

The Seven Absolutely Universal, Non-Negotiable, Unchanging Principles of Good Charter School Governance

by

Brian L. Carpenter
CEO

National Charter Schools Institute

Introduction

As a consultant, I sat silently for most of the board meeting, observing and taking notes. As the meeting neared the end of its third hour, I slipped my hand into the air. The board chair nodded in my direction. In the best professional voice I could muster considering the late hour, I asked, “Is the length of this meeting normal for you?” Most of the board nodded in exhausted agreement. Apparently, this was for them, just another night spent arguing, alternating between approving and suggesting management actions, and discussing minutiae. Less than a tenth of their time that evening was devoted to discussing the thing that actually matters for charter schools: student performance.

But the low point of the board’s dysfunction was its failure to connect its poor governance with the lousy performance of the school. (Notice that we don’t blame lousy school performance on the students.)

I’d like to tell you that the example is an anomaly, but I can affirm, after more than 20 years of service on boards—as CEO on some and trustee on others—the meeting I’ve described is more the rule than the exception. This observation is certainly not limited to chartered schools,* but it seems to me that with the charge of preparing children for their future, we could be doing much more to govern well.

We need to build capacity. Let me illustrate by asking this question. Why is it that we expect our authorizers and sponsors to be knowledgeable, our charter school leaders to be innovative, and our teachers highly qualified, but when it comes to boards and governance, very little, if anything at all, is required? No

charter school board would hire a CEO who regarded his or her own professional development as optional. Yet how many charter school board members across the country have read any books or articles on governance, attended any governance training seminars, or set aside any time in their own board meetings expressly for developing their own governance capacity?

The result is observable in many places: charter school boards that interfere with management, waste taxpayer dollars, and fail to ensure that their schools educate children to worldclass standards. The purpose of this monograph is to articulate a framework for charter school governance that will reverse this unacceptable trend.

***Note to my readers:** Ted Kolderie, one of the chartering movement’s primogenitors, proposes that we can help people understand the unique opportunities offered by charter schools by using the word “charter” as a verb rather than as a noun or adjective.

Why parse words in this way? According to the 38th Annual *Phi Delta Kappan/Gallup Poll*, half or more of the public thinks that charter schools are free to teach religion, charge tuition, and selectively admit students (Hess, 2006).

Modifying the word “charter” to its past tense verb form should help us dispel these false notions. Thus, throughout this monograph, I alternate between the words “charter school” and “chartered school” as a way of working the verb form into our collective vocabulary.

For further reading on the charter misunderstanding, see:

Hess, F. M. (2006). Charter school confusion: What they know just ain't so. Retrieved 3/12/07, from www.aei.org/publications/pubID.24933.filter.all/pub_detail.asp



Throughout this monograph, wherever you see the books and coffee symbol, I recommend further resources, beginning with these two:

Carver, J. (2006). *Boards that make a difference: a new design for leadership in nonprofit and public organizations* (3rd ed.). San Francisco, CA: Jossey-Bass A Wiley Imprint.

Carver, J. (2002). *John Carver on board leadership: Selected writings from the creator of the world's most provocative and systematic governance model*. San Francisco, Calif.: Jossey-Bass, A Wiley Co.

Principle 1: Govern as Stewards Rather than as Stakeholders

The starting point for understanding effective governance is to realize that charter school boards—like most boards—govern *on behalf of someone else*. In other words, boards don't usually exist to represent their own interests, but the interests of an owner. In its simplest terms, this is the concept of *stewardship* (Carver, 2006). Thus, the principle of stewardship demands that a charter school board grapple with two questions: "Who are the school's owners?" and "What do the owners expect of their school?"

To contemplate these two questions, let's examine the distinction between the owners of a charter school and its stakeholders, since it's commonplace for boards to act as though they exist to represent the interests of the latter (Carver, 2001). As a group, charter school stakeholders include, but are not limited to parents, students, teachers, management, vendors, and the immediate community. And while stakeholder interests and concerns are important, they are not necessarily the same as the owners' interests.

Let's consider a realistic example. Successville Charter School has three sections of third grade. Teachers liked by parents teach two of the sections. But many third-grade parents don't like the teacher of the third section. Parent grapevines at schools are more proficient than my teenage daughter's text messaging abilities, and the grapevine at SCS is no exception. The third-grade parents warn

second-grade parents to get their children promoted into one of the preferred two sections. Yet the school leader has just renewed the disliked teacher's contract for the fourth consecutive year. At this, the second- and third-grade parents collaborate and successfully get one of their own appointed to the board. The parent board member arrives for her first board meeting, politely announcing that she is there to represent the parents of the second and third grades.

Assuming the presence of leadership in the board, a board that fails to refute such an assertion is a board that does not yet understand the first tenet of good governance: *The board governs on behalf of the owners*. Although the ownership group of SCS includes the parents of second- and third-grade students, it is actually much broader. How broad? Well, chartered schools are public schools without usual district boundaries, so I make the case to boards that they exist to serve the interests of the *public* of the entire state in which the school operates.

Thus, the new board member, along with every other SCS board member, needs to understand that the board's first obligation is to the public—not a particular group of stakeholders. This clarity is important because in some instances, a board may actually find that what the public wants is in conflict with what particular stakeholders want (think lawsuits against the Pledge of Allegiance).

When a charter school board properly views its role as one of stewardship in which the very reason for its existence is to represent the owners, it begins to lay the foundation for *true governance*.

Principle 2: Establish Organizational Purpose

Once a charter school board realizes that it exists to represent the interests of its public owners, its next primary responsibility is to establish the purposes for which the school exists. This might sound easy. You say, “Oh, we’ve done that. The purpose of our school is to offer a college prep program,” or “The mission of our academy is to provide at-risk kids with marketable vocational skills.” Would you be surprised if I said that your school doesn’t exist for either of those purposes, or anything like them?

John Carver has written extensively about organizational purposes which he calls *ends*. In his model, Policy Governance, ends policies “address a threefold concept: your organization’s results, recipients, and cost of results” (2006, p. 152). While it is not the purpose of this monograph to explain everything there is to know about defining ends, I want to emphasize a key concept with respect to the governance principle of establishing a charter school’s purpose. Most charter schools define their purpose as existing *to do* something (for example, *to teach* impoverished children living in urban areas). In the two examples I gave above, you’ll notice the words “to offer” and “to provide.” Carver’s approach does not define such statements as ends at all, but rather, as *means* (Carver, 2006). A genuine end for a charter school operating in an impoverished urban area might be that all students enrolled gain at least a year’s worth of growth as a result of a year’s worth of instruction (the

basic idea behind value-added assessment) at a cost not to exceed the school’s annual state revenues.

Everything else, such as pedagogical methods, curriculum, amount of homework, teachers, length of school day or year, graduation requirements, assessment, classroom ratio, accreditation, etc., is a *means* to an end. Someone will then ask, “Who decides the means, the board or the school leader?” Actually, a means policy is not defined by who decides it (Carver, 2006). The short answer is the board adopts means policies that pertain only to matters of prudence and ethics. (See Principle 4 for a more thorough answer to this important question.)

At first blush, it may seem to some that I’m merely quibbling over semantics. Far from it. The ambiguity arising from the board’s failure to clearly define the school’s ends will result in misdirected resources, lack of board *and* staff focus, and endless turf battles over the purpose of the school. Perhaps the most onerous consequence though, is that the absence of defined purposes will leave the board with few indicators as to how to evaluate the performance of the school.

A charter school doesn’t exist *to teach*, it exists *that* students derive some benefit or result: ends. As matter of good governance, the board’s role is to establish those primary ends.

Principle 3: Exercise Fiduciary Responsibility

A basic principle of charter school governance is to safeguard the school from harm. The board accomplishes this as it exercises

For boards that are interested in implementing Policy Governance (not to be confused with merely adhering to the principles stated in this monograph), the following resource is invaluable:



Carver, J., & Carver, M. M. (2006). *Reinventing your board: a step-by-step guide to implementing policy governance* (Rev. ed.). San Francisco, CA: John Wiley & Sons, Inc.



I recommend the book, *Governance as Leadership*, as a good primer for boards that need to think about their purpose.

Chait, R. P., Ryan, W. P., & Taylor, B. E. (2005). *Governance as leadership: Reframing the work of nonprofit boards*. John Wiley & Sons.

See the details on EPA story by pointing your browser to: www.epa.gov/region1/pr/2001/mar/010320.html

fiduciary responsibility (Chait, Ryan & Taylor, 2005). For purposes of simplicity, I propose that charter school boards think of this responsibility as falling into one of two broad categories. The board has a fiduciary responsibility to safeguard:

- every stakeholder's right to physical and emotional safety in the school, and
- the school's finances and property.

But how can a board do this? After all, for example, board members can't possibly spend every day at the school monitoring classrooms, playgrounds, and restrooms to prevent bullying (and even if they can, they shouldn't!). But don't mistake your inability to be at the school in person as a suitable defense if someone sues your board for failing to prevent bullying from occurring. The same could be said of privacy rights, sexual harassment, discrimination, and so on.

And then what about safeguarding property and finances? The sheaves of regulations generated by government agencies these days are enough to swamp a dingy. How can a board member, for example, be expected to know the requirements for schools under the Asbestos Hazard Emergency Response Act (AHERA)? Yet non-compliance can get a school in *big* trouble. Just ask the Vermont Center for the Deaf and Hard of Hearing. In 2001, the EPA fined it \$20,000 for AHERA violations.

Thankfully, the principles of good governance provide a way for the board to exercise its fiduciary responsibilities without becoming expert in volumes of state and

federal school code (and nonprofit law in certain states).

The board's governance role is to exercise fiduciary responsibility in adopting sound policy, *followed by compliance monitoring*—one of the most critical governance roles rarely practiced by boards.

To see how this works, let's turn back to our two examples, bullying and AHERA. In Policy Governance, the board might adopt a means policy that says something like, "The school leader shall not cause or allow any condition in the school that is illegal or unsafe" (Carver, 2006). (*Notice how the policy is a matter of prudence and ethics.*)

How would the board monitor compliance with that policy? (After all, it might not reasonably know that such things as anti-bullying statutes or AHERA exist.) Quite easily, actually. At intervals prescribed by the board, the board simply directs the school leader to report (in writing) compliance or noncompliance with the policy, along with a rationale for his or her determination.

"But," you say, "what if the leader misleads the board, or is uninformed himself or herself?" Couldn't we still be fined or sued? Yes. No model of governance can prevent human error or deception. But if I had to face a court or a government agency, I'd rather have as a defensible argument that (1) the board had a policy intended to safeguard the school, and that (2) the board had a monitoring schedule in place that it was following. This at least, shows that you attempted to exercise proper fiduciary responsibility. Even so, you may lose, but that's a lot better than defending yourself by saying,

“We didn’t know,” or “We had a policy, but we never checked to ensure management complied with it.”

Remember, too, that the board can, and sometimes should, take steps to have an outside expert determine whether the school is in compliance with some of the board’s policies. In the examples provided above, the board could pay its attorney at some interval to conduct a legal audit to report whether the school is in compliance with all pertinent laws. (Concerning finances, boards hire independent auditors in the same spirit and for the same reason.)

Admittedly, adopting policies and monitoring compliance with them is not as exhilarating as say, debating classroom paint colors, but exercising fiduciary responsibility is an inescapable principle of good governance. I’m continuously astounded by the number of boards I encounter that don’t practice it.

Principle 4: Delegate Authority and Ensure Accountability

In order to accomplish the purposes of a chartered school, the board must delegate *some* of its authority. This process begins when the board selects a school leader, whether this role is fulfilled by a management provider or through the traditional approach of hiring a principal or CEO. There are two basic reasons why it is necessary for the board to delegate some of its authority to a school leader:

- Boards don’t generally possess the qualifications to manage schools

- The board must establish a single point of accountability for the school’s performance

Proper delegation does not mean that the board is reduced to being a cheerleading squad for the staff. It does mean, however, that where management decisions are concerned, the board’s role is to limit those decisions only through policies of prudence and ethics (see Principles 2 and 3, above).

Let’s take this straight to where most charter school boards live by listing a few things that the board should properly delegate to the school leader:

- Annual calendar
- Teacher-to-student classroom ratio
- Hiring and discharge authority for *all* school faculty and staff
- Curriculum and assessment
- Extracurricular activities
- Professional development
- Spending authority within approved budget and policy
- Disciplinary matters
- Pedagogical methods
- Decision-making authority in response to parent complaints

Many boards fail to delegate authority to their school leader on these issues simply because they want to decide the matters for themselves. (We do live in a nation, after all, where self-determination is one of our hallmarks.) There’s a big governance problem, however, with the board failing to delegate authority for these decisions (apart from the likelihood of being unable to sustain school excellence in the face of excessive turnover in the school leader’s position): *Whoever makes the decision is responsible for the results.*



One of my favorite thinkers on the topic of organizational performance is

Jim Collins. Many people have read his bestseller, *Good to Great: Why Some Companies Make the Leap and Others Don't*.

In a companion piece that should be mandatory reading for charter school boards and CEOs, Collins adapts his principles to the non-profit sector. It is splendidly applicable to charter schools and authorizers.

Collins, J. (2005). *Good to great and the social sectors: A monograph to accompany Good to Great*. Jim Collins.

For example, a board that makes faculty hiring and discharge decisions is responsible for faculty performance. Thus, if a particular teacher fails to deliver the prescribed ends, the board is acting without integrity if it holds the school leader accountable.

Having delegated authority for the management of the school, the board then has the obligation of ensuring that the school leader is held accountable *for the school's performance*. In part, this is accomplished by establishing policies of ethics and prudence that convey the board's values throughout the school, then monitoring compliance (see Principle 3). The other piece of the accountability puzzle is accomplished when the board has established the basic purposes (ends) of the school *and identified some key indicators of success* (Collins, 2005). In doing these things, it is well positioned to ensure school accountability by evaluating the CEO's performance.

Principle 5: Speak and Act as One

I can think of few things more damaging to a chartered school than when board members transgress the governance principle that requires the board to speak and act as one. It could be that errant members don't understand the principle, though more often than not, I encounter people who should or do know better, but violate it anyway because it suits their interests. A board that allows individual members to continue doing so is relegating the school to management by an assortment of individuals, which is a far cry from governance.

The principle of speaking and acting as one, while largely self-explanatory, does not mean that every board member is required to agree with every other board member 100 percent of the time. In fact, I'd really wonder whether a board was functioning effectively if everyone got together and simply nodded in agreement with whatever other board members happened to be saying. What it does mean, however, is that once the board has spoken, either through majority approval of written policy or adopted resolution, *all* board members are obligated to support it.

The underlying principle here is to recognize that individual board members, contrary to popular practice, do not possess *any* authority of the board *as individuals*—a simple fact sometimes found right in the school's bylaws.

In practice, the reason for this governance principle is simple: it is *impossible* for *any* school CEO to follow the suggestions, directions, orders, or demands of nine individuals (or however many comprise your board). The board should state its expectations through written policies or resolutions and expect the CEO to adhere to them.

Are members of your board having trouble speaking and acting as one? Here's a simple remedy: Adopt a written policy that says something like, "*The board of ABC Charter School hereby resolves that individual board members, including the chair, shall not give any directives to any staff member, including the CEO.*" Then if any board member ignores it, he is not just transgressing a sound governance principle, he is transgressing the board's policy and should be dealt with accordingly.

Principle 6: Spend the Board's Time Only on Things that Matter

Like the board in the introduction of this paper, I often find that charter school boards spend most of their meeting time talking about, well, anything and everything except student growth and achievement (which are actually two different things). To get an idea of where your board spends most of its time, here's a suggestion you can follow from *Charter School Board University* (Carpenter, 2006):

At your next board meeting, take a sheet of paper with a line drawn down the middle to create two columns. In one column, keep track of the amount of time the board spends discussing finances and/or student achievement. In the other column, record the time spent discussing everything else. To get an accurate sense of how the board spends its time, don't tell anyone in advance what you are doing.

Most likely, you'll discover that the board spends a majority of its time talking about things in the second column, i.e., things not pertaining to finances or student growth and achievement. Instead, boards wander all over the proverbial map, discussing just about every imaginable topic except the two things that are really important to good governance. (p. 47)

If, during a regular meeting, you find that your board spent less than 50 percent of its time focused on things directly related to student

growth and achievement, the board is squandering its time.

A good way to implement the principle of spending the board's time only on the things that matter occurs in the agenda adoption stage of the meeting. Assign time limits to all discussion items, then add them up and ensure that the board plans to spend at least half of that time learning about student growth and achievement. Exercise this discipline on a regular basis and you may find your school excelling.

Principle 7: Commit Resources and Time to Developing Good Governance

Like other skills, the principles of good governance have to be learned and practiced. Mastering them requires self-discipline and accountability on the part of the board, just as self-discipline and accountability are necessary for a CEO to excel at charter school management.

Instead of leaving governance to chance, proficient boards allocate regular time on their agenda to developing their own governance capacity. They also read and discuss books and articles on governance, and attend occasional seminars or workshops.

All of this, of course, requires resources. But *governing* boards recognize that the cost of charter school board *ineffectiveness* is far more than the price of learning to govern well. Make sure board development is in your school budget as you implement the seven absolutely universal, non-negotiable, unchanging principles of good charter school governance.

When it occurred to me that there aren't many good books available on the topic of charter school board governance, I decided to write one myself. You can purchase single copies on Amazon.com, or in bulk from the Institute's website.



Carpenter, B. L. (2006). *Charter school board university: An introductory course to effective charter school board governance* (1st ed.). Mount Pleasant, MI: National Charter Schools Institute.

Acknowledgements

As the title implies, the principles outlined in this monograph are applicable to any chartered school, irrespective of authorizer or sponsor, state law, management type (traditional leader or management organization), size of school, curricular or pedagogical emphasis, or other factors. Actually, they're applicable to any governing board, period. That's because the principles of good governance arise from sound theory. On this, my thinking has long been influenced by the prolific work of world renowned governance experts, John and Miriam Carver (by whom I have also had the privilege of being trained in the theory and implementation of Policy Governance[®]). I am indebted to both of them for their work and service to boards. In addition to reading their books, I urge boards that are interested in Policy Governance to check out the Carver's website at www.carvergovernance.com.

Other writers have influenced my work with charter school boards too, such as Richard Chait, Ram Charan, and Katha Kissman, though the latter two are not cited in this piece. Both, however, are cited in my book on charter school board governance, [Charter School Board University](#). All three are great thinkers.

As with all my monographs, I attempted to write this one in everyday English, which is to say, in a non-academic style. Still, I cited the works of others because it is the appropriately scholarly thing to do. For fellow scholars and researchers who are interested in APA standards, I have chosen to deviate in the placement of my references in favor of positioning them alongside the text where the references appear. This is a preference I acquired from the master of visual design, Edward Tufte.

Finally, let me close with this *mea culpa*: Any errors, omissions, or misinterpretations of others' works cited in this paper are, of course, unintentional and wholly my own responsibility. Also, this monograph was published by the National Charter Schools Institute for informational purposes only. The content is not to be used as a substitute for legal advice. Specific questions should be directed to the school's legal counsel. The author is solely responsible for the content. His opinions do not necessarily reflect those of the Institute.

From the CEO of the National Charter Schools Institute

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If you would like to discuss the prospect of board governance training or other kinds of technical assistance, please email me at bcarpenter@nationalcharterschools.org, or call the Institute at (989) 774-2999 (Monday through Friday, 8:00 am to 5:00 pm, EST).

Finally, any feedback you might wish to suggest to improve this, or any of our publications, would be valued.



Brian L. Carpenter