDOE officials, GOSA staff, local school system officials, and local school governance team members;
- analyzing data and reports from the GaDOE and GOSA;
- reviewing existing studies by the DOAA and the Charter System Foundation;
- surveying strategic waivers systems; and
- surveying local school governance team members.

Government auditing standards require that we report the scope of our work on internal control that is significant within the context of the audit objectives. While objectives one and two are related GaDOE processes associated with approving applications and enforcing consequences, our review was limited to a description of the agency's stated processes. GaDOE also maintained limited documentation related to all of the steps of its waiver approval process, but we interviewed several charter systems about their interaction with GaDOE (as noted in the finding).

Methodology

To determine the process for approving flexibility options and the extent to which systems are utilizing the flexibility granted, we reviewed state laws and regulations, interviewed GaDOE and GOSA staff, and reviewed agency documents including contracts. For strategic waivers systems, we also conducted a survey to determine which waivers were being utilized and how they were being used. We received responses from 52 systems of 132 surveyed systems. (The survey results cannot be extrapolated to all systems.) We did identify limitations with the accuracy of the reported waiver usage, as noted in the report. For charter systems, we reviewed annual report information to determine which waivers were considered to be the most

valuable. We also identified limitations with this information, as some systems utilized the wrong reporting form.

To identify the consequences to systems not meeting academic targets and their impact, we reviewed contracts and interviewed GaDOE and GOSA staff. To determine the extent to which systems and schools are meeting targets, we analyzed data on CCRPI scores and beating the odds analysis. For strategic waivers systems, we reviewed school improvement plans and reported outcomes. Because consequences have been limited for strategic waivers systems and have not been applied for charter systems, we could not evaluate their impact.

To obtain information on the charter systems' local school governance team activities and how effectively they operate in relation to district boards, we reviewed state laws, rules, and regulations and charter contracts to gather information associated with LSGTs. The audit team also interviewed charter system district offices (seven district office staff representing seven districts), LSGT members (eight members representing three districts), and a GaDOE official about the role of LSGTs within the charter system. We selected a sample of charter districts to have a mix of rural and urban systems, as well as systems that converted both recently and in the past. LSGT members were selected based on availability and desire to be interviewed.

The audit team also surveyed LSGT members in 27 of 45 charter[26] systems asking them to report their role on their LSGT, the role of their LSGT within their school, their opinions of the LSGT program, and any barriers to LSGT success. There are 512 schools within the 45 charter systems and 377 schools within the 27 surveyed systems.[27] The survey was sent to approximately 3,000 individuals and responses were received from 736 individuals (25% response rate) and 302 schools.

Some survey questions applied to the entire LSGT and not the experience or opinion of the individual (ex. Please identify any financial decisions and resource allocation decisions in which your LSGT has participated or provided input). For these questions, only one response per school was necessary. The response of the LSGT co-chair was used if a LSGT co-chair response was received. If no co-chair response was received, the person who served on the LSGT the longest was selected. If two respondents served during the same period of time, the response of the individual who replied first was used. Principal responses were not counted except in the case that the principal was the only respondent from a school.

While we believe that the survey responses provide useful information regarding LSGTs, the survey results (percentages) cannot be extrapolated to all LSGT members or all schools with an LSGT. The survey was provided to LSGT for a subset of school systems that provided contact information for members within the timeframe required by the audit team.

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[26] Survey responses were also received from individuals in two systems not surveyed by the audit team, resulting in responses from 29 systems.

[27] The number of schools the survey was sent to cannot be determined as contact information for LSGTs did not always indicate what school each LSGT member served on.

To obtain information on how charter system supplemental funding has changed since the 2013 review in regard to the amount allocated, the use of funds and the impact, we reviewed the 2019 quality-based education allotment sheets to determine the amount of QBE funds, supplemental funds, and other state funds allocated to charter systems during the 2018-2019 school year. We also reviewed 2018 charter system annual reports that include information regarding how supplemental funds were spent. In the annual report, systems are asked to list the use of supplemental funds for essential innovative features stated in their charter contact and additional uses of supplemental funds not stated in their charter contract. The audit team relied on the charter systems to correctly report the use of supplemental funds as the usage is not supported with further documentation.

We conducted this special examination in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B: Strategic Waivers Systems:
Approved and Utilized Waivers

	Systems With Approved Waiver (132 Systems)		Survey Respondents Utilizing Waiver (52 Systems)	
	Number	% of Systems	Number	% of Respondents
Academic Programs				
Graduation Requirements	132	100%	20	38%
Early Intervention Program	132	100%	16	31%
Remedial Education Program	132	100%	10	19%
Competencies and Core Curriculum, Online Learning	132	100%	9	17%
Organization of Schools; Middle School Programs; Schedule	130	98%	18	35%
Promotion & Retention	129	98%	24	46%
Limited English Proficient Program	128	97%	14	27%
Alternative Education Program	127	96%	12	23%
Health & Physical Education	126	95%	14	27%
School Climate Management Program[1]	111	84%	NA	NA
Educational Program for Gifted Students	109	83%	12	23%
School Attendance, Compulsory Attendance	99	75%	9	17%
General and Career Education Programs	87	66%	2	4%
Awarding Credit	80	61%	13	25%
Statewide Passing Score	70	53%	3	6%
Driver Education Courses	65	49%	3	6%
Public School Choice	53	40%	3	6%
School Councils	36	27%	14	27%
Social Graces and Etiquette	5	4%	2	4%
Financial				
Direct Classroom Expenditure Control	132	100%	35	67%
Categorical Allotment requirements	132	100%	25	48%
QBE Financing [1]	127	96%	NA	NA
Scheduling for Instruction/Program Enrollment & Appropriations	120	91%	14	27%
Common Minimum Facility Requirements	19	14%	2	4%
State Funded K-8 Subjects and 9-12 Course	5	4%	1	2%
Human Resources				
Class-size and Reporting Requirements	132	100%	49	94%
Certification Requirements	131	99%	48	92%
Personnel Required	131	99%	18	35%
School Day and Year for Students and Employees	127	96%	28	54%
Salary Schedule Requirements	122	92%	14	27%
Instructional Extension	89	67%	13	25%
Employment, Conditions of Employment - Duty Free Lunch	84	64%	9	17%
Use of Guidance Counselor	49	37%	6	12%
Media Programs	17	13%	6	12%
Fair Dismissal Act	16	12%	3	6%
Professional Learning	5	4%	0	0%
Substitute Teachers Requirements	5	4%	1	2%
School Bus Drivers	3	2%	0	0%
Multi-year Contracts	2	2%	2	4%

[1] These are included in strategic waiver systems contracts but it is unclear what is waivable.
Source: GaDOE documents and audit team's survey of strategic waivers systems

Appendix C: Waiver Descriptions and Examples of Uses

Waiver	Summary of Law or Regulation	Example(s) of Waiver Usage (as reported by school systems)
Academic Programs		
Early Intervention program §20-2-153	Requires systems to implement early intervention programs for students in grades K-5 who are at risk of not reaching or maintaining academic grade level. Systems must establish identification processes and follow SBOE regulations in designing delivery models, which may include class augmentation, pull-out, or self-contained classes.	● Flexible service models ● Students who are struggling may receive EIP services even if they are not identified and funded as EIP
Remedial education program §20-2-154	Establishes remedial education eligibility criteria for students in grades 6-12 and limits the eligible population to 25% of the FTE population in eligible grades (provided that the SBOE may establish a higher percentage if more than 50% of students receive free and reduced-price lunches).	●Used in relation to the schoolwide percentage of students served ●Used to provide intervention based on student needs in mathematics and ELA through a variety of delivery models, instructional time, etc.
Graduation Requirements 160-4-2-.48; 160-4-2-.47	Establishes high school graduation requirements, including the number of credits required for each area of study (Math, Science, Health and Physical Education, etc.).	●Require 26 credits to graduate instead of 23 ●Substitution of marching band for physical education requirement ●Require financial literacy unless the student takes college or AP Economics
Competencies and Core Curriculum, Online Learning §20-2-140.1, 20-2-142	Seeks to maximize the number of students who complete at least one online learning course prior to graduation. Also prescribes courses required for graduation including federal and state government and history (U.S. and Georgia).	● No requirement for students to take an online course prior to graduation.
Organization of Schools; Middle School Programs; Schedule - §20-2-290; 160-4-2-.05	Requires middle school programs to have academic teams with a minimum of 55 consecutive minutes for common planning. Each academic team must provide its common group of students: 1) a minimum of five hours of instruction in academic classes and 2) at least one connections class each grading period/term (with some exceptions stipulated).	● Flexibility in the required minimum 55 consecutive minutes for common planning ● Reduced some middle school classes by 5-10 minutes in order to offer high school credit for some subjects in 8th grade ● Reduced instructional time for middle school students at the Alternative School to allow time to ride the bus to and from their home schools
Promotion & Retention - §20-2-283	Establishes promotion criteria for students in grades 3, 5, and 8 based on end-of-year assessments in reading and math. Also establishes requirements regarding retests, parent notification, and the appeals process.	● Students performing below grade level are not automatically retained ● Transition program offered as an alternative to retention for students who did not master the previous year's grade-level standards.
Limited English proficient program - §20-2-156	Creates a program to help students develop proficiency in the English language, including listening, speaking, reading, and writing.	●Use of innovative instructional model that allows ESOL-endorsed content teachers to provide differentiated instruction ●Flexibility for the exit criteria

Waiver	Summary of Law or Regulation	Example(s) of Waiver Usage (as reported by school systems)
Alternative education program - §20-2-154.1	Requires school systems to provide alternative education programs for students who are suspended or who are more likely to succeed in a nontraditional setting. Also stipulates requirements related to earning credit, supervision and counseling, addressing educational and behavioral needs, etc.	● Flexible service models ● Online and blended learning models
Health & Physical Education Program except as prohibited by O.C.G.A. §20-2-82(e) - 160-4-2-.12	Requires the local boards to implement comprehensive health and physical education programs that include specific topics such as disease prevention, mental health, and community health. Also requires a minimum of 90 contact hours of instruction at each grade level in K-5 and an annual alcohol and other drug use education program for K-12.	●Waive the required time for elementary PE to provide flexibility for other non-core courses ●Comprehensive sex education is not being implemented with fidelity, but an implementation plan is in place ●Use time for a recess equivalency
Educational Program for Gifted Students - 160-4-2-.38	Establishes requirements pertaining to parent notification, referrals, written consent for testing, eligibility criteria, continued reciprocity, curriculum/services, and data collection.	●Waived requirement for the gifted collaborative teacher to have an additional planning period
School Attendance, Compulsory Attendance as it relates to the attendance protocol - §20-2-690.2	Requires a student attendance and school climate committee for each county that must adopt student attendance protocols outlining procedures for identifying, reporting, investigating, and prosecuting attendance violations.	●Discretion is used for unexcused absences with prior approval before automatic submission to the courts ●Waived notification system with sending home letters ●Allow local school leaders to establish protocols
General and career education programs - §20-2-151	Establishes various requirements for general and career education programs including student ages and documentation of retention decisions.	●Flexible service models
Awarding Credit for the purpose of substitution of equivalent or higher level requirements - 160-5-1-.15	Stipulates that students can earn credit by completing a course on the state-adopted curriculum and earning a 70 or above. Students can also earn up to three units of credit by demonstrating competency on an assessment. Also establishes requirements for awarding units of credit for various circumstances including dual enrollment, CTAE courses, and transfer students.	● Flexibility for allowing credit recovery options ● Flexibility is used for subject area competency criteria
Statewide Passing Score - 160-4-2-.13(2)(a) & (2)(c)	Establishes a minimum passing score of 70 for all subjects in grades 4-12. Also requires that the Georgia Milestones EOC be used as the final exam in courses assessed by a Georgia Milestones EOC and specifies that the score count for 20% of the student's final grade.	●Implementation of standards-based grading ● Used to establish criteria to determine how EOC test scores affect final course grades
Driver education courses - §20-2-151.2	Stipulates that a driver education course in a driver training school with a driver training instructor licensed by the department may be accepted for one-half unit of elective credit.	● Driver education standards are embedded into the health curriculum so all students completing the health course receive 30 hours of driver education

Waiver	Summary of Law or Regulation	Example(s) of Waiver Usage (as reported by school systems)
Public School Choice - §20-2-2131	Provides that, space permitting, students can enroll in a public school (within the system) other than the student's assigned school. Also requires systems to annually notify parents of the options, to establish a universal, streamlined process for transfer, and to impose deadlines. Students who transfer to another school must be allowed to attend the school until all grades of the school are completed.	● Flexibility for open enrollment ● No guaranteed spots for transfer students through the grade band (dependent on academic performance, behavior, etc.)
School Councils - §20-2-85, §20-2-86	Requires each school to have a school council. Also requires the local board of education to provide training and stipulates provisions for composition; member withdrawal; term lengths; meeting frequency; meeting minutes; and responsibilities.	● Flexibility with training and meeting requirements ● School councils only at elementary level ● Parent-teacher organizations, principal advisory councils, and other stakeholder groups in lieu of school councils
Instruction in social graces and etiquette - §20-2-187(b)	Authorizes the State Board to prescribe a course of instruction in nutrition, hygiene, etiquette, and the social graces relating to meals.	●Waived the requirement for instruction in social graces and etiquette to focus on social-emotional learning skills and positive behavior interventions and supports
School climate management program §20-2-155	Requires the State Board to establish a state-wide school climate management program to help local schools and systems requesting assistance in developing school climate improvement and management processes.	Although this waiver is listed in strategic waivers contracts and other documents, GaDOE management indicated that this is not waivable by local systems.
Financial		
Direct Classroom Expenditures & Expenditure Controls - §20-2-171; 20-2-411	Requires each local school system to spend at least 65% of total operating expenditures on direct classroom expenditures (teacher salaries/benefits, materials & classroom activities), with some exceptions provided. Also requires that public school funds be kept separate and distinct from other funds and used for educational purposes.	● Expenditure controls hover between 61-64.5% annually
Categorical Allotment Requirements §20-2-167, 20-2-183 to 20-2-186	Requires systems to spend 90% of funds designated for direct instructional costs on the program/site at which those funds were earned. Also establishes expenditure requirements related to staff and professional development, media center, additional days of instruction, etc.	● Additional maintenance and transportation needs ● Funds are moved from one category to another to address local needs
QBE Financing except to the extent it relates to funding - §20-2-161	Program weights for QBE formula	It is unclear if/how this waiver can be used.
Scheduling for Instruction/Program Enrollment & Appropriations (except to the extent it relates to funding) - §20-2-160	Establishes requirements for FTE counts and authorized programs. For example, a program cannot be indicated for any segment in which a student is not enrolled in an instructional program or has not attended class within the preceding 10 days.	● Block scheduling rather six periods ● Alternative school program scheduled as half-day for core courses

Waiver	Summary of Law or Regulation	Example(s) of Waiver Usage (as reported by school systems)
Common Minimum Facility Requirements - §20-2-260	Establishes requirements pertaining to school facilities.	● School systems reported using for square footage requirements for some spaces (e.g. media center), but GaDOE indicated that these appear to refer to exceptions that schools receive from the Facilities Division.
State Funded K-8 Subjects and 9-12 Course for Students Entering 9th Grade in 2008 and Subsequent Years (except as it relates to funding) - §20-2-142, 20-2-151, 20-2-160	Relates to prescribed courses and uniformly sequenced content standards adopted by the State Board.	● Used to offer certain courses for high school credit in 8th grade
Human Resources		
Class-size and Reporting Requirements §20-2-182	Establishes a maximum class size for each of the regular educational programs in grades K-8. Also requires the State Board to establish system average maximum class sizes for special education, gifted, English for speakers of other languages, remedial, early intervention programs, and CTAE. For each of these programs, the maximum number of students in a period shall not exceed the system average maximum class size for the program by more than two students.	● All class categories are increased to plus 5, except gifted classes which are plus 10 ● Board members vote on a class size resolution each year ● School principals are allowed to determine needs and how that relates to class sizes
Personnel Required 160-5-1-.22	Establishes personnel requirements, including superintendent, curriculum director, school psychologists, school nutrition director, special education director, media specialists, etc. Requirements vary based on system size.	●Waived requirements for certain central office personnel ●No full-time counselor at schools with less than 200 children ●Part-time superintendent
Certification Requirements §20-2-108; §20-2-200	Prohibits schools from employing professional personnel without certificates issues by the Professional Standards Commission (PSC). Also requires superintendents to be certified and classified by the PSC and to receive salaries according the state board schedule.	● All certification requirements waived except special education ● Used for PE teacher and gifted endorsement ● Used for CTAE positions that are difficult to fill
School Day and Year for Students and Employees §20-2-151; §20-2-160(a); §20-2-168(c)	Requires a minimum 180 school days each fiscal year and authorizes the State Board to define the length of the school day. Allows local boards the discretion to not complete make-up days for up to four days in which schools were closed under specified circumstances (e.g. disaster)	●178 instructional days with 12 professional learning days ●Often waive the number of school days without making up because the system is impacted by hurricanes
Salary Schedule Requirements §20-2-212	Prohibits local units of administration from paying any full-time certificated professional employee a salary less than that prescribed by the state's schedule of minimum salaries. Also establishes requirements pertaining to local salary supplements.	●System-developed salary schedule based on the needs of staff and students and available funding ●Implementation of an Interns as Teachers program that pays interns less than the state minimum

Waiver	Summary of Law or Regulation	Example(s) of Waiver Usage (as reported by school systems)
Instructional Extension- §20-2-184.1	Includes provisions related to paying salaries for instructors to provide 20 additional days of instruction for 10% of the FTE count of the respective program. Instructional extension may include Saturday classes, summer school, and instruction beyond the regular school day. Also requires each system to spend 100% of funds designated for additional days of instruction for such costs at the system level.	●Funds have been used to offset expenses in direct instruction ●Waiving summer school for middle and high school
Employment, Conditions of Employment - Duty Free Lunch §20-2-218	Provides that every teacher in grades K-5 who is employed for more than half of the regular school day shall have at least a 30-minute lunch period without any assigned responsibilities.	●No duty-free lunch ●Teachers assigned to lunch duty when staff is short-handed
Use of Guidance Counselor 160-4-8-.05	Stipulates the responsibilities of guidance counselors, including individual counseling and coordination with staff. Also requires that the guidance counselor engage in these activities for a minimum of five of six segments or the equivalent.	●Use of alternative ways to meet counseling needs of students ●Flexibility in the daily role of the counselor
Media Programs 160-4-4-.01	Requires local boards to adopt media policies that establish a media committee at the system level and at each school and that include procedures. Also requires each school to have a media center staffed by media personnel.	●Instructional technology specialist has been hired in lieu of a second media specialist at the middle and high school
Fair Dismissal Act §20-2-940, §20-2-948	Establishes reasons for terminating employment contracts and requirements related to providing notice, conducting hearings, and appeals. Also requires local boards of education to consider performance as the primary factor during workforce reductions.	●Waived tenure status when examining factors related to contract renewal
Professional Learning - §20-2-86, §20-2-167, §20-2-182(h), §20-2-204, §20-2-217	Establishes requirements for how professional development funds can be used. Also establishes requirements related to professional and staff development stipends.	No examples were provided.
Substitute Teachers Requirements (to the extent it allows for the employment of teachers certified by another state) §20-2-216	Requires local units of administration to employ substitutes with valid teaching certificates if available. If no person is available, the administration can employ the person who most closely meets the requirements for certification.	●Long term substitute who is not certified but meets local professional qualifications
School Bus Drivers 160-5-3-.08	Establishes minimum criteria for school bus drivers, including age and licensing, and a minimum salary. Also requires an annual medical examination, initial training program of at least 24 hours, and annual in-service training and safety.	No examples were provided.

Waiver	Summary of Law or Regulation	Example(s) of Waiver Usage (as reported by school systems)
Multi-year Contracts - §20-2-211	Requires that by May 15th, each local governing board must tender a new contract for the ensuing school year to each teacher/employee certificated by the PSC. If a notice of intended termination has not been given by May 15th, employment shall continue for the ensuing school years unless the employee elects not to accept employment.	●Multi-year contracts are leveraged to recruit and retain highly effective staff at persistently low performing schools

Source: GaDOE documents; state laws and regulations; audit team's survey of strategic waivers systems

Appendix D: Academic Performance Metrics[28]

Charter systems and strategic waivers systems are expected to meet specified academic targets as part of their performance contracts. Below is a description of three key academic performance metrics used to assess and monitor school performance: 1) The College and Career Ready Performance Index (CCRPI), 2) Beating the Odds Analysis (BTO), and 3) The Value-Added Model (VAM).

College and Career Ready Performance Index (CCRPI)

The College and Career Ready Performance Index (CCRPI) is an accountability tool the state uses to measure performance and hold schools accountable for student achievement. The CCRPI provides multiple measures of student performance. GaDOE redesigned the framework for measuring and reporting CCRPI and implemented the new methodology beginning in 2017-18.

GaDOE calculates a score for each CCRPI indicator and an overall score for each school. Four main indicators are used to assess students in multiple areas. All students are assessed based on content mastery, progress, closing gaps, and readiness. An additional assessment, a graduation rate, is also included for fourth- and fifth- year high school students. The table below shows each of the CCRPI indicators and the measures used to score each indicator.

Indicator	Description	Weights		
		Elementary	Middle	High
Content Mastery	Performance on the Georgia Milestones Assessment and the Georgia Alternate Assessment in ELA, mathematics, science, and social studies.	30%	30%	30%
Progress	Amount of growth a student has demonstrated relative to academically-similar students in ELA and mathematics, as well as English learners' progress toward language proficiency.	35%	35%	30%
Closing Gaps	Based on CCRPI improvement targets for academic achievement, represented by improvement flags, in order to show that all students and all subgroups of students continue to make improvements.	15%	15%	10%
Readiness	Percent of students that show readiness in the certain areas: *Elementary & Middle*: literacy, attendance, and Beyond the Core (earning a passing score in fine arts or world language); *High*: literacy, attendance, accelerated enrollment, pathway completion, and college/career readiness.	20%	20%	15%
Graduation Rate	Percent of 12th grade students that graduate in four or five years.	n/a	n/a	15%

Source: GaDOE Accountability Division

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[28] The academic metrics used to assess the performance of charter systems and strategic waiver systems incorporate some of the same elements, but they also differ. For both types of systems, the targets include 1) growth in CCRPI scores; and 2) the "beating the odds" analysis. However, the charter system academic targets are more complex and include additional factors such as the Value-Added Model.

Beating the Odds (BTO) Analysis

The Beating the Odds (BTO), established by GOSA, is an outcome measure that compares charter schools' performance on the CCRPI with the performance of similar schools. The BTO model also calculates a predicted score and range (confidence interval) for each school based on demographic characteristics. The characteristics used in the 2017-18 comparison (the most recent available) include the following:

- Percentage of female students
- Percentage of students in certain races/ethnicities (including Asian, Black, Hispanic, and Multi-racial)
- Percentage of students with disabilities
- Percentage of English language learners
- Percentage of economically disadvantaged students
- Student mobility rates
- School grade cluster
- Whether the school is traditional or non-traditional

School size: the model splits schools into three size groups for small (0 to 500 students), medium (501 to 1,000 students), and large (over 1,000 students) schools because there was a large difference in variability between small and large schools.

The BTO analysis includes only those students counted in the October full-time equivalent (FTE) count. The school will receive a score of "Below Expected Range" if the CCRPI score is below the predicted range, "Within Expectations" if the CCRPI score falls within the predicted range, or "Beating the Odds" if the score is above the predicted range. Given that the analysis controls for certain characteristics, a school with a relatively low CCRPI could be Beating the Odds.

Value-Added Model

The Value-Added Model (VAM), established by GOSA for the State Charter Schools Commission, measures the ability of state charter schools to positively impact student performance. The VAM controls for demographic, academic, and socioeconomic factors so that student achievement can be attributed to the school. After controlling for certain factors, the VAM calculates a predicted score for each student. The difference between the predicted and actual score is the school's impact on the student's achievement.

The analysis consists of a two-step process to get the final value-added measurement. The first step is to find the difference between a student's actual score and their predicted score. For each student, a predicted score is calculated based on the student's characteristics, the student's previous test scores, and the student's school characteristics. For each school, the difference between the predicted and actual scores for all students is averaged. In the second step, the scores are weighted to account for the unique populations that each school serves. The model has separate estimates by grade level and subject. A negative value-added measurement denotes that the actual scores for the students were lower than the predicted scores and a positive score denotes the opposite. The state average value-added effect is zero and it is used as the comparison district for virtual schools since they serve students across the state.

Appendix E: Charter System Supplemental Funding, FY 2019

	FTEs	Total State Funding[1]	Supplemental Funds		
			Amount Awarded	Amount Per FTE	% of State Funding
Atlanta Public Schools	51,404	$193,884,301	$4,410,572	$86	2.3%
Baldwin County Schools	4,836	24,345,401	470,180	97	1.9%
Banks County Schools	2,782	18,305,396	270,480	97	1.5%
Barrow County Schools	13,983	83,697,633	1,359,495	97	1.6%
Ben Hill County Schools	2,968	21,190,698	288,564	97	1.4%
Calhoun City Schools	4,066	20,653,761	395,317	97	1.9%
Candler County Schools	2,129	14,156,969	206,992	97	1.5%
Carrollton City Schools	5,189	27,255,318	504,500	97	1.9%
Cartersville City Schools	4,493	23,125,322	436,832	97	1.9%
Catoosa County Schools	10,458	74,053,366	1,016,778	97	1.4%
Clarke County Schools	12,899	69,293,246	1,254,104	97	1.8%
Coffee County Schools	7,434	50,937,606	722,770	97	1.4%
Colquitt County Schools	9,297	68,081,720	903,900	97	1.3%
Commerce City Schools	1,674	11,938,734	162,755	97	1.4%
Dawson County Schools	3,500	17,779,943	340,287	97	1.9%
Decatur City Schools	5,599	29,128,924	544,363	97	1.9%
Dougherty County Schools	13,893	90,381,069	1,350,745	97	1.5%
Dublin City Schools	2,217	11,205,507	215,548	97	1.9%
Fannin County Schools	2,953	15,631,896	287,106	97	1.8%
Floyd County Schools	9,324	64,238,757	906,524	97	1.4%
Fulton County Schools	94,046	373,209,256	4,410,572	47	1.2%
Gainesville City Schools	8,504	41,842,740	826,801	97	2.0%
Gilmer County Schools	4,188	20,995,079	407,178	97	1.9%
Glascock County Schools	550	3,993,288	53,474	97	1.3%
Gordon County Schools	6,437	41,798,541	625,837	97	1.5%
Haralson County Schools	3,177	25,113,850	308,884	97	1.2%
Hart County Schools	3,459	18,555,867	336,301	97	1.8%
Jasper County Schools	2,283	14,798,464	221,964	97	1.5%
Liberty County Schools	9,727	61,453,817	945,706	97	1.5%
Lumpkin County Schools	3,856	20,689,077	374,900	97	1.8%
Madison County Schools	4,894	38,130,222	475,818	97	1.2%
Marietta City Schools	9,046	46,212,456	879,496	97	1.9%
Morgan County Schools	3,021	16,385,004	293,717	97	1.8%
Peach County Schools	3,535	19,460,576	343,690	97	1.8%
Pelham City Schools	1,362	11,682,270	132,421	97	1.1%
Putnam County Schools	2,857	12,553,006	277,772	97	2.2%
Randolph County Schools	721	5,238,984	70,100	97	1.3%
Stephens County Schools	3,825	25,601,173	371,886	97	1.5%
Taliaferro County Schools	160	1,875,031	15,557	97	0.8%
Terrell County Schools	1,209	7,590,534	117,546	97	1.5%
Tift County Schools	7,662	47,705,250	744,937	97	1.6%
Union County Schools	2,784	15,579,009	270,675	97	1.7%
Vidalia City Schools	2,431	14,442,822	236,354	97	1.6%
Warren County Schools	600	3,787,953	58,335	97	1.5%
White County Schools	3,837	21,492,298	373,052	97	1.7%
Total	**355,269**	**$1,839,472,134**	**$29,220,785**	**$82**	**1.6%**

[1] Based on state QBE funds after the local five mill deduction; includes grants for transportation, nursing services, and equalization. Does not include a SHBP One-Month Employer Contribution Holiday that lowered state funding to each system by a total of $96.7 million.
Source: GaDOE's QBE Allotment Sheets