

# **State of the Charter Movement 2005**

---

*Trends, Issues, & Indicators*

---

by Gregg Vanourek

May 2005

**Charter School  
Leadership Council**

**The Charter School Leadership Council** is a national organization dedicated to representing all sectors of the charter movement. Founded by a diverse consortium of charter supporters, CSLC serves as the credible unified voice of the movement. CSLC's primary mission is to increase the number of high-performing charter schools available to all families, particularly low-income and minority families who lack access to quality schools. To help meet that goal, CSLC provides assistance to state charter support organizations, researches important charter-related issues, develops and advocates for improved public policies, and works to build common ground and common cause in this large and diverse movement

### **CSLC Board of Directors**

#### *Board Chair*

Howard Fuller, Director  
Institute for the Transformation of Learning

Steve Barr, CEO  
Green Dot Public Schools

Kevin P. Chavous  
Sonnenschein Nath Rosenthal LLP

Anthony J. Colón, Senior Manager  
Fight for Children

Mike Feinberg, Co-founder  
KIPP

Chester E. Finn, Jr., President  
Thomas B. Fordham Foundation

Jim Griffin, Executive Director  
Colorado League of Charter Schools

Scott Hamilton, President  
Pisces Foundation

Bruno Manno, Senior Associate  
Annie E. Casey Foundation

Anita Nelam, President/CEO  
Harte Crossroads Public Schools

Rebecca Nieves Huffman, President  
Hispanic CREO

Patsy O'Neill, Executive Director  
Charter School Resource Center of Texas

Eleanor Perry, Director  
LEE Program

Bill Phillips, President  
New York Charter Schools Association

Dan Quisenberry, President  
Michigan Association of Public School Academies

Ember Reichgott Junge  
The General Counsel, Ltd.

Greg Richmond, President  
National Association of Charter School  
Authorizers

Andrew J. Rotherham, Director  
21st Century Schools Project

Uchenna L. Smith  
KIPP Sankofa Charter School

Jon Schroeder, Coordinator  
Education|Evolving

Johnathan Williams, Co-Director  
Accelerated Charter School of Los Angeles

David Weinberg, Board Chair  
Illinois Network of Charter Schools

Octavio J. Visiedo  
National Council of Education Providers

Caprice Young, President/CEO  
California Charter School Association

## Contents

|   |    |
|---|----|
| Preface   | i  |
| Executive Summary                                 | 1  |
| Charter Dashboard 2005                            | 4  |
| 1. Charter Schools by the Numbers                 | 5  |
| 2. The Academic Performance of Charter Schools    | 13 |
| 3. The State of Charter School Accountability     | 16 |
| 4. The Impact of Charter Schools                  | 23 |
| 5. The Politics and Policies of Charter Schooling | 28 |
| 6. The State of Charter School Support            | 32 |
| 7. The State of Public Opinion on Charter Schools | 36 |
| Author's Acknowledgements                         | 40 |
| Endnotes  | 41 |

## Preface

Well into its second decade, the charter school movement is thriving. As this new volume documents, 92 percent of America's children live in states with charter laws, and something close to a million students are actually attending charter schools. Despite inequitable financing and an assortment of roadblocks thrown up by political opponents, public charter schools are plowing forward: doing an admirable job of educating a student population that is notably more disadvantaged than that of other public schools.

Yet we still have a long way to go in realizing the aspirations of our movement's pioneers. Charter schools have produced superlative achievement in some cases, and performance is growing at a better rate than in traditional public schools in many states. But that's not good enough. The genius of the charter model is that it spurs continuous improvement by giving schools the freedom to succeed and then holding them accountable for results. Ideally, the model works on three levels simultaneously:

- Schools that succeed brilliantly can flourish and serve more children.
- Schools that do well are given the opportunities and resources needed to do better.
- Schools that fail are put out of business.

What this report shows is that there is work to do on all three levels. The growth of high-performing charters is being crimped by arbitrary caps and by a loosely cobbled infrastructure for sharing and replicating great innovations. Charter schools in the middle face terrible inequities in funding—and are far more constrained by regulation than is commonly thought. And while a certain number of charter schools have lost their charters for operational failure, authorizers have been too reluctant to close charter schools that fail to meet academic goals.

The Charter School Leadership Council was founded out of a deep sense that justice must be done for students who have been forgotten or left behind by traditional public school systems. Chartering offers them new hope through constant renewal in public education, allowing fresh ideas to take root while periodically culling the weeds. To realize that hope, we must start with a candid assessment of where chartering stands today.

One highlight of this report is the Charter Dashboard—a selection of key indicators that describes at a glance the status and momentum of charter schooling. As you will see, not every element is filled with data; one purpose of this report is to point out some of the gaps in our knowledge that must be addressed. Our intent is to publish the Dashboard on an annual basis, and we hope that in subsequent editions every line will be populated with reliable figures.

The author of this report, Gregg Vanourek, is both a distinguished scholar of the charter movement and a veteran of its front lines. Along with CSLC board members Bruno V. Manno and Chester E. Finn, Jr., he wrote one of the most often-cited studies of the early movement, *Charter Schools in Action*. He has contributed numerous essays to journals and periodicals. For four years, he was a senior vice president at K12 Inc., a pathbreaking education company serving dozens of charter, public, and virtual schools nationwide. This year he founded Vanourek Consulting Solutions, LLC, offering strategic leadership and marketing support to a range of clients in education and beyond. We are grateful for his prodigious and insightful work.

**Nelson Smith**  
**President**  
**Charter School Leadership Council**  
**May 2005**

## Executive Summary

This report assesses the state of the charter school movement as of 2005, focusing on the most significant trends, issues, and indicators. It seeks to give a sense of what this movement is all about and in what areas it may be thriving or stumbling. Part of the problem is that we are awash in data about charter schools, with hordes of books, studies, surveys, and articles. What do they add up to? What do the data tell us about what is working, what's not, and why?

The report contains seven chapters on the following topics: charter schools by the numbers, academic performance, accountability, impact, politics and policies, support, and public opinion. The reader should be warned that the report seeks to funnel an ocean of data through a fire hose—synthesizing what has already been reported and pointing to the holes in our knowledge base—focusing on selected data points and not an extended narrative.

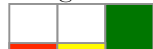
In the course of the analysis, we stumbled upon a few surprises:

- It is not commonly understood how concentrated charter schools are, both in certain states and around urban areas. The movement has reached 40 states but most of the action is in a smaller number of places.
- Charter schools are not as deregulated as is commonly assumed.
- We don't yet know nearly as much as we should about a surprising number of key issues: the achievement of students in charter schools over time, how accountability systems are working (or not working) on the ground, whether and how charter schools are impacting schools and school systems in areas that matter, and more.
- Charter schools remain a mystery to vast swaths of the general public, even after 14 years of chartering.

What is the state of the charter school movement? The movement is dynamic and strong, with plenty of accomplishments—particularly in offering new options to minority and low-income students—but still consumed with avoiding death by a thousand cuts: start-up challenges, facility problems, re-regulation, caps, state and local resistance, inadequate funding, political pressure, lawsuits, capacity constraints, misinformation, meddlesome legislation, high-profile meltdowns, legions of data-hungry researchers and journalists, and more. The movement still shows tremendous promise but faces heavy lifting ahead. Below we look at the state of the movement across seven key dimensions.

### The State of Charter School Expansion and Growth

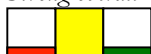
*Strong*



- Charter school growth has been impressive and robust, though its growth rate is now slowing somewhat.
- Demand for charter schools is clearly outstripping the supply. The charter sector would be much bigger in the absence of charter caps and if it could accommodate the throngs of students on waiting lists.
- Charter schools are concentrated in certain states and cities, though less so than five years ago. Chartering is mostly playing out in a few active places.
- Public charter schools are serving a disproportionate share of minority and low-income schoolchildren, and this has been the case since the beginning of the charter movement.
- Charter schools are significantly smaller than district public schools.
- The charter movement is producing a wide array of instructional and organizational models, providing lots of choices for families.

## The State of Charter School Academic Performance

*Strong overall—and sometimes superlative—but uneven*



- Public charter schools have produced a wide array of academic achievement results, from top to bottom to middle, reflecting the diversity of the sector and unevenness in the charter approval process.
- Research and public debate on charter school academic performance are often compromised by methodological issues and misconceptions.
- There is a vexing absence of data about value-added, longitudinal achievement in charter schools.
- The academic achievement results of charter schools are generally encouraging but not definitive.
- Measures of school productivity are dramatically under-explored.

## The State of Charter School Accountability

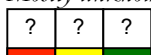
*Making strides but needs improvement*



- Charter schools are accountable to a wider range of constituencies than other public schools.
- Charter school authorizing has been a long-neglected priority and only recently have many people glimpsed its critical importance.
- The quality of authorizing and oversight has been uneven across the country, seriously diluting school-level accountability.
- Local school districts still have a near-monopoly on charter authorizing in most states, but states and universities tend to do a better job of authorizing. Reliance on local school boards to authorize charters results in much lower charter school growth rates.
- Many authorizers struggle with capacity and overload due to inadequate funding and staffing.
- Too many authorizers fail to set clear expectations and to develop adequate systems to help them make fully informed decisions about charter renewal or termination.
- Charter authorizers are not closing enough low-performing schools.
- Very few low-performing schools are being converted into charters pursuant to NCLB.

## The State of Charter School Impact

*Mostly unknown*



- While the charter movement is relatively small in terms of sheer numbers (though growing), its impact is disproportionate to its size.
- Actual charter impacts on the educational programs and operations of districts and public schools are mostly unknown, and much of the existing research points to mixed responses (some high-impact cases but mostly low-, moderate-, or no-impact scenarios).
- The impact of chartering is greatly affected by—and often dramatically inhibited by—the willingness and ability of school districts to change.
- Charter schools have been said to impact the spirit and terms of NCLB itself, school financing, the prevalence of contracting in American education, and more.
- Chartering has also had impacts outside of the K-12 education sector, including in higher education reforms, urban renewal, and community economic development.

## The State of Charter School Politics and Policies

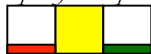
*Poor*



- Too many charter schools are charters in name only and have not been given sufficient autonomy (e.g., control over hiring, budget, curriculum, schedule) or exemption from waivers. The promise of charter school deregulation is, too often, illusory.
- Many states have caps on the number of charter schools allowed, seriously inhibiting charter growth.
- Many states provide significantly less than full funding to public charter schools.
- Cash-strapped charter schools are still struggling to cover capital expenses out of their (already reduced) operational budgets.
- Charter schools are still under attack on many flanks from political opponents.

## The State of Charter School Support

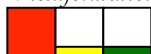
*Spotty and porous—needs improvement*



- The “grid” of technical support and assistance to charter schools is thriving in some areas but porous in others when juxtaposed against the enormous challenges and needs. Too many charter schools struggle with lack of resources, staff, and systems.
- One of the often overlooked benefits of charter schools is their propensity to connect and partner with community groups, education service providers, and local volunteers (especially parents) in order to build capacity.
- Charter support organizations have helped to create a large number of charter schools in some states.
- Charter schools are more likely than district public schools to contract out for management and operations services from private and nonprofit service providers.
- There may be a looming succession (and thus capacity and leadership) problem as the charter movement loses many of its first-generation leaders.

## The State of Public Opinion on Charter Schools

*Misinformation abounds, but attitudes become more favorable as knowledge grows*

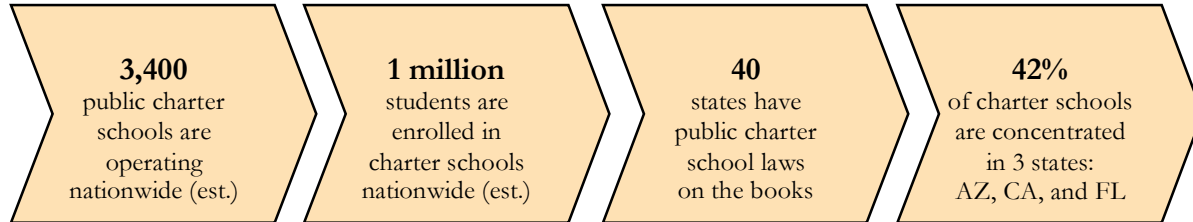


- Charter schools remain a mystery to much of the general public.
- Most Americans do not know that charter schools are public schools, and there is a great deal of misinformation about them.
- However, more Americans know something about charter schools now than was the case in 1999. The information deficit is shrinking, albeit gradually.
- The more people learn about charter schools, the more they like them.
- Twice as many registered voters favor charter schools as oppose them.

## Charter Dashboard 2005

| INDICATORS  | DATA             |
|---|------------------|
| <b>Students</b>   |                  |
| # of Charter School Students  | 1 million (est.) |
| % Charter Students: Minority  | 59% (2002-03)    |
| % Charter Students: Eligible for Free and Reduced-Price Lunch             | 49% (2002-03)    |
| % Charter School Students: Special Education                              | 12% (2000-01)    |
|   |                  |
| <b>Growth</b>   |                  |
| # of Charter Schools  | 3,400 (est.)     |
| Charter Student Market Share (% of K-12 Students in U.S.)                 | 2%               |
| Highest Market Share in Single State                                      | 8% (Arizona)     |
| Highest Market Share in Single City                                       | 26% (Dayton)     |
| Share of Charter Schools Located in Top Three States                      | 42%              |
|   |                  |
| <b>Performance and Accountability</b>                                     |                  |
| % Charter Schools Meeting State Reading/Math Targets                      | Unknown          |
| % Charter Students Making more than a Year of Learning Gains              | Unknown          |
| Charter High School Graduation Rate                                       | Unknown          |
| % Charter Schools Closed for Academic Reasons                             | Unknown          |
|   |                  |
| <b>Policy Environment</b>   |                  |
| Number of States with Charter Laws  | 40 plus D.C.     |
| Average Per-Pupil Charter Funding as % of Average District School Funding | 67-91% (est.)    |
| # of Non-District Charter School Authorizers                              | About 60 (est.)  |
|   |                  |
| <b>Public Opinion</b>   |                  |
| % of Registered Voters who Accurately Describe Charters as Public Schools | 45%              |
|   |                  |

## 1. Charter Schools by the Numbers

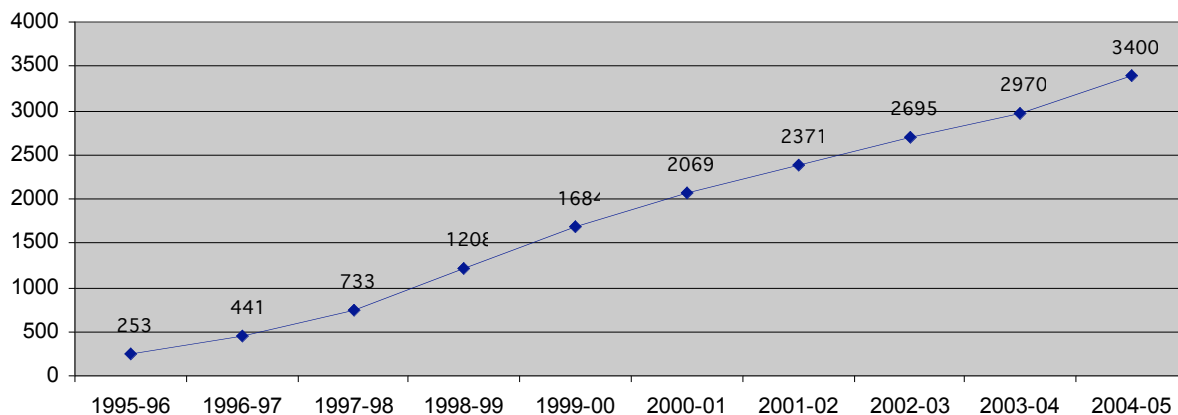


In this chapter we review and assess the telling indicators of charter school growth, characteristics, and change over time. First, we look at questions of *quantity*: school and enrollment growth rates, the spread of charter laws across the country, and the concentration of charter schools in key states. Next, we turn to the *characteristics* of these schools: sizes and types of charter schools and their models and methods. Finally, we turn to the *people* who inhabit charter schools day to day and bring them to life, both students and teachers.

### Charter School Growth Patterns

Charter school growth over the years has been impressive. In 1991, Minnesota passed the first charter school law. The next year, California followed suit. By the 1994-95 school year, there were over a hundred charters up and running in six states. Today, there are about 3,400 charter schools across the United States.

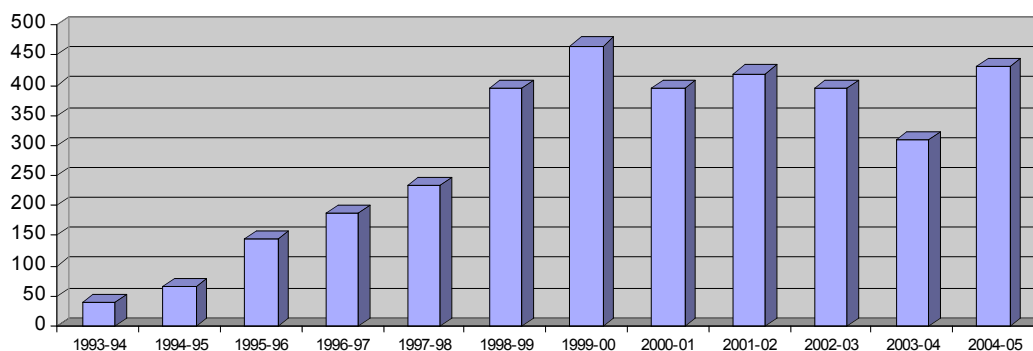
**Exhibit 1-1. Number of Charter Schools, 1995-96 to 2004-05<sup>1</sup>**



This growth trajectory is remarkable given that, in most cases, the addition of a single charter school involves the small miracle of about a thousand essential tasks: forming a founding coalition, selecting or writing a curriculum, drafting a charter application (usually over a hundred pages), navigating the charter approval process (often about a year), locating a facility, interviewing, hiring, and training staff, promoting the school in the community, purchasing supplies and equipment, preparing the lunch room, and much more.

The number of new charters each year increased dramatically in the 1990s and then leveled off somewhat during the past five years, as can be seen below.

**Exhibit 1-2. Number of Charter Schools Opening per Year, 1993-94 to 2004-05<sup>2</sup>**



*The average number of charter schools per state has been increasing steadily each year, from 25 in 1995, to 59 in 2000, to nearly 90 today. On average, over 250 charter schools have been added each year for the past 12 years.*

The biggest growth spurts in percentage terms occurred from 1998 to 2002, but the annual growth rate has slowed recently to around 10-15 percent.<sup>3</sup> Why has the growth rate slowed? Some decline in the rate is natural due to the ever-increasing base of charter schools (a higher denominator). Another explanation is that the nation is running out of big new charter states (an argument we will evaluate later). Some believe that the growth rate has slowed as a result of more stringent charter application processes in many states, as authorizers learn more about what works and as states react to high-profile charter failures.

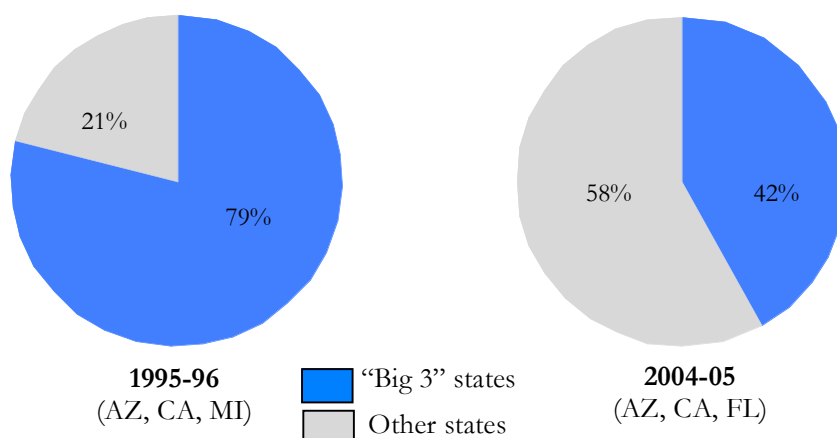
Charter growth comes from three possible sources: growth in the number of *states* allowing charter schools, growth in the number of charter *schools* created in a state, and growth in the number of *students* attending schools, either via organic growth (more families choosing the school) or adding grade levels. (Some have called the first two kinds “vertical” growth, with the third kind “horizontal” growth.)

The bursts of new schools added between 1996 and 1998 were caused by five big new states passing charter laws. Charter schools in brand new charter states accounted for 17 percent of the total charter growth in 1996-97 (mostly from Texas); 27 percent the next year (mostly from North Carolina, New Jersey, and Connecticut); and 6 percent in 1998-99 (mostly from Ohio). In all other years since, the contribution of new states to total charter growth has been minor—only in the 0 to 3 percent range. Thus, *the preponderance of school growth has been driven by existing, not new, charter states. Now that only ten states lack charter laws, current and future growth will be driven by new schools (and organic growth within them). Yet, except in four or five big states, new-school growth has been modest.*

### **Concentration in Key States**

While charter schools have spread rapidly across the country, they are by no means evenly distributed. *In 1995-96 the three states with the greatest number of charter schools (Arizona, California, and Michigan) accounted for nearly four out of every five charter schools in the nation (79 percent). Today, the “big three” are Arizona, California, and Florida, and they account for 42 percent of the nation’s charter schools.*

**Exhibit 1-3. Concentration of Charter Schools in the “Big 3” Charter States, 1995 to 2004<sup>4</sup>**



The current “big three” charter states yielded 42 percent of the total growth in charters from 1999 to 2003. Conversely, the growth rates in the next largest charter states, Michigan and Texas, have flattened out over the past five years (both states have caps), with Ohio, Wisconsin, and Pennsylvania on course to catch up with them. *Over half (54 percent) of the charter growth over the past five years has occurred in the biggest five charter states of Arizona, California, Florida, Michigan, and Texas.*

Within some states, we are seeing a striking *geographic* concentration of charters in and around urban areas. In Arizona, more than 60 percent of the state’s charter students are in Maricopa County.<sup>5</sup> About 70 percent of charters in Minnesota are in the Twin Cities (Minneapolis and St. Paul) metropolitan area.<sup>6</sup> In Ohio, the “big eight” urban school districts account for more than two-thirds of the state’s charter enrollment, though they only comprise roughly a quarter of the state’s public school students.<sup>7</sup> *Nationally, it is estimated that about half of all charters are located in or around major cities, compared to only 29 percent of district public schools.*<sup>8</sup>

Despite the rapid growth of charter schools (and its concentration), there are two factors indicating that the growth rate could be much higher: waiting lists and caps.

#### **Waiting Lists**

*In 2002-03, 39 percent of charter schools reported having a waiting list, averaging 135 students.*<sup>9</sup> If the charter movement could accommodate all of those students today, the charter population would be about 20 percent larger and could fill over 700 new charter schools (based on their current average size). There are 20,000 students on waiting lists in Colorado, 15,000 in Massachusetts, and 12,000 in Michigan.<sup>10</sup> In Illinois, 21 of 23 charter schools were oversubscribed, with 9,509 applicants for 4,045 slots (2.4 applicants per opening, on average).<sup>11</sup> *Clearly, the demand for public charter schools outstrips the supply.*

#### **Caps**

*Today, we estimate that 27 states have some form of cap on charter schools*—such as a cap on the absolute number of charters allowed in the state, on the number of charters allowed each year, on the percent of a school district’s total spending, etc.<sup>12</sup> North Carolina nearly reached its cap in 2004-05, with 97 charter schools in operation (under a cap of 100). In Massachusetts, 152 communities have reached their cap (by law, no more than 9 percent of a district’s spending can be used for charter schools each year). In Ohio, the cap on charter schools has been handled via geographic restrictions—limiting charters to certain areas in the state and then imposing a (temporary) numerical cap. Today, legislators there are proposing new caps.<sup>13</sup>

*Charter school enrollment has risen dramatically from about 300,000 in 1998-99 to nearly a million pupils today—larger than each of the entire public school systems of 36 states and enough to fill all the public schools in Idaho, New Hampshire, New Mexico, Vermont, and Wyoming combined.* Put in perspective, U.S. public school enrollments are currently growing at a rate of about 0.3 percent per year, private school enrollments at 0.5 percent per year, and charter enrollments at about 10-15 percent per year (off a much smaller base). Charter school enrollment now rivals that of home school enrollment in the U.S.—estimated at 1.1 million students in 2003-04.<sup>14</sup> Currently, about 2 percent of American students are in charter schools (see chapter 4).

This impressive growth in the number of charter schools has been made possible by the rapid spread of charter laws across the country (without which there can be no charter schools). Today, there are ten states left that have not yet passed a charter law, as shown below.

Legend:

- States with charter laws (Blue)
- States without charter laws (Light Gray)

States with charter laws (Blue):

- Alaska
- Arizona
- California
- Colorado
- Connecticut
- Delaware
- District of Columbia
- Florida
- Georgia
- Hawaii
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Louisiana
- Maine
- Massachusetts
- Michigan
- Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- Nevada
- New Hampshire
- New Jersey
- New Mexico
- New York
- North Carolina
- North Dakota
- Ohio
- Oklahoma
- Oregon
- Pennsylvania
- Rhode Island
- South Carolina
- South Dakota
- Tennessee
- Texas
- Vermont
- Virginia
- Washington
- West Virginia
- Wisconsin
- Wyoming

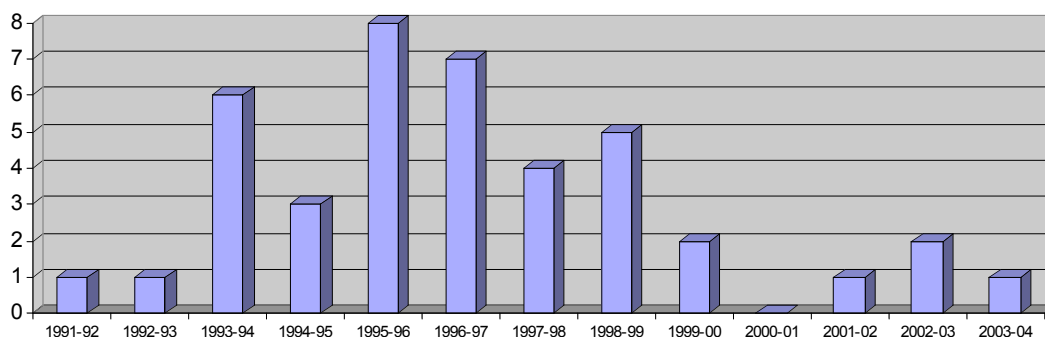
States without charter laws (Light Gray):

- Alabama
- Arkansas
- Idaho
- Kentucky
- Indiana
- Mississippi
- North Carolina
- South Carolina
- West Virginia

*Charter laws now cover 92 percent of the U.S. population and 96 out of the largest 100 school districts in America.*

8

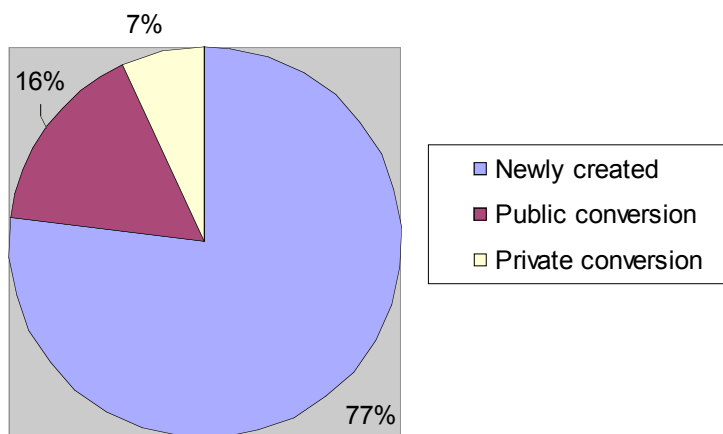
**Exhibit 1-5. Number of States Passing Charter School Laws, by Year, 1991-92 to 2003-04<sup>15</sup>**



### School Types

All charter schools are by definition public schools but they vary in terms of whether they are considered local education agencies (LEAs) in their own right or part of existing LEAs (often with big implications in terms of autonomy and funding). In 8 states charter schools are separate LEAs, in 16 states charters are included in existing LEAs, and in 15 states they have mixed status.<sup>16</sup> As shown below, newly created (start-up) charter schools account for 77 percent of charter schools, while conversion schools (i.e., existing schools that converted to charter status) account for 23 percent.<sup>17</sup>

**Exhibit 1-6. Distribution of Charter Schools, by Type, 2001-02**



### Charter School Size

In recent years, there has been an increasing emphasis on small schools. How do charters fare on this dimension? Though median charter school enrollment has risen steadily from 137 students in 1998-99 to about 250 in 2003-04, public charter schools are still quite small in relation to district public schools (whose median enrollment is 475). Also, 57 percent of charter schools enroll fewer than 200 students.

*Charter schools remain considerably smaller than—indeed, about half the size of—district public schools.<sup>18</sup>*

### Schooling Models

Charter schools employ a wide variety of instructional and operational models. The exhibit below gives a glimpse of the impressive array of curricular and instructional emphases in charter schools.

### Exhibit 1-7. Charter Schools Reporting Specialized Teaching Strategies: Top Responses<sup>19</sup>

| Specialized Teaching Strategies | Schools |
|---------------------------------|---------|
| Core Knowledge                  | 14%     |
| College Prep                    | 13%     |
| Science/Math Prep               | 13%     |
| Direct Instruction              | 13%     |
| Thematic Instruction            | 12%     |
| Back to Basics                  | 9%      |
| Arts                            | 6%      |
| School to Work                  | 6%      |

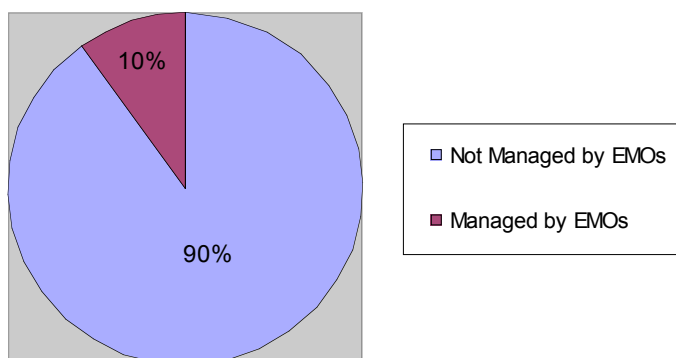
There are plenty of examples of innovative models in the charter world, from “green” eco-schools and aviation- or engineering-focused schools to workplace charters, ethnocentric schools, and virtual schools. According to a 2002-03 national survey, 3 percent of charter schools indicate that they use virtual (or cyber or online) teaching strategies (instruction via the Internet without a traditional school building), and 4 percent report using home or independent study. There were 81 virtual charter schools with about 28,000 students that year.<sup>20</sup> In Ohio, which has the highest number of virtual charter schools in the nation (over 40), one quarter of charter students (12,000) are enrolled in virtual schools.<sup>21</sup>

### Education Management Organizations (EMOs)

Today, it is estimated that EMOs operate between 10 and 14 percent of all charter schools.<sup>22</sup> These entities have extensive roles in the development and operation of charter schools, from personnel and professional development to curriculum, budgeting, and compliance.

*Despite claims to the contrary and concerns about the “privatization” of public education, nearly 90 percent of charter schools are independently run and not managed by EMOs.*

### Exhibit 1-8. Estimated Percentage of Charter Schools Managed by EMOs



While the national market penetration by EMOs remains modest, it varies considerably by state. In Ohio, 66 percent of charter students attend schools run by EMOs. In Michigan, 69 percent of charter schools have contracted with an education service provider (whether for-profit or non-profit).<sup>23</sup>

Between 1998 and 2003, the number of states in which EMOs were operating increased from 15 to 28 (plus D.C.).<sup>24</sup> Two recent additions to the charter scene are nonprofit charter management organizations (CMOs) and charter school networks. The NewSchools Venture Fund in California reports that it supports nine CMOs all over the nation, with 32 schools serving 8,000 students.<sup>25</sup> The Knowledge Is Power Program (KIPP) network has 38 schools, serving more than 6,000 students in 15 states plus D.C.

## Student Characteristics

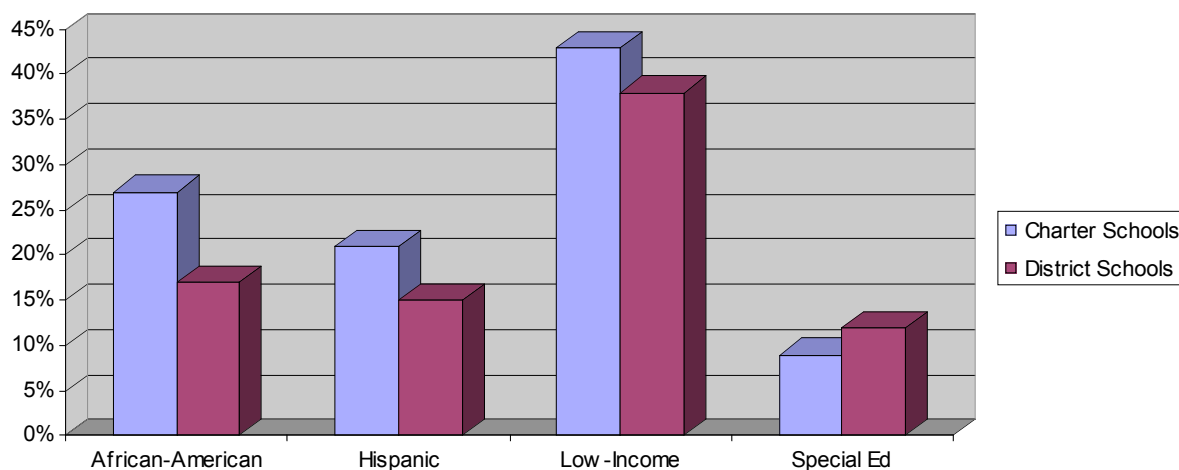
A heavy proportion of public charter school students are minority, low-income, and/or at-risk. According to the U.S. Department of Education, *compared with district public schools, charter schools enroll more African American students, higher proportions of students eligible for free and reduced-price lunches (FARL), and high proportions of low-performing students.*<sup>26</sup>

*According to the latest data available (2002-03), 58.6 percent of charter school students are minorities, versus 43.6 percent for district public school students in charter states—a 15-point difference.*

The percentage of minority students is higher in charter schools (than district public schools) in 24 states—and higher by over 30 percent in 12 states. The percentage is lower in 13 states.<sup>27</sup>

In terms of student eligibility for the free and reduced-price lunch (FARL) program (a commonly used proxy for poverty levels), the percentages are nearly even, with a slight edge for district public schools (37.1 percent) in charter states versus charter public schools (34.8 percent). However, it is likely that the charter numbers are significantly under-reported, since many charter schools choose not to participate in the federal school lunch program due to the administrative complexity of the program. According to a Rand study of California charters, “For particular categorical aid programs, a sizable share of charter schools are ‘eligible but not applying,’ in part because of the requirements that accompany programs.” This is particularly true of child nutrition programs.<sup>28</sup> One way to account for this problem is to factor out the schools that report zero FARL eligibility (both in charter schools and district public schools), because many schools with high poverty report zero eligibility because of the administrative challenges of participating in the lunch program. This yields a different result—40.1 percent eligibility in district public schools versus 49.0 percent in charters—and one that is more consistent with prior U.S. Department of Education studies (see below).

**Exhibit 1-9. Student Characteristics in Charter vs. Public Schools, 1999-00<sup>29</sup>**



How have these percentages changed over time? *Enrollment of minority students as a percentage of total enrollments has been steadily and dramatically increasing charter schools—with a 14-percentage-point increase of African American students between 1998-99 and 2001-02. The proportion of charter students eligible for the free and reduced-price lunch (FARL) program also has been steadily increasing over time.*<sup>30</sup>

Charter schools are by no means monolithic in their targeted student populations. According to a 2002-03 national survey, 28 percent of charter schools target low-income students or dropouts, 27 percent identify gifted and talented students as a target population to be served, nearly a quarter target English as a Second Language (ESL) students, 18 percent view teen parents as a focus, 12 percent specifically seek disabled students, 11 percent target court-adjudicated youth, and 10 percent target expelled youth.<sup>31</sup>

## Teachers

Here are some data points about the characteristics of teachers in public charter schools:

- *“Charter school teachers are more likely to have master’s degrees in fields like business, arts, and science (as opposed to education).”*<sup>32</sup>
- On average, *the student/teacher ratio is lower in charter schools (16.0 to 1) than in district public schools (17.2 to 1).*<sup>33</sup>
- The average charter school teacher has 5.6 years of public school teaching experience, 1.7 years of private school experience, 1.4 years of experience teaching in a university or elsewhere, and 0.6 years experience home schooling.<sup>34</sup>
- *Charter teachers report high levels of satisfaction with their jobs and schools.*<sup>35</sup>
- *Charter teachers are less likely to have full state certification in the subject they teach:* “79 percent of teachers in charter schools held certification, compared with 92 percent of teachers in traditional public schools.”<sup>36</sup>
- Teachers in charter schools participate in a variety of professional development activities in slightly higher proportions than district public school teachers.<sup>37</sup>
- *Charter schools involve teachers more extensively in school governance,* with many teachers serving on charter school governing boards. (In Minnesota, about 350 charter teachers are serving on public charter school governing boards and over half of the boards have a teacher majority.)<sup>38</sup>

*Charter schoolteachers are much more likely to be African American than district public school teachers (16 percent versus 9 percent, respectively).<sup>39</sup>*

## Issues for Further Study

- Why has the charter school growth rate slowed somewhat recently?
- Are charter school growth spurts in certain years associated with new (strong?) laws, or with the elimination of caps in big states?
- How have caps affected growth rates?
- How can we learn more about organic growth (schools adding grade levels or simply attracting more students) versus growth from new charter laws and/or schools—and how these will affect overall growth rates going forward?<sup>40</sup>
- Are there discernible growth rate trends within charter school states?
- Is charter school growth associated with federal charter school funding levels?
- Will the balance between stand-alone charter schools and charter schools contracting with education service providers remain stable or change dramatically in the years to come, given that service providers have incentives to scale their schools to drive efficiencies?
- Is there an upper limit to the number of charter schools that will be created due to political, supply, or other constraints?
- Will the emergence of virtual charter schools serve as an inflection point that rapidly increases charter school enrollment nationwide, given their ability to scale easily and rapidly without the constraints of large brick-and-mortar school buildings?

## 2. The Academic Performance of Charter Schools

“What looks like conflicting research is actually a matter of measuring the wrong things. Lumping all charter schools together is mostly useless.... Parents considering charter schools need better advice than these apples-to-oranges studies.”

--*USA Today* editorial, January 4, 2005

Since the first charter school was opened in Minnesota in 1992, upwards of a hundred studies have been commissioned and completed to assess the effectiveness of charter schools. *Are they working? The answer we have received so far is: Yes. And no. And maybe. And that we are asking the wrong question.* How do we make sense of the conflicting findings?

In this report, we do not present new data to add to the chorus of studies. Rather, we summarize the major and recent findings, focusing especially on a meta-analysis of all the most relevant major studies (40 in all), released in January 2005 (since updated) by Dr. Bryan Hassel and the Charter School Leadership Council.<sup>1</sup>

“The charter sector has been subject to an unprecedented level of scrutiny and transparency related to school performance.... Reviewing all of these emerging studies of achievement in charter schools, however, is enough to make one’s head spin.... Contradictory findings proliferate.... At some level, mixed results are inevitable. The charter sector is host to a vast diversity of schools, utilizing all manner of educational and organizational approaches. The charter is but a shell, into which the operators place an instructional and management program. Asking about the quality of ‘charter schools’ as a group is a bit like asking about the quality of ‘new restaurants’ or ‘American cars’ – any overall generalization will mask the great diversity within.”

--Bryan Hassel, Public Impact

### Methodology Issues

In his meta-analysis, Hassel points out that much of the question about charter school achievement turns on methodology: the methods, procedures, and techniques used to collect and analyze information. What makes a “good” study of academic achievement in charter schools? Hassel identifies four characteristics:

- 1) *Value-added analysis.* Researchers examine the learning of individual students over time to determine how much “value” the school is “adding” to student learning. This approach is preferable to the “snapshot” method, in which studies evaluate student performance against a standard or benchmark at a point in time, because the latter fails to take into account baseline student achievement and/or changes in performance over time. However, snapshots in time are by far the most common method used in education today for many reasons.<sup>2</sup>
- 2) *Adequate sample.* Does the study include a sufficient sample of schools and/or students to allow for reasonable generalization? Without enough schools or students in the study, the results are likely to be skewed by outliers.
- 3) *Sound comparison.* Does the study compare charter performance to that of a relevant group of district schools and/or students, using the appropriate controls to make the comparison valid? Random experimental design, in which students are randomly assigned to a “treatment” group (admitted to the charter school) or a “control” group (not admitted), is ideal because it minimizes the chance that students attending charter schools are somehow different from those who don’t attend them in ways that may influence academic achievement (e.g., motivation, parental involvement). Unfortunately, such random experimental design is very difficult to achieve.

- 4) *Appropriate disaggregation.* Does the study adequately differentiate between the performance of different kinds of students and schools, given that the charter sector is famously diverse? Appropriate disaggregation takes into account that student populations may differ by race, gender, income, special needs, and other factors—and that schools may have different performance patterns according to where they are in their life cycle (i.e., start-up, expanding, mature).

“Any scientific study of charter schools must compare apples to apples.... Forget about studies that compare apples to oranges, based on tiny samples.”

--Caroline M. Hoxby, Harvard University<sup>3</sup>

Hassel examined 40 charter school studies that met several criteria:

- They were *recent*—all released in or after 2001.
- They *compared* charter students’ achievement on standardized tests with that of district students.
- They used *serious methods*—reasonable attempts to analyze student achievement data.
- They examined a *significant segment of the charter sector* in their area, whether it was national, multi-state, or statewide data.<sup>4</sup>

### Evidence of Achievement

What were the results of this meta-analysis? Hassel points to three observations:

1) *Diversity of outcomes.* The results vary widely from one school to another, with some charter schools at or near the top, others at the bottom, and many in the middle or “normal” range. “In this context, *any attempt to discuss ‘the average charter school’ is destined to mask this wide diversity.*”<sup>5</sup> On the one hand, charter schools are among the best public schools in the district in many high-profile places (e.g., Boston, San Diego, Chicago, New York, and Washington, D.C.). On the other hand, there are plenty of examples of charter schools with dismal academic performance that probably never should have been opened in the first place. Indeed, there are problems on both ends: too many poor charter proposals being allowed to open on the front end (approval phase) as well as too many low-performing schools that aren’t closed down on the back end (renewal phase).

2) *Evidence of added value.* Of the 23 studies which made some attempt to look at change over time in student or school performance (nine actually followed individual students over time):

- Eleven studies found that overall gains in charter schools were larger.
- Three studies found charter schools’ gains higher than in district schools for certain categories of charter schools (at-risk schools, elementary schools, and high schools).
- Six studies found comparable gains.
- Three studies found that charter schools’ gains generally lagged behind those in districts.
- Hassel’s summary: “*So while the change-over-time picture is somewhat mixed, in general it is very encouraging about the gains students are making in charter schools.*”

Of the remaining 17 studies that looked at a snapshot in time, nine studies show charter students generally underperforming district schools, while the other eight show comparable, mixed, or generally positive results for charters. Though these are often the studies and comparisons that grab the headlines, Hassel cautions that “most of these studies tell us little about whether charter schools are ‘adding value.’”

3) *Change over time.* Do charter schools improve as they age? Do mature charters outperform start-up charters? *Five of seven studies find that as charter schools mature, they do better.* One study finds that they do not. Another study finds only small differences based on the first year.

### Productivity

*One missing element in nearly all charter studies is the question of productivity: how much learning gain is produced per dollar spent?* This is a salient question given that public charter schools typically receive significantly fewer per-pupil revenues than district public schools (see chapter 5).<sup>6</sup> There are some data points, though. A Rand study in California found that “Charter schools, particularly start-up schools, reported using fewer resources per student than do conventional schools.... Most noteworthy, charter schools are achieving comparable test scores despite a lower reported level of revenue.”<sup>7</sup> According to a 2004 study of ten Dayton charter schools, average per-pupil funding was \$7,510 vs. \$10,802 for district public schools, yet on average Dayton charter students outperformed Dayton public school students on all portions of the 2004 fourth- and sixth-grade state proficiency tests—in some subjects by a significant margin—indicating higher productivity from charters.<sup>8</sup>

### Conclusion

What is Hassel’s conclusion from this meta-analysis? “The existence of high quality charter schools and high growth rates for charter schools, at least in many states and studies, suggests that *chartering holds promise as an approach to getting better schools. What we have is an experiment worth continuing—and refining.*”<sup>9</sup>

It is also worth noting that achievement test results are critical and necessary but not sufficient indicators in assessing the overall performance of charter schools. That requires a comprehensive understanding of how well they are achieving their mission-related goals as well as their academic goals. For example, many charters focus on serving student populations currently under-served in the community (e.g., teen parents, dropouts, or gifted and talented students). Some charter schools set out to create a school culture more attuned to the priorities and values of parents in the community or to offer a new schooling option different from the local public schools (e.g., a different curriculum, smaller class sizes, back-to-basics, multi-age groupings, Montessori, etc.) Others seek to pilot new teaching methods and provide new professional opportunities for local educators. Sometimes, aspects of these charter goals can be quantified via retention, graduation, and college-acceptance rates, satisfaction surveys, disciplinary incidents, waiting lists, and more.

### Asking the Right Questions

“Is it working? How do we know? At the moment the country is not thinking clearly about these questions.... Chartering is an institutional innovation.... With chartering we want to know which pedagogical, governance, and management practices succeed—and what provisions of law are responsible—so policy can do more of what works better.”<sup>10</sup> “The question for research is not, ‘Are charter(ed) schools overall succeeding?’ Rather, it is to ask, ‘Which chartered schools are succeeding?’ Most important: How? ... and, why? With this clear it will then be possible to think clearly about chartering as a strategy... to see how well chartering is succeeding as an *institutional innovation.*”<sup>11</sup>

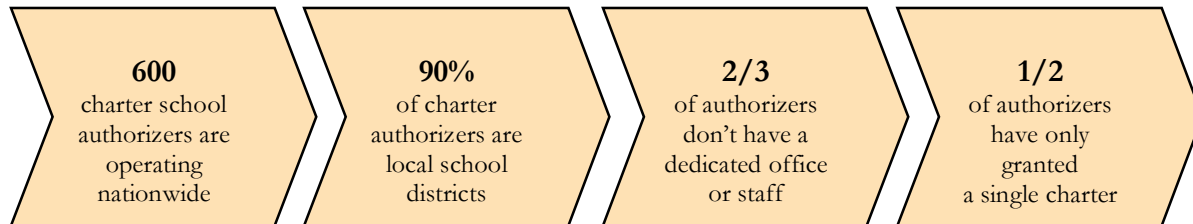
### Issues for Further Study

- We need to learn more about the achievement of students prior to enrolling in charter schools.
- Are charter schools producing more “value-added growth” than district public schools? Which charter schools? Why? Under what conditions? With what resources and approaches?
- Why do some charter schools perform much better than others?
- Is the chartering model working well enough to prevent and/or close low-performing schools?
- What can educators and policymakers do to facilitate the creation of more successful schools and to prevent the opening or continuation of low-performing schools?
- What indicators should be used to measure school performance beyond test scores (e.g., attendance, graduation, college acceptance and completion rates; success in achieving mission-related goals; etc.)?
- What measures should be used to gauge school productivity?
- Which successful approaches can be replicated broadly? Why and how?

### 3. The State of Charter School Accountability

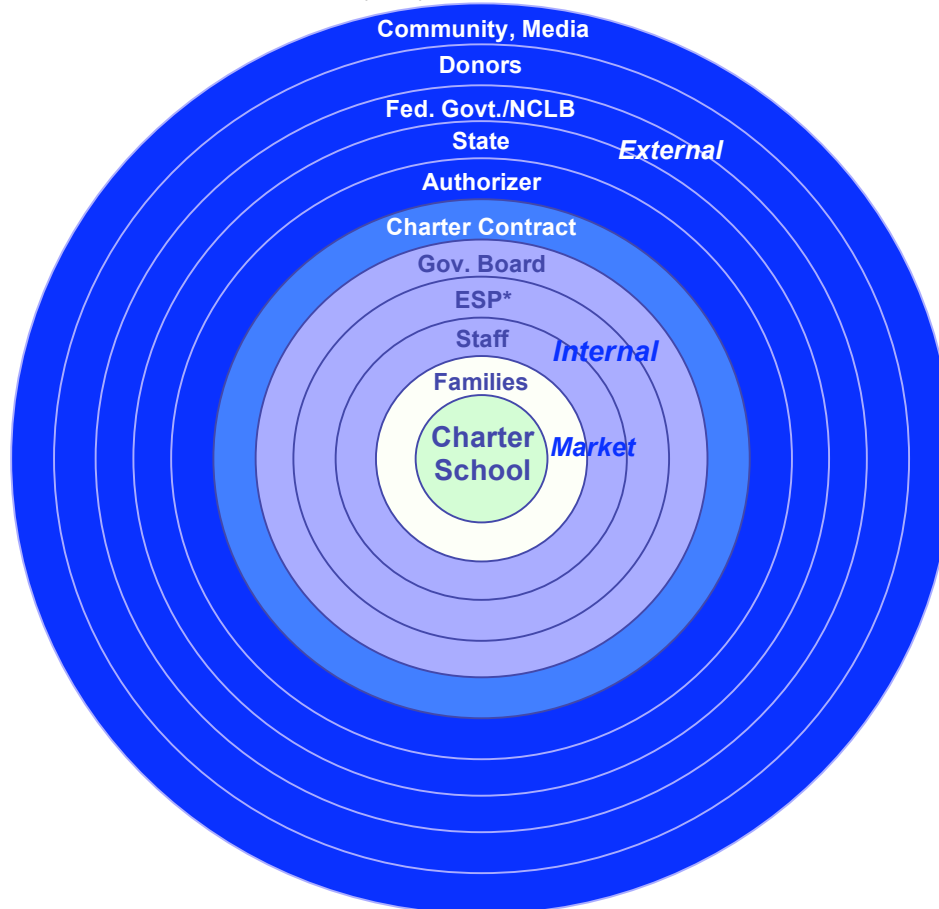
“Accountability is a cornerstone of the charter school idea.”

--Bryan C. Hassel, Public Impact<sup>12</sup>



Reviewing the progress of the charter movement without assessing the state of accountability is like contemplating autumn without turning leaves, the Tour de France without Lance. Accountability is the fulcrum upon which chartering moves public education. Charter schools are accountable to many people and entities in three broad areas: *the market* (students and parents), *internal constituencies* (school staff, education service providers they may be working with, and the school's governing board), and *external constituencies* (the authorizer, state, federal government, and other entities such as donors, the local community, and the media). We can think of charter school accountability as being revealed in layers.

**Exhibit 3-1. Charter School Accountability Layers<sup>13</sup>**



\* ESP: Education Service Provider such as an education or charter management organization.

“Many more agencies have a role in monitoring charter schools than are typically involved in monitoring traditional public schools.”

--U.S. Department of Education, 2004<sup>14</sup>

## I. Market Accountability

Charter schools are first accountable to their constituents—students and parents. No charter can survive without attracting and retaining students. In some ways, data on enrollment, satisfaction, and retention serve as indicators of market-based accountability.

- *There is ample evidence that charter schools are having great success attracting students and families to their programs*, as evidenced by the expansive growth of charter schools and students over the past decade as well as the prevalence of charter school waiting lists (see chapter 1).
- Most national and state surveys have shown *high levels of satisfaction among parents and students regarding their charter schools*.<sup>15</sup>
- *Student retention is more of an unknown*. Though we are not aware of any national data on charter school retention rates, there are some state data. In Illinois, charter schools had a retention rate of 87 percent, on average, in 2003-04. In the District of Columbia, about 78 percent of students re-enrolled in their charter school in 2003-04. In Arizona, about 40 percent of public and charter school students changed schools between 1998-99 and 1999-2000.<sup>16</sup> Clearly, we need more information on this front.

## II. Internal Accountability

Beyond serving students and parents, charter schools also have up to three internal constituencies which help to keep them accountable. First, since teachers and other staff voluntarily choose to work in charter schools, the schools must provide them with quality professional opportunities and adequate compensation. Often, charter school administrators and/or teachers serve on the governing board or various school committees and have a voice in shaping policy and ensuring that the school remains on track. Charter schools can evaluate progress on this front via staff satisfaction surveys and retention rates.

Second, charter schools that contract with education service providers (ESPs) are also accountable to those groups. If a charter school governing board contracts with a management company to operate the school, the school staff reports not only to its governing board but also to the management company. According to the U.S. Department of Education, large majorities of charter schools with such relationships report that these entities monitor their compliance with regulations, progress toward the terms of their charters, and student academic performance.<sup>17</sup> Often, these relationships facilitate the use of benchmarking and best practices so that schools within a network learn from one another.

Finally, charter school staff are directly accountable to their governing board. These are the trustees who have legal responsibility for the terms of the charter contract, and they meet regularly to review school programs, performance, operations, finances, and more. According to the U.S. Department of Education, more than 60 percent of charter governing boards monitor staff performance/attendance, parent satisfaction and involvement, student discipline and safety, instructional practices, test scores and other performance indicators, enrollment, and finances.<sup>18</sup> Indeed, *if charter governing boards do their job well, other aspects of charter school accountability tend to fall into place*.

## III. External Accountability

Charter schools are also accountable to several external constituencies, including authorizers, the state, the federal government, and other external entities (such as donors, the local community, and the media). Generally, these entities ensure that charter schools serve the public interest.

## 1. Authorizers

“A charter, after all, is properly understood as a contract between two parties: the school operator and the authorizer. For the charter movement to succeed, both must do their jobs effectively.... The role of the authorizer, therefore, is pivotal to the charter movement’s overall success.”

--Thomas B. Fordham Institute report, 2003<sup>19</sup>

Charter school authorizing has three distinct phases:

- In the *approval* phase, authorizers review charter applications and hold formal hearings to determine whether the proposed school meets their criteria and has a good chance of being successful. A rigorous approval process is a key factor in charter school accountability.
- In the *oversight* phase, authorizers monitor charter schools for compliance with applicable regulations, student achievement results, financial management, special education compliance, and more.<sup>20</sup>
- In the *renewal* phase, authorizers decide whether to grant the school another term (usually five years, sometimes three, sometimes more), to impose sanctions, or to close a school down. Often, this entails an analysis of the school’s academic performance; compliance; audit results; attrition rates; school leadership and governance; and much more.

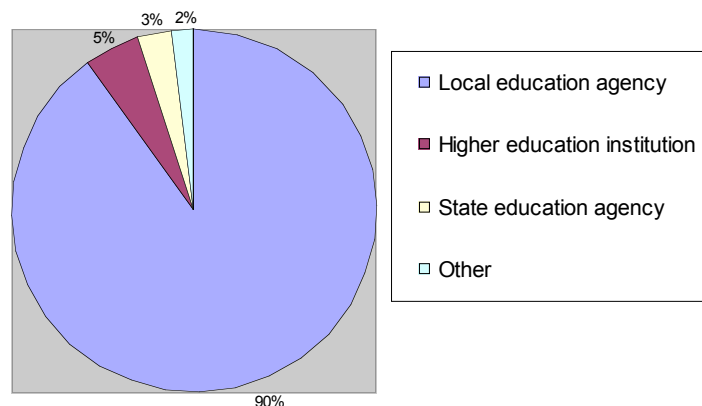
### *Authorizer Data*

*There are about 600 charter school authorizers nationwide (up from 457 authorizers in 2000-01), sponsoring five charter schools each on average.* Only about a quarter (23 percent) of authorizers nationwide has ever turned down a charter application. Twenty-six of 39 states allow some sort of appeal of an authorizer’s decision to deny a charter application.<sup>21</sup>

According to the National Association of Charter School Authorizers (NACSA), *there are seven types of authorizers*: local education agencies (by far the most common), regional/intermediate agencies, state education agencies, independent chartering boards, higher education institutions, municipal offices, and not-for-profit organizations. Though some have questioned whether the authorizers themselves are accountable, 83 percent of authorizers’ boards were selected via elections in 2004 (and thus are directly accountable to voters), 16 percent were appointed by governors, and 1 percent was appointed by mayors.<sup>22</sup> *About half of the states with operating charters in 2002-03 had established more than one type of authorizer. In about a quarter of states, only a state agency could authorize charters; and in another quarter, only local education agencies (LEAs) could authorize.*<sup>23</sup>

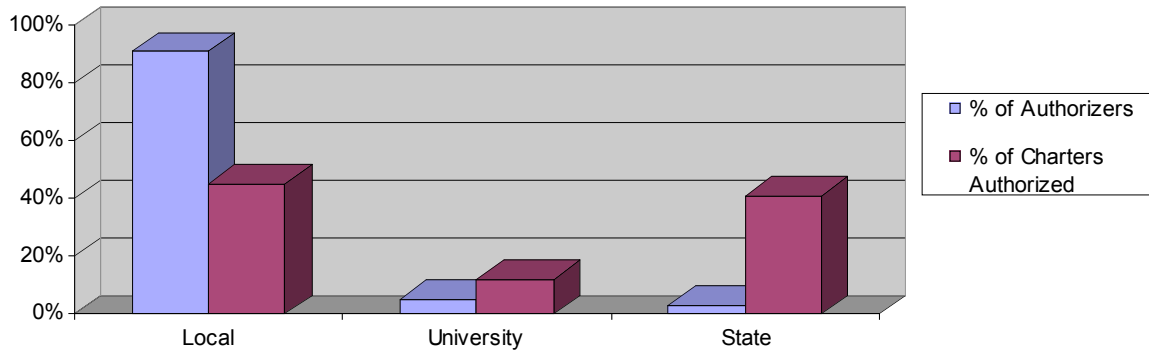
*According to a 2005 survey, 90 percent of authorizers are local school districts, 5 percent are higher education institutions, 3 percent are state agencies, and 2 percent are other entities, as shown below.*

Exhibit 3-2. Distribution of Charter School Authorizers, by Type, 2003-04 (n=452)<sup>24</sup>



*In 2001-02, local districts represented 91 percent of all authorizers but only authorized 45 percent of all charter schools; state education agencies represented 3 percent of all authorizers but authorized 41 percent of all charters.<sup>25</sup>*

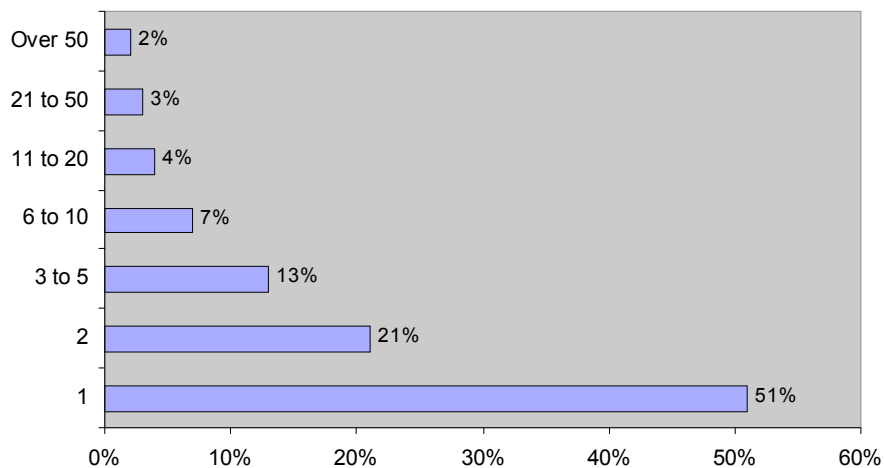
**Exhibit 3-3. Type of Authorizer as Percentage of All Authorizers vs. the Percentage of All Charter Schools They Authorize, 2001-02<sup>26</sup>**



*While some policymakers have relied on local districts to approve and authorize charters, it appears that districts as a group exhibit an aversion to chartering at scale* (though there are notable exceptions such as San Diego).

- Charters grow more rapidly in states where local school boards do not have a monopoly on authorizing. *Only six percent of charter schools are in the 13 states that allow for only a single authorizer, while 94 percent are in states with a choice among chartering authorities or a strong appeals process.*<sup>27</sup>
- *State agencies sponsor the largest number of schools per authorizer—with 15 times as many schools as local authorizers.* On average, state authorizers had 30 schools in operation and five schools in planning, universities had six schools in operation and less than one school in planning, and local authorizers had two schools in operation and less than one school in planning.<sup>28</sup>
- *Half of all authorizers have only granted one charter,* with 21 percent granting only two and 13 percent granting three to five charters. Thus, 71 percent of authorizers had granted two or fewer charters.

**Exhibit 3-4. Percentage of Authorizers by Number of Charters Granted, 2003-04 (n=452)<sup>29</sup>**



Some authorizers impose sanctions on charter schools. According to the U.S. Department of Education:

- Informal sanctions are more common than formal sanctions: **42 percent of authorizers implemented some type of informal sanction.**
- 12 percent of charter schools received written notification about problems.
- 9 percent were required to develop improvement plans.
- 3 percent were placed on probationary status.<sup>30</sup>

### *Closures*

“Accountability has always been the premise of the charter-school movement.... Yes, charter opponents will paint any school closing as a failure of charter schools generally. But that’s nonsense—closing a bad school is a success.”

--*New York Post* editorial, February 20, 2005

As of January 2004, **over 300 charter schools had closed, representing about 9 percent of charter schools ever opened**—up from about 4 percent four years ago.<sup>31</sup> Why are charters closed? According to a 2002-03 GAO survey, there were 93 charter closures that year: 28 charters revoked or terminated (none for academic reasons, 7 for financial reasons, and 21 for other reasons), 4 charters not renewed (one for academic reasons, one for financial reasons, and two for other reasons), and 61 voluntary charter closures.<sup>32</sup> **Authorizers are known to use operational defects to close academically underperforming schools, but very few charter schools are closed solely for academic reasons.**

“It’s easy to talk about the theory of closing down schools, but it’s much more difficult to really close a school. And until you’ve done it once, you really can’t understand the ramifications.”

--Jim Goenner, Central Michigan University<sup>33</sup>

### *Authorizer Performance*

According to a 2003 study in which states were graded for their authorizer practices and their policy environment, none of the 24 states received an “A” nor an “F” from the reviewers; 13 states earned an overall grade of “B,” eight earned a “C,” and three earned a “D.” Here are the overall findings:

- **Most major authorizers are doing an adequate job, but red tape and “compliance creep” are concerns.**
- **Many state policy environments are not supportive of chartered schools and authorizers.** Only 4 states received a “B” grade for their policy environments.
- **Local school boards generally do not make good authorizers....** Concerns include the influence of local politics, inadequate infrastructure development, authorizing for the “wrong” reasons, and the tendency of authorizer staff to stress compliance-based accountability.
- **States with fewer authorizers, serving more schools each, appear to be doing a better job.** It helps to develop specialized expertise and to dedicate staff members to authorizing.
- **Quality authorizing costs money; authorizing fees appear to be a viable funding source.** Many authorizers report receiving inadequate funding.<sup>34</sup>

### *Authorizer Capacity*

When asked about their greatest challenges, authorizers indicated “lack of personnel” and “inadequate resources” among their top-three concerns.<sup>35</sup> **Fifty-six percent of authorizers indicated inadequate financial resources as a challenge**, and 43 percent indicated lack of personnel. In a 2004 survey of authorizers, 42 percent reported receiving no funding to conduct oversight.<sup>36</sup> **Almost two-thirds of authorizers didn’t have a dedicated office or staff.** Across all types of authorizers, on average three FTE staff members were dedicated to charter work (three FTEs in state and local authorizers; seven FTEs in university authorizers).<sup>37</sup>

“To put it simply, we need quality authorizing to have quality charter schools.”  
 --National Association of Charter School Authorizers<sup>38</sup>

*Though authorizing was once a long-neglected component of the charter movement, it is beginning to make advances and now has national leadership.* The National Association of Charter School Authorizers (NACSA) is dedicated to boosting the supply and prevalence of high-quality charter authorizers nationwide. This group has 133 members and associate members in 26 states, overseeing nearly 40 percent of all charter schools in the country. In 2004, NACSA developed a set of quality principles that was adopted by dozens of authorizers across the country, covering everything from the application process and performance contracting to oversight and renewal decision-making. In 2005, the group has begun collaborating with three states to advance implementation of the principles.

## 2. The State

Beyond authorizers, charter schools are also accountable to the state in which they operate. Each charter law spells out the parts of the state education and administrative code that apply to charter schools (or are waived). Charter schools often work with and report to various divisions of the state department of education and sometimes undergo state compliance audits. Charter schools are also required to administer state tests to students in applicable grade levels. According to the U.S. Department of Education, even states that are not charter authorizers are often heavily involved in monitoring charter schools via a number of methods: student and parent surveys, review of progress toward charter goals, third-party evaluations, formal and informal site visits, fiscal audits, and reviews of school annual reports. In 20 states, state audit organizations monitor the financial condition of charter schools.<sup>39</sup>

## 3. The Federal Government

Charter schools are also accountable to the federal government, particularly in terms of compliance with key federal laws and regulations (e.g., health, safety, and civil rights laws). In addition, charter schools are subject to the No Child Left Behind (NCLB) Act. *In many ways, the accountability provisions of NCLB are based on the charter model:* no longer are schools free to continue operating without transparency about their academic performance and without sanctions for failure to meet academic standards. Charter schools, though, are accountable *both* to the terms of their charter contract *and* to the “adequate yearly progress” (AYP) provisions of NCLB.

There is an additional wrinkle. Under NCLB, persistently low-performing schools may be converted to charter schools as an option for restructuring them. Thus, “charter schools are both subject to state and federal accountability requirements and possible outgrowths of these efforts.”<sup>40</sup> However, this may be more important in theory than practice, at least for now. Of the 69 schools in Michigan that faced restructuring in 2004, none of the districts chose to close the school and reopen it as a charter.<sup>41</sup>

## 4. Other External Constituencies

Charter schools are also accountable to several other external constituencies, including the following:

- *Donors.* Many foundations and philanthropists provide financial and other support to charter schools but also closely monitor the use of funds and progress according to mutually agreed upon goals. (See chapter 6.)
- *Local community.* Like other schools, charter schools operate within the context of a community and its local ordinances, priorities, needs, and concerns. Often, mayors, town councils, and community groups make their voice known about educational issues and serve to keep local schools in check.
- *The media.* In many places, charter schools undergo a great deal of scrutiny from the press, with front-page stories, editorials, school profiles, and more.
- *Researchers.* Charter schools are one of the most heavily studied topics in education in the past decade. By reporting data about charter schools, the research community helps to inform the public about successes, failures, concerns, and unknowns.

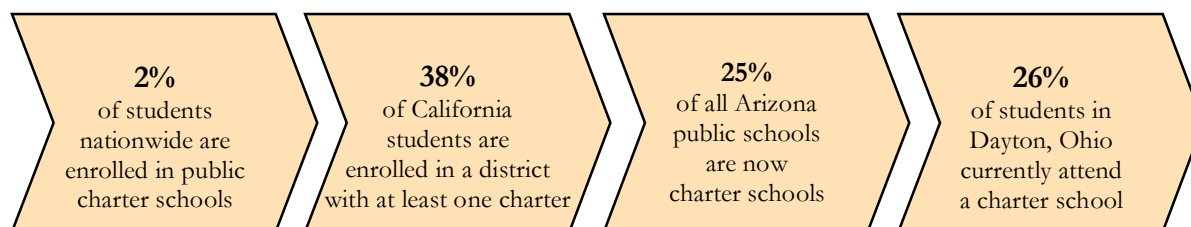
### Issues for Further Study

- How should charter school authorizers be evaluated?
- What interventions are authorizers using short of school closures to keep schools on track, and with what frequency and effect?
- We need more and better information about charter closures (rates, reasons, types, etc.).
- Is there a relationship between charter closure rates and academic performance of charter schools across states?
- New models of accountability are emerging.<sup>42</sup> How can they be effectively evaluated and replicated if found to be successful?
- What is the impact of multi-dimensional accountability on charter school performance? Are the layers of accountability for the most part complementary or contradictory?
- What can we learn about the effects of quality charter school governance on accountability? What percentage of charter governing boards are operating with best practices in effective and accountable governance (e.g., board training, clear bylaws, self-evaluations, turnover rates)?

## 4. The Impact of Charter Schools

“The real promise of the charter movement is the creation of a critical mass of schools that are not only capable of having a direct impact on overall levels of student achievement, but that are also capable of stimulating broad structural change in traditional school districts. In other words, what is required is scale and excellence.”

-- Jim Peyser, Massachusetts State Board of Education<sup>1</sup>



Now that charter schools have been around for over a decade, it is fair to ask what impact they are having. One way to begin such an assessment is to look at their market share in various jurisdictions.

### Market Share

About one million students attend public charter schools nationwide.<sup>2</sup> This is about 2 percent of all the K-12 students in the country. By contrast, there are about 6.2 million private school students nationwide, representing about 11 percent of all K-12 students. The exhibit below shows charter student market share nationally and in several leading states and cities.

**Exhibit 4-1. Jurisdictions with Large Charter School Market Share, 2004-05**

| Jurisdiction  | Market Share (Students) | Notes  |
|---------------|-------------------------|--|
| All 50 States | 2%                      | Note that there are no charter laws in 10 states and that several states with charter laws have no operating charter schools. <sup>3</sup>   |
| Arizona       | 8%                      | 82,000 students in 495 public charter schools—compared to about 20,000 home school students, 45,000 private school students, and 930,000 district students in 2004-05. <i>Arizona's charter sector is nearly twice as big as its private school sector. About one out of every four public schools in the state is a charter.</i> <sup>4</sup>               |
| Michigan      | 4.6%                    | 82,855 students in 216 public charter schools. <sup>5</sup>  |
| Delaware      | 4.5%                    | Over 5,000 public charter school students.   |
| Colorado      | 3%                      | Over 25,000 public charter school students.  |
| Wisconsin     | 3%                      | Over 26,000 public charter school students.  |
| California    | 3%                      | 180,000 students in 510 charter schools—with over 300 schools serving predominantly minority and low-income students. Most of the charter growth is in big cities. <i>38% of California's students are enrolled in a district with at least one charter school;</i> 49% of district schools had students in the local area who attend charters. <sup>6</sup> |
| Ohio          | 3%                      | 60,000 students in public charter schools. <sup>7</sup>  |
| Florida       | 3%                      | 83,159 charter students, with enrollment increasing 20-30% annually. <sup>8</sup>  |
| Minnesota     | 2.2%                    | 17,554 students in 104 charter schools, with 33 more schools eligible to   |

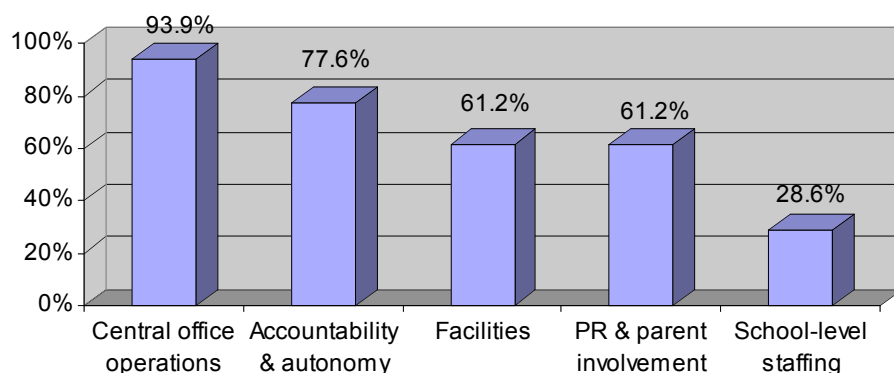
|                                  |      |  |
|----------------------------------|------|--|
|                                  |      | open as early as fall 2005. <sup>9</sup>   |
| Texas                            | 2%   | More than 80,000 students in 235 public charter schools at 316 sites. <sup>10</sup>  |
| Dayton, OH                       | 26%  | 6,000 students— <i>one out of every four in the district</i> —in public charter schools. <sup>11</sup>   |
| Kansas City                      | 24%  | 6,667 students in public charter schools. <sup>12</sup>  |
| District of Columbia             | 20%  | 16,000 students in 42 charters operating on 52 campuses, with 10 new charters to open in fall 2005. <sup>13</sup>                                      |
| Minneapolis & St. Paul           | 11%  | 60 public charter schools. About 10% of Minnesota districts—enrolling about 30% of the state’s students—have granted charters. <sup>14</sup>           |
| Detroit, Lansing, & Grand Rapids | >10% | With many Detroit students attending suburban charters, <i>about 20% of the city’s children are enrolled in public charter schools</i> . <sup>15</sup> |

Despite impressive market share in some states and jurisdictions, charter schools are a speck on the landscape nationally, but a growing body of evidence suggests that they are exerting an impact on the larger public education system that is disproportionate to their numbers.

### Ripple Effects

A U.S. Department of Education study found that every district in the study “changed the way it conducted its business and/or operations in response to charter schools. *In 90 percent of the districts, leaders indicated they made changes in multiple areas of their district’s operations in response to charter schools.*” See the exhibit below.

**Exhibit 4-2. Districts Reporting Changes in Operations due to Charter Schools, by Area (N=49)<sup>16</sup>**



Sixty-one percent of the districts said they made changes in their educational offerings in response to charter schools, and about half (49 percent) implemented at least one new educational program in district public schools in response to charter competition. Factors affecting the nature and extent of charter school impacts on districts included district size, enrollment trend (increasing, stable, declining), whether the charters were authorized by the district or an outside entity, and whether district leaders viewed charters as a challenge or opportunity.<sup>17</sup>

Another national study reported the following in 1999:

- Almost half (48 percent) of the districts experienced either strong (20 percent) or moderate (28 percent) impact from charter schools, and slightly more than half (52 percent) experienced either no impact (36 percent) or mild impact (16 percent). Thus, *“most of the districts did not show signs of strong material impact from the arrival of charter schools in their area....* Typically, school

districts had not responded with swift, dramatic improvements.... The majority of districts had gone about business-as-usual and responded to charters slowly and in small ways.”

- Districts’ responses to charter schools evolve over time and are affected by numerous factors, including how district and school leaders perceive charter schools, the “overall ecology of choice in the district,” student performance, district enrollment trends, and whether charter schools have a critical mass, with significant media attention and community awareness.
- *About a quarter (24 percent) of the districts had “responded energetically to the advent of charters and significantly altered their educational programs.”* Several districts changed their educational offerings, including opening themed schools, creating “add-on” programs (after-school or all-day kindergarten), and offering more activities or resources.
- Chartering “may have contributed to statewide reform efforts that have no formal connection to charters” such as a site-based initiative in Minnesota, changes in school financing and teacher certification regulations in Arizona, and changing school accountability and reconstitution systems in other states.<sup>18</sup>

Yet not every study finds robust effects of charter competition. It's far from clear, for example, that the presence of charter schools has altered what happens inside other public schools – even if their districts modify governance or do more marketing. According to a Rand study of California charter schools (2003), “conventional public schools have not felt much of a competitive effect from charter schools and have not changed their operational practices significantly.” Only 11.6 percent reported that they changed instructional practices in response to charters.<sup>19</sup>

*The impact of chartering is greatly affected by—and often dramatically inhibited by—the willingness and ability of school districts to change.*

Case studies of charter school impact in five mid-sized urban districts revealed a wide range of district responses to charter schools, from negative (e.g., hostility, resistance) to neutral (e.g., irrelevance) to supportive (e.g., adaptation, embrace). In many cases, the states or districts had mechanisms that shielded districts and schools from the financial impact of charters—and districts often dispersed the fiscal impact of charters across a range of schools. The researchers found that district leadership and principals’ operational autonomy are key variables in the competitive response to charters and that, as the level of pressure increased from more charters, principals introduced more innovative programs and spent more time increasing the efficiency of their schools. However, “classroom teachers have neither the time nor resources to undertake significant changes on their own in response to competition.” The conclusion: “All in all, *the effect of competition from charter schools on the existing traditional school system has yet to be clearly demonstrated.*”<sup>20</sup>

(It should be noted that there is lively debate within the charter community as to whether this should even be a central goal of the movement. While some hold that the purpose of charters is to provide competition that forces districts to change, others see charter schools as another option for parents frustrated with the quality of neighborhood schools – and say that fixing the surrounding district is not the responsibility of the charter schools.)

#### Competitive Response

- *Arizona:* Five regions in the state provided improved services, started marketing themselves, offered programs similar to popular charter schools, and conducted staff training on customer service. After charter schools expanded dramatically in Mesa, the district opened a back-to-basics school, began a new enrichment program, started advertising for students, and offered an all-day kindergarten after local charters did.<sup>21</sup>
- *California:* The Los Angeles Unified School District partnered with the CHIME charter school in an attempt to replicate district-wide their successful model for working with learning disabled students.<sup>22</sup>

- **Minnesota:** Citing growing competition from charters, St. Paul added a language and culture program to an elementary school. Minneapolis began offering more K-8 schools, citing positive response from parents to charters. Forest Lake School District opened a Montessori school after parents proposed a Montessori charter school.<sup>23</sup>
- **Ohio:** After opposing charter schools for years, Akron School District opened a virtual charter school as a competitive response to other virtual schools that were attracting Akron's students.<sup>24</sup>

## Tipping Point

Is there a “tipping point” at which large and significant systemic change can be observed due to the presence of charter schools? Some charter watchers suggest that at least 10 percent market share is required to induce district school systems to make significant changes.<sup>25</sup>

“The goal of charter reforms is not creating good charter schools in the midst of mediocre public schools. The goal is boosting the performance of all schools by fostering competition and innovation.”

--Caroline M. Hoxby, Professor of Economics, Harvard University<sup>26</sup>

A Massachusetts study found that those districts that lost the most students (5 to 6 percent) made the most changes as a competitive response and that generally it took a loss of only 2 to 3 percent to make a district take notice and induce significant innovation.<sup>27</sup> In Arizona and Michigan, a study concluded that even a modest amount of competition (e.g., the threat of losing 6 percent of their students) induces public schools to raise their productivity by a statistically significant amount, and that greater competition from charters raises productivity even more.<sup>28</sup> Clearly, more research is needed to understand these dynamics.

## Effects on the Education Sector—and Beyond

With 3,400 public charter schools serving about a million schoolchildren and charter laws in four out of five states, the effects of chartering on the education sector have been palpable. That is one reason Minnesota's charter law was recognized with a prestigious Innovations in American Government Award from Harvard University. Others have observed that the basic framework of the No Child Left Behind Act, which many have called the most influential education law in decades, is in large measure informed by the charter model.

There are also signs that chartering is having impacts beyond the realm of K-12 education. Recent changes in Colorado's higher education system were modeled directly after the chartering model, with waivers of more than 50 regulations in exchange for negotiated performance contracts with each public college and university. There is also a similar proposal making the rounds in Virginia.<sup>29</sup>

Recently, a focus on chartering schools has become a central plank in the urban renewal strategies of several big-city mayors, including those in Washington, D.C., Indianapolis, Chicago, and New York City. In D.C., charter schools are a key element of the mayor's goal of attracting 100,000 new residents to the city over the next decade. In New York, a new charter school labor agreement and accountability requirements are influencing district-wide labor negotiations and accountability requirements for all city schools. In some places (e.g., Washington, D.C.; Lawrence, Massachusetts; Newark; the Bronx; etc.), chartering has been an effective tool for community economic development by slowing or reversing family flight to the suburbs as neighborhood schools improve and as charters refurbish dilapidated inner-city buildings.<sup>30</sup>

Clearly, chartering has prompted all sorts of responses, but has the influence of chartering schools reached the core practices of public education? That is hard to say, but *if the goal is to see charter-like delivery of public education* (that is, each school with a clear mission, held accountable for explicit performance goals,

with most decisions residing at the school site, and failure resulting in revocation of the operator's license), *then we are far from that Promised Land in most places.*<sup>31</sup>

“Charter leaders are often asked to document the ripple effects of their work. But it is hard to have ripples when the lake is frozen.”

--Progressive Policy Institute, 2003 report<sup>32</sup>

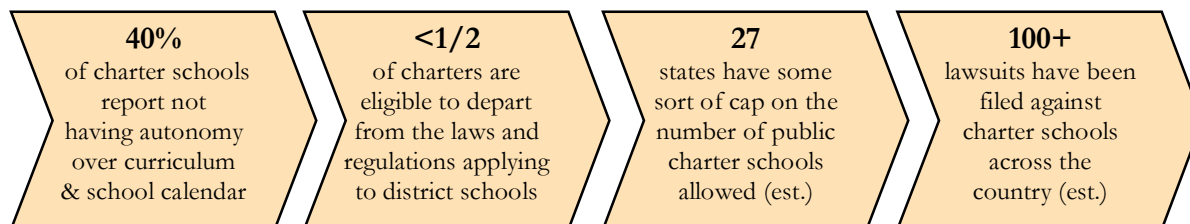
#### **Issues for Further Study**

- What are the conditions under which schools and districts will change in response to charter schools?
- What levels of charter school market share constitute a tipping point for large systemic changes?
- Are charter schools having an effect on instructional practices in district public schools?
- What chartering policies are most conducive to facilitating positive and meaningful charter school impacts?

## 5. The Politics and Policies of Charter Schooling

“In looking at the transformations being wrought by charter schools, one is reminded of Ginger Rogers’ comment about her dancing skills—that she had to do everything Fred Astaire did but backwards and on high heels.”

—Progressive Policy Institute report, 2003<sup>1</sup>



Despite strong bipartisan support at the federal level since their inception in 1991, charter schools have encountered choppy waters at the local and state levels. As the movement has grown, opposition from traditional groups has too.<sup>2</sup> Today’s charter school growth comes despite inadequate funding, statewide caps, and legal challenges.

### Degree of Deregulation

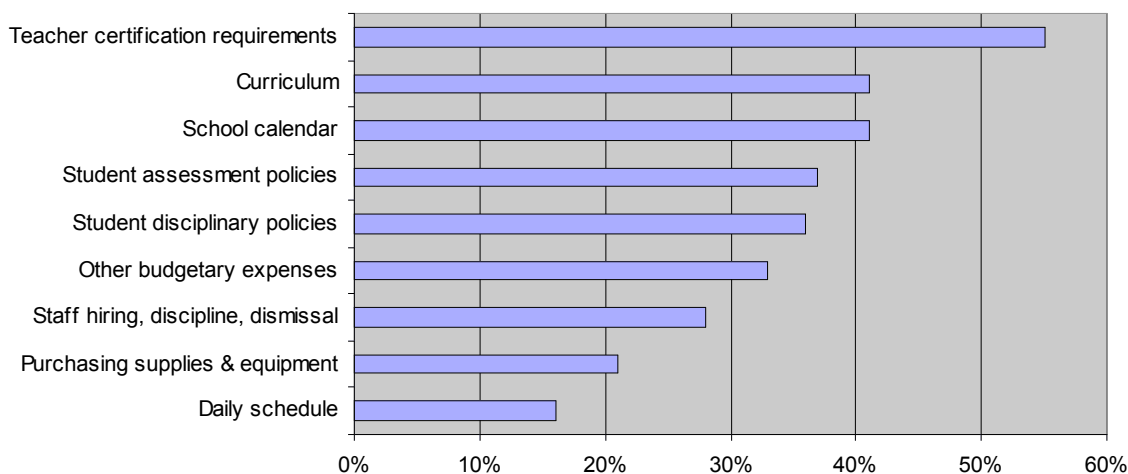
The theory of chartering schools is to free them up from burdensome rules and regulations in exchange for accountability for results. How does that work in practice? *How free are charter schools from the requirements applicable to district public schools? It varies by jurisdiction, but the short answer is this: not nearly as much as is commonly assumed.* In many states, charter proponents were forced to make significant political compromises in order to get charter school laws passed, often having to do with caps, autonomy, and waivers. The result is that no charter law is perfect, while many are problematic at best.

According to the U.S. Department of Education, few differences exist between reporting requirements for charter schools and those for district public schools: “Charter schools are now held to the same requirements as other public schools in addition to measurable goals in the charter document.”<sup>3</sup>

Observers in Arizona have noted that public charter schools have to complete *87 reports for 11 different agencies*—an average of about one report every other day during the school year.<sup>4</sup> In 2003 the Ohio Legislative Service Commission outlined the *63 requirements from which Ohio charter schools are specifically not exempt*, from precise specifications for how the national flag will be displayed to the state collective bargaining law.<sup>5</sup> According to a Rand study of California charters, “charter schools vary greatly with respect to their degrees of control,” though they generally have more autonomy than district public schools. “The degree of autonomy granted to charter schools is negotiated on an individual basis.”<sup>6</sup>

*While charter schools were intended to be autonomous, over 40 percent report that they don’t have full authority over curriculum and school calendar, over 30 percent don’t have full authority over assessment and discipline policies and other budgetary expenses (not including salaries and benefits), and over 20 percent don’t have full authority over staff and purchasing.* See below.

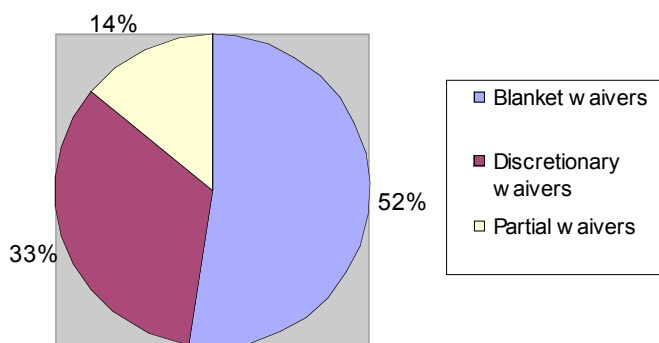
**Exhibit 5-1. Charter Schools Reporting Not Having Full Authority in Key Areas, 2001-02<sup>7</sup>**



“The charter law was a breath of fresh air. And when you open the window, some flies will fly in. It seems they’ve been trying to legislate the flies out of existence.... but in doing so, they’ve created an almost overwhelming burden of reporting and paperwork, especially for the ‘mom and pop’ charters.”  
 --Don Shalvey, Aspire Schools<sup>8</sup>

The degree of deregulation is largely determined by each state charter law, in particular its waiver provisions. Today, we estimate that 22 state charter laws (52 percent) provide for some form of blanket or automatic waiver of most applicable regulations, six laws (14 percent) provide for a partial waiver, and 14 laws (33 percent) provide for a discretionary waiver via the application or some other process.<sup>9</sup>

**Exhibit 5-2. Treatment of Waivers in Charter School Laws**



According to a 2005 study, nearly all of the 39 states surveyed reported releasing charter schools from some public school requirements but *only six states released charters from almost all traditional public school requirements.*<sup>10</sup> According to the U.S. Department of Education, “*Fewer than half of all charter schools were reported to be eligible to depart from the laws and regulations that apply to noncharter public schools.*”<sup>11</sup>

### Charter Caps

Today, *we estimate that 27 states have some form of cap on charter schools.*<sup>12</sup> A number of states have raised or eliminated their caps since their passage (e.g., Arizona, California, Connecticut, Minnesota,

Louisiana, Massachusetts).<sup>13</sup> Meanwhile, other jurisdictions are considering new caps, including Ohio and the District of Columbia. In other states (e.g., Michigan, North Carolina, and Texas), charter schools are wrestling in some fashion with or approaching the statutory cap.

### Funding Levels

*Many state charter laws provide significantly less than full funding to public charter schools.* Others place restrictions on the use of funding by charters, make funding unpredictable, delay payments to charter schools, leave it to districts to determine how much they will pay their (competitor) charter schools, prevent local tax revenues from flowing to charter schools, force charters to pay for facilities out of their operational budget, and/or make charter schools dependent on specific appropriations by the legislature each year.<sup>14</sup>

According to a national survey in 2002-03, public charter schools reported receiving \$5,688 per pupil in operating dollars, on average. According to the Common Core of Data (CCD), district public schools receive \$8,529, on average. That is a difference of \$2,841, or 33 percent less for charters. A separate study of 17 states conducted by the Legislative Office of Educational Oversight in Ohio found that per-pupil operating funding for charter schools is about 9 percent less than that for district public schools. However, since about 16 percent of charters' annual budget is spent on capital (facilities) expenses (normally handled off-budget in district schools), the percentage of operating dollars available for instruction is further reduced.<sup>15</sup> Clearly, more research is needed in this area.

#### Funding Discrepancies

- **Arizona:** On average, charter schools expended \$5,123 per pupil in fiscal 2003, versus an average range of \$5,809 to \$6,827 for districts, a funding discrepancy of 13 to 33 percent.<sup>16</sup>
- **California:** Charters have a nine-month gap between when they enroll new students and when they receive money for them. Los Angeles provides \$13,267 per district student (including facility construction costs) vs. \$4,900 for charter students.<sup>17</sup> (In other words, for every district public school funded, the district could fund 2.7 charter students.) San Diego charter schools receive 25 to 34 percent fewer per-pupil dollars than district public schools.
- **Hawaii:** This year, the U.S. Department of Education opened an investigation into the withholding of \$1.7 million in federal special education funding from Hawaiian charter schools by state officials.<sup>18</sup>
- **Maryland:** While Baltimore's public schools are funded at about \$8,650 per pupil, the district has proposed \$4,764 per student (or 55 percent) for charter schools, with the remaining amount (\$3,886) kept for services that each charter would have access to whether it wants them or not.<sup>19</sup>
- **Michigan:** Charter schools operate with an average \$1,036 less per student than district public schools.<sup>20</sup>
- **New Jersey:** Charter schools receive 90 percent of what districts spend per student, or 90 percent of a state-designated minimum—whichever is *less*.<sup>21</sup>
- **New York:** On average, New York City charter schools receive \$8,452 per student versus \$9,057 for district public schools; charter schools must use their operating dollars for facilities.<sup>22</sup>
- **Ohio:** Charter schools receive far fewer funds than district schools because they only receive a portion of the state funding allotted, no local funding, and no capital funding. Considering operating funds alone, charter schools educate students for \$2,400 less per pupil, on average. According to a 2004 study of ten Dayton charter schools, average per-pupil funding was \$7,510 vs. \$10,802 for district public schools (\$11,702 with capital funds). Altogether, Dayton district school funding is 56 percent higher.<sup>23</sup>

**Lawsuits**

Some charter opponents, often frustrated by charter successes in state legislatures, have taken their battles to the courts. The Center for Education Reform estimates that there have been over a hundred legal battles against charter schools in lower courts and that there were major legal battles in 11 states between 1996 and 2005, several of which are still being litigated.<sup>24</sup>

**Issues for Further Study**

- How has the quality of charter laws changed over time?
- How are caps affecting charter school growth rates?
- Is there a correlation between charter funding levels in a state and the number of charter schools operating there?
- How do state charter laws affect not only growth but also performance of charter schools?
- Would states allow greater autonomy if they were persuaded of the performance and accountability of the charter sector?
- How can the promise of “dollars following students” to charter schools be realized when districts view this transaction simply as a net loss to their budgets?

## 6. The State of Charter School Support

“Unlike traditional public schools, which depend on their local school district central offices for virtually everything—funding, staff, facilities, teacher training, equipment, supplies, building repairs, janitorial service—charter schools must obtain many essential goods and services for themselves.... These voluntary relationships create mutual benefit and dependency between charter schools and many other entities that heretofore played little or no role in public education.... In their strongest forms, they can have a powerful effect on a school’s priorities and actions.”

--*National Charter School Accountability Study*, 2001<sup>1</sup>

Much has been accomplished in the charter movement since its inception: 40 states have passed charter school laws, 3,400 schools have opened serving about a million children, thousands of buildings have been located and financed, tens of thousands of administrators and teachers have been hired and trained, about 600 authorizers have sponsored schools, hundreds of schools have been closed, a billion dollars in federal funding has been allocated by Congress, about 70 charter school support organizations have opened their doors, thousands of children have graduated, and much more. How did all of this happen?

With lots of help. The charter sector has spawned an entire industry of support organizations, from charter management organizations to resource centers and lenders. We do not attempt to quantify that large and expanding universe here, but we do highlight a few telling data points. *While the level of support has been robust in some areas, it is porous and scarce in many others when juxtaposed against the enormous challenges and needs*, with too many charter schools bootstrapping their way through start-up or sometimes even shutting their doors for lack of resources.

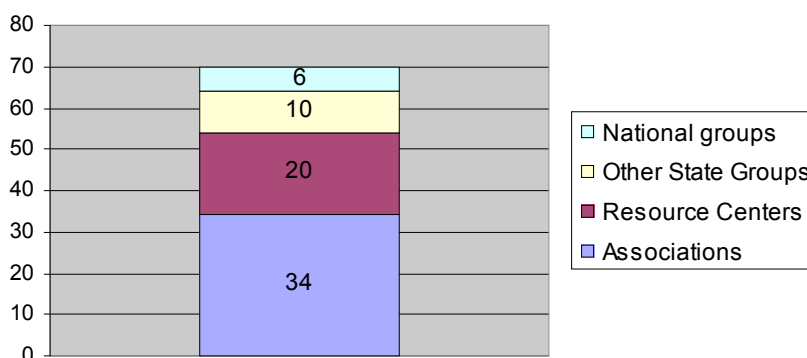
### Multiplicity of Challenges

*Charter operators face a multiplicity of challenges in launching and running their schools.* The start of each new school entails a thousand-odd tasks from academics to transportation to food service. Many charter school administrators thus seek support in numerous areas: start-up funding, facilities financing, special education, data management, payroll, purchasing, health and social services, bookkeeping, state testing, and more. Large percentages of charter schools struggle to overcome opposition from or other challenges associated with local school boards, the state department of education, local unions or bargaining units, or federal and state regulations.<sup>2</sup> We now know much more about what it takes to launch and successfully operate a high-performing school, but we don’t yet know how much help charter leaders get with strategic planning, leadership development and training, systems and operations, etc.

### Support Organizations

Today, we estimate that *there are about 70 national and state charter school support organizations* of many shapes and sizes, including: resource, technical assistance, development, service, and information centers; associations; networks; leagues; consortia; coalitions; projects; alliances; councils; and clearinghouses. By our count, there are 34 state charter school associations (and their variants), 20 charter school resource centers (and their variants), and ten other state organizations supporting charter schools in some fashion, plus at least six major national charter groups. (Note that several of these organizations play multiple roles.) These groups can be found in 38 states (plus D.C.), with 15 states having both some sort of association and some sort of resource/technical assistance center. One state alone has five charter support organizations.<sup>3</sup>

**Exhibit 6-1. Types of Charter Support Organizations**



Currently, there is no simple way to judge the effectiveness of these organizations, and there are no systematic data on their years in operation, staff size, budgets, or ratio of staff to schools supported.<sup>4</sup> By our count, 31 of these organizations have an extensive web site and 21 have no web site or presence at all. We do know, though, that *many of these operations are short-staffed (often with part-time or volunteer help) and under-funded.*

Is there a correlation between support organizations and the number of charters in a state? That's difficult to say, but the five states with the most charter schools have both charter associations and resource centers. The 15 states that have both an association and a resource center have nearly three-quarters (74 percent) of the nation's charter schools, though they only comprise just over a third of charter school states. Still, it is impossible to determine whether the growth was a cause or effect of the organizations. Fourteen years into the charter movement, some charter watchers have observed a "changing of the guard" among charter leaders or organizations in some states. Thus, *succession may be a looming challenge. There are many influential leaders who have contributed much to the movement in their states, but what will happen when they retire or move on to other fields?*

### Technical Assistance

In many states charter schools also receive lots of help from state education agencies (some with newly created charter school divisions) or regional education service centers. A 2002 U.S. Department of Education study found that 87 percent of charter schools receive technical assistance from their state education agency or its web site and 59 percent receive technical assistance from a county or regional education agency. Other sources of technical assistance included charter school networks, community members, other charter schools, colleges and universities, private businesses, and the U.S. Department of Education. Many states also provide training, technical assistance, and/or other support to charter school authorizers.<sup>5</sup>

According to the U.S. Department of Education, "State charter school offices have responsibilities relating to the development, operation, and monitoring of charter schools [from providing policy clarification, to overseeing the charter application process, to providing technical assistance and monitoring student performance] but most states have limited staff to perform these functions." In 2001-02, state charter school offices (usually housed at the state education agency) had on average three full-time equivalent (FTE) professional and administrative staff members dedicated to charter work, although the most common (modal) response was to have one FTE. Arizona had 287 charter schools but only two FTEs dedicated to charter work, and Wisconsin had 108 charter schools but only 1.85 FTEs.<sup>6</sup>

When asked about their sources of technical assistance, the highest percentage of schools indicated the state education agency, followed by the charter authorizers (most likely because the vast majority of authorizers are local school districts)—with a charter school network or information center the third highest response. So, a

great deal of technical assistance is provided by school districts (in their dual role as authorizer and LEA), yet it's not clear how much of this is directed by the schools themselves. According to a 2003 Rand study, large percentages of California charter schools report receiving administrative services—and in some cases all of their technical assistance—from school districts.<sup>7</sup>

### Federal Assistance

Given the significant funding discount between charter and district public schools (see chapter 5), many charter schools actively seek outside financial assistance. According to the U.S. Government Accountability Office (2005), Congress has appropriated over \$1 billion of federal funding since 1995 to encourage new and expanding charter schools, and charter schools receive payments from 18 federal grant programs, most notably Title I and special education grants.<sup>8</sup> Major programs this year include the Charter Schools Grants program (\$218.7 million), State Charter School Facilities Incentives Grants (\$200-\$300 million), and the Credit Enhancement for Charter School Facilities program (\$37 million).<sup>9</sup> These programs fund a wide array of projects and resources, from professional development and technology to curricular and instructional materials.

### Philanthropic Help

“Philanthropies played a vital role in the early years of the charter movement, and they are even more vital now.”

--The Philanthropy Roundtable<sup>10</sup>

There are also many private sources of funding and support for charter schools, including many high-profile organizations such as the Gates Family, Walton Family, Annie E. Casey, Pisces, Thomas B. Fordham, and Challenge Foundations. Often, these foundations have a big impact on the charter sector in certain places (e.g., New York City and Dayton, Ohio). Between 1997 and 2003, the Walton Family Foundation awarded over \$43 million to charter schools for planning, start-up, and continuing support.<sup>11</sup> The NewSchools Venture Fund in California has created an Accelerator Fund, with \$30 million focused on developing key infrastructure necessary to grow the supply of high-quality charter schools nationwide.<sup>12</sup> According to the U.S. Department of Education, 84 percent of states reported that private donors served as sources of start-up funds for charter schools, with many providing ongoing financial or in-kind assistance as well.<sup>13</sup>

*Still, many charter schools struggle with lack of adequate operating funding, lack of any capital funding at all, small staff size, and lack of technology and systems* such as student information systems and data warehousing systems. By one count, even large gifts to charter schools have added up to little more than “a drop in the bucket compared to the financing needed,” estimated to be around \$400 to \$500 million per year.<sup>14</sup>

### Parents

Many charter schools also make extensive use of parent volunteers. According to the U.S. Department of Education, *“Charter schools are more likely than traditional public schools to have high levels of parental involvement in the areas of budget decisions, governance, instructional issues, parent education workshops, and volunteering.”*<sup>15</sup> Parents often serve on charter school governing boards, and some charter schools ask parents to sign contracts indicating their commitment to their children’s academic success.

### Governing Boards

We should not overlook the importance of charter school governing boards. Though these boards are the part of the school (technically, they are the legal entity), they are distinct from the school staff and often provide support (e.g., fundraising activity or pro bono legal work) that is invaluable to bootstrapping charters in their start-up years, not to mention holding the school leaders accountable for their performance in running the school.

## Partnerships

“Some traditional public schools have experimented with partnerships, but charter schools have been particularly apt to do so.... Exemptions from many district and state regulations enable charter schools to seek partnerships more readily than traditional schools can.”

--Priscilla Wohlstetter and Joanna Smith, Center on Educational Governance<sup>16</sup>

The charter sector is bustling with activity among donors, lenders, contractors, associations, and more. Here are a few examples of organizational partnerships with charter schools:

- Student-teachers from the University of San Francisco’s Oakland campus provided a charter school’s students with individualized attention—also giving the student-teachers hands-on experience.
- A Florida charter school partnered with a maritime museum for curriculum enrichment.
- In Georgia, a charter high school partnered with a personal training studio run by a former professional football player to expand the sports program and give students work-study opportunities.<sup>17</sup>
- The National Charter School Clearinghouse web site lists charter support organizations in over 40 areas, from accounting, accreditation, administration, assessment, and audio-visual equipment to text books, training, tutoring, volunteering, and web design.

So important are charter partnerships that many state charter laws actually address them. *All but four states include provisions related to alliances in their charter laws*; 10 state laws include provisions that require charter applicants to describe their intended partnerships; three charter laws specify that part of the purpose of the legislation is to encourage partnerships; and 13 charter laws permit charter schools to contract with any entity they wish for any services or resources. (There are also restrictions on certain kinds of partnerships in some states.) In addition, the states with established resource centers tend to have more partnerships.<sup>18</sup>

“Partnerships hold promise for leveraging resources, enhancing the delivery of educational services and, ultimately, for improving student achievement. State policymakers interested in leveraging resources across the nonprofit, for-profit, and public sectors may want to consider incorporating incentives for partnering into states charter school laws and offering support to charter school resource centers that can assist charter schools in partnering with other organizations.”

--Education Commission of the States, 2004<sup>19</sup>

## Education Service Providers

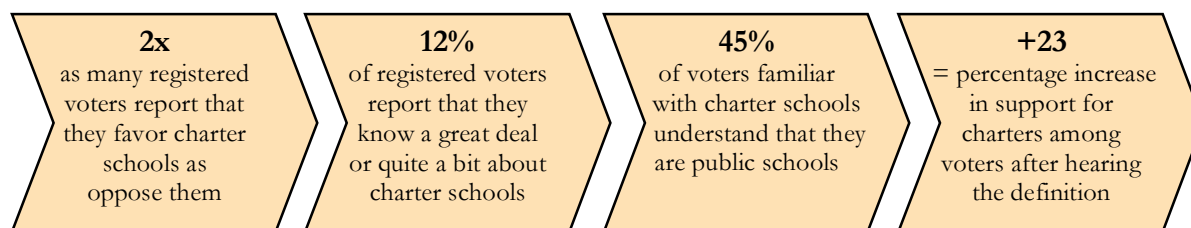
Many charter schools create or work with external entities to build capacity or obtain specialized services. As seen in chapter 1, it is estimated that 10 to 14 percent of charter schools contract with educational management organizations (EMOs) for services. These EMOs provide expertise with hiring, budgeting, forecasting, sourcing, negotiating, and other common business functions. Other charter schools choose to work with nonprofit organizations, including charter management organizations (CMOs) and charter networks. According to the U.S. Department of Education *“the data suggest that the role of nonprofits was consistently more comprehensive than that of for-profits....* The for-profit organizations generally were involved in the administrative and business side of school operations but less so in programmatic, personnel, or accountability issues and operations.”<sup>20</sup>

## Issues for Further Study

- Data are sparse on the basics of charter support organizations (e.g., staff size, budget, funding source, staff: school ratio, etc.) and their effectiveness and impact.
- Is the supply of charter school support adequate to meet the needs?
- Are there certain areas of charter school support that are stronger than others (e.g., technical assistance, professional services, leadership development, IT support, lending, etc.)?
- Is federal funding properly targeted to promote both growth and quality?

## 7. The State of Public Opinion on Charter Schools

“How many cocktail parties have you attended where someone said ‘Um, so what exactly *is* a charter school? Isn’t it like, you know, a private school?’ That’s a problem.”  
 --Michael Goldstein, MATCH Public Charter School, Boston<sup>1</sup>

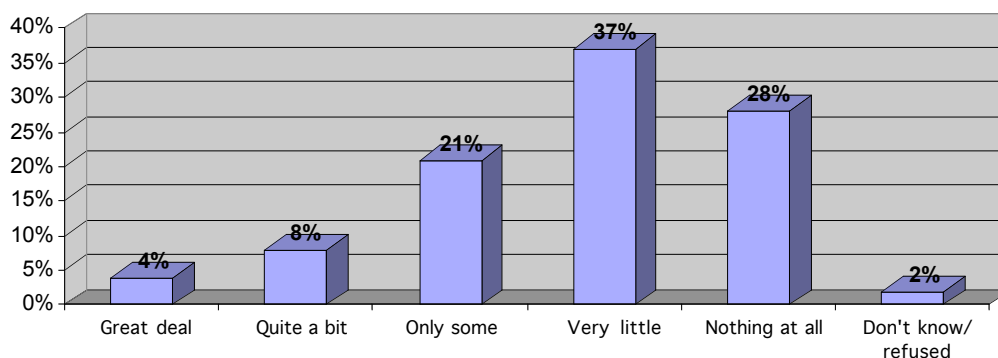


*Despite their importance in education circles, most people in America don't know what a charter school is.* This, despite the fact that they've been around for well over a decade, that they are passionately debated in statehouses and schoolhouses nationwide, that they have spread to many other countries (e.g., Canada, the United Kingdom, Sweden, Australia, New Zealand, Argentina, Chile, Qatar, etc.), that they serve about a million students, that they have been supported by presidents of both parties for the past 12 years, and so on. Of course, the fact that they only have about 2 percent market share in American education and that they are difficult to define in simple sound bites works against them.

### 2005 Survey of Public Opinion on Charter Schools

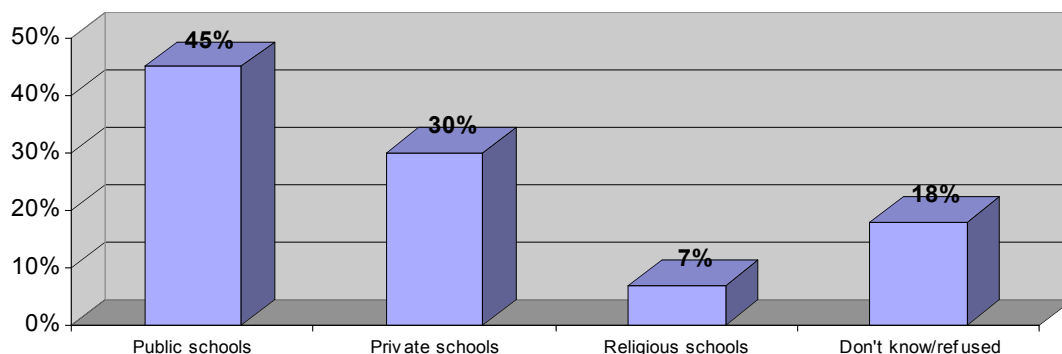
Between March 29 and April 7, 2005, the Charter School Leadership Council (CSLC) commissioned a national survey of 803 registered voters asking their views on charter schools.<sup>2</sup> Here is a summary of the results:

7-1. How much do you know about charter schools—a great deal, quite a bit, only some, very little, or nothing at all?



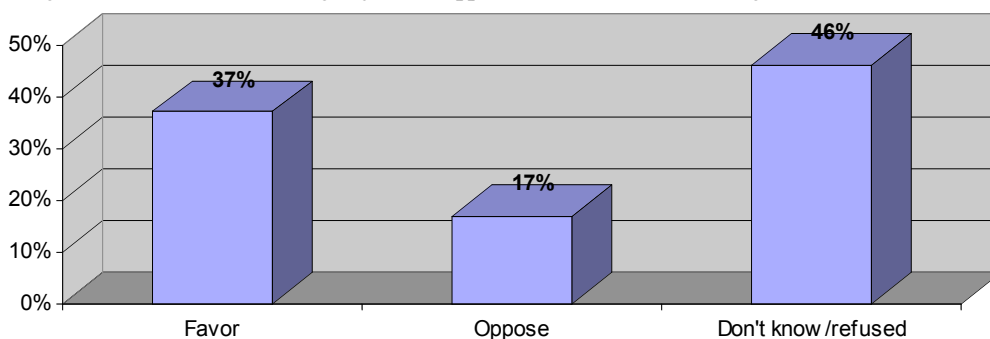
- *Only 12% of registered voters know a great deal (4%) or quite a bit (8%) about charter schools, versus 21% who know only some, 37% very little, 28% nothing at all, and 2% who don't know or refused to answer. Altogether, 65% of registered voters know very little or nothing at all about charter schools.*

7-2. (Of those who knew at least something about charter schools): Do you think charter schools are:



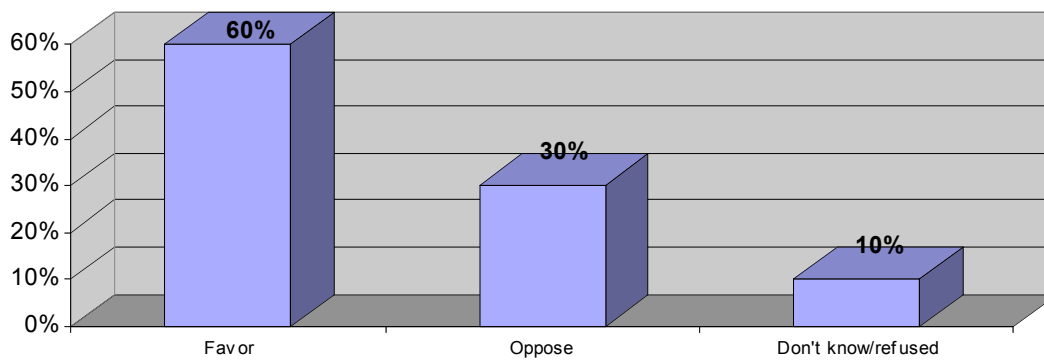
- Of those who report knowing at least something about charter schools, 45% think (correctly) that they are public schools, 30% think (incorrectly) that they are private schools, and 7% think (also incorrectly) that they are religious schools; 18% don't know or refused to answer. In other words, more than half of registered voters reporting knowing something about charter schools had misconceptions about whether charter schools were public schools or didn't know.

7-3. From what you know or have heard, do you favor or oppose charter schools, or aren't you sure?



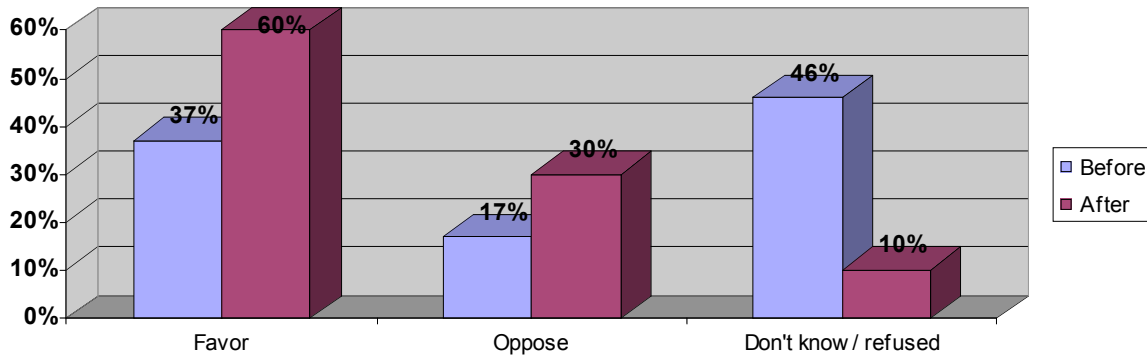
- Asked straightaway (before hearing the definition of charter schools), 37% of registered voters favor charter schools, 17% oppose them, and 46% don't know (or refused to answer). Twice as many registered voters favor charter schools as oppose them.

7-4. (After hearing the definition of charter schools),<sup>3</sup> would you favor or oppose your state legislature passing laws expanding charter schools so more schoolchildren in your state could enroll in them?



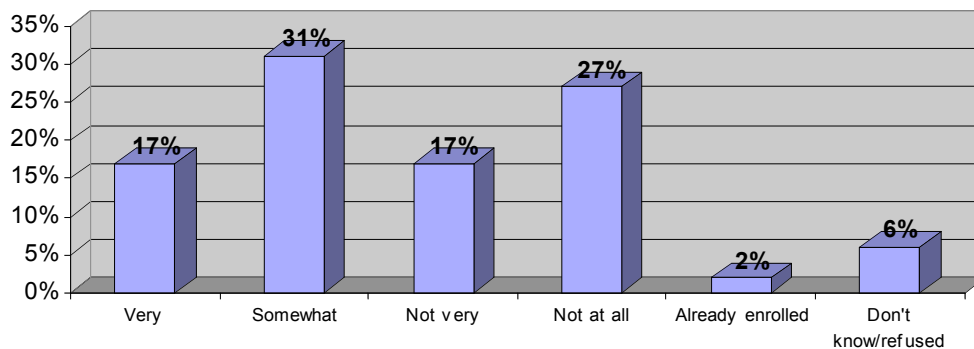
- *After hearing the definition of charter schools, twice as many registered voters report favoring charter schools (60%) versus opposing them (30%).*

7-5. Those Favoring or Opposing Charter Schools Before and After Hearing Their Definition



- *After hearing the definition of charter schools, those reporting that they favor them increased by 23 points (from 37% to 60%); those reporting that they oppose them increased by 13 points (from 17% to 30%); and those reporting that they don't know (or refused to answer) decreased 36 points from 46% to 10%.*

7-6. (If parent): How interested would you be in enrolling your children in a charter school?



- Of the registered voters who are parents with children under 18 living at home, 48% report (having heard the definition) interest in enrolling their children in a charter school (17% very interested, 31% somewhat interested), while 44% report lack of interest (17% not very interested, 27% not at all interested). Two percent already have a child enrolled in a charter school, and 6% don't know/refused to answer. *Thus, half of parents are potentially interested in enrolling their children in a charter school or already have a child in one.*

#### Previous Surveys

A 1999 Public Agenda survey of 1,207 American citizens found that *charter schools were a "mystery."* About 8 in 10 parents (79 percent) and members of the general public (81 percent) said they knew very little or nothing about charter schools. As to be expected, there was general confusion about the difference between a traditional public school, a public charter school, and a private school. However, the survey revealed that *"the more people learn" about charters, "the more they like the idea,"* so much so that over half (54

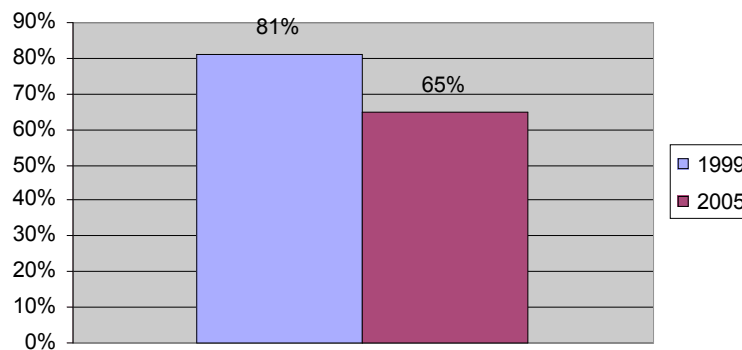
percent) of parents said they would either seriously consider sending their children to a charter school or definitely do so.<sup>4</sup>

Another survey came to a similar conclusion from a different direction: in a national survey of over 100 charter school authorizers, when asked about their biggest challenges, all types of authorizers (local, university, state) indicated “public confusion about charters” in their top-five list of challenges—with state authorizers indicating that was their top challenge.<sup>5</sup>

Between 2000 and 2002, the Phi Delta Kappa/Gallup Poll asked Americans whether they had heard or read about charter schools. The percent saying yes went up from 49 percent in 2000 to 56 percent in 2002, while the percent saying no went down from 50 to 43 percent (the percent answering “don’t know” remained constant at 1 percent). When asked about whether they favor or oppose charter schools, those favoring increased from 42 percent in 2000 to 44 percent in 2002, while those opposing decreased from 47 percent to 43 percent (with those who don’t know increasing from 11 to 13 percent).<sup>6</sup>

State surveys have revealed the same problem. According to a 2002 poll of registered California voters, about half (48 percent) of respondents either “know almost nothing” about charter schools or “have never heard of them.”<sup>7</sup> However, a different (and somewhat encouraging) result was found in the state that first launched the charter movement in 1991: 52 percent of Minnesotans in a 2003 survey expressed support for the state’s charter school law, with 21 percent opposed, and 75 percent indicated that families should have the right to select among various public schools.<sup>8</sup>

7-7. *Change Over Time: Percent of Registered Voters Reporting that They know Very Little or Nothing at All about Charter Schools, 1999 to 2005.*<sup>9</sup>



- *The percent of registered voters reporting that they know very little or nothing at all about charter schools is down 16 percentage points since 1999, though it is still high.*

“For the well-established concept of chartering public schools ever to become a full-fledged movement of major significance, there must be a widespread public belief in the need for more variety and more choice in the public education system.”

--Ron Wolk, Editorial Projects in Education<sup>10</sup>

### Issues for Further Study

- How and why is public opinion about charter schooling changing over time?
- Why are misconceptions about charter schooling so persistent?
- What are the best ways to inform the public about charters and clarify or resolve the misconceptions?
- What are the reasons that people favor or oppose charter schools?

### **Author's Acknowledgements**

The author is grateful to the many people who contributed in ways large and small to this report. Several individuals reviewed drafts of the report and provided valuable feedback and suggestions: Bryan Hassel, Todd Ziebarth, and Dave DeSchryver. This work is much stronger thanks to their efforts.

Special thanks are owed to Nelson Smith and Andy Smarick at the Charter School Leadership Council for their support and guidance in shaping this report.

Many others provided assistance, information, or insights. Thanks to David Cantor, Chester E. Finn, Jr., Chris Gergen, Mary Gifford, Jim Goenner, Dan Quisenberry, Greg Richmond, Terry Ryan, Justin Torres, and Kristina Vanourek.

While appreciating all of these considerable contributions, the author accepts full responsibility for the content of the report.

## Endnotes

### 1. Charter Schools by the Numbers

<sup>1</sup> Source: Center for Education Reform, [www.edreform.com](http://www.edreform.com). Note that the 2004-05 figure is an approximation and a moving target, due to periodic changes in state reports, charters operating on multiple campuses, schools opening and closing mid-year, etc. Estimating the number of charter schools and students at any point in time is exceedingly difficult and complex. As we write, the Center for Education Reform is in the process of updating its 2004-05 charter numbers.

<sup>2</sup> Source for the data from 1997 to 2003: Center for Education Reform. Source for the data from 1991 to 1996: (net) calculation from total schools reported each year.

<sup>3</sup> Nelson Smith, "Charter School Lessons," *Blueprint Magazine*, July 27, 2003.

<sup>4</sup> By the 2004-05 school year, Florida had overtaken Michigan as the state with the 3<sup>rd</sup> highest charter enrollment.

<sup>5</sup> Bryan Hassel and Michelle Godard Terrell, *The Rugged Frontier: A Decade of Charter Schooling in Arizona*, Progressive Policy Institute, June 2004, 22.

<sup>6</sup> Jon Schroeder, *Ripples of Innovation: Charter Schooling in Minnesota*, Progressive Policy Institute, April 2004, 9.

<sup>7</sup> Alexander Russo, *A Tough Nut to Crack in Ohio: Charter Schooling in the Buckeye State*, Progressive Policy Institute, February 2005, 14.

<sup>8</sup> Center for Education Reform, "Charter Schools, Still Making Waves," March 2005.

<sup>9</sup> Center for Education Reform, *Charter Schools Today: Changing the Face of American Education—Statistics, Stories, and Insights*, Washington, D.C., 2004, 6, 11.

<sup>10</sup> Center for Education Reform, *Charter Schools Today*, 2004, 6, 11. Jim Hughes, "Education Gets Slight Boost," *Denver Post*, April 7, 2005. Massachusetts Charter Schools Association. See also: "Charter Schools, Unbound," *Christian Science Monitor* (editorial), January 21, 2005. Central Michigan University, *Charter School Annual Report*, 2004, 8.

<sup>11</sup> Illinois State Board of Education, *Illinois Charter School Annual Report*, January 2005, 8.

<sup>12</sup> Author's review of information on each charter school law from Education Commission of the States, [www.ecs.org](http://www.ecs.org). Note that Delaware doesn't statutorily cap the number of charters but does allow the state department of education or a local school board to limit the number of charters granted, and Wisconsin only allows the University of Wisconsin-Parkside to authorize one charter.

<sup>13</sup> North Carolina League of Charter Schools. Massachusetts Charter Schools Association. New York Charter Schools Association. Alexander Russo, February 2005, 9.

<sup>14</sup> U.S. Department of Education, *Issue Brief: 1.1 Million Homeschooled Students in the United States in 2003*, July 2004, 1. Estimated range (95 percent confidence interval): 915,000 to 1,277,000 (1,096,000: interval midpoint).

<sup>15</sup> Source for data from 1991 to 1999: Policy and Program Studies Service, *Evaluation of the Public Charter Schools Program Final Report*, U.S. Department of Education, 2004, 71. Source for other years: Center for Education Reform. Note that D.C. was added to this list of "states" in 1996.

<sup>16</sup> U.S. Government Accountability Office, *Charter Schools: To Enhance Education's Monitoring and Research, More Charter School-Level Data Are Needed*, January 2005, 28.

<sup>17</sup> Policy and Program Studies Service, 2004, 6.

<sup>18</sup> Policy and Program Studies Service, 2004, 19-20. SRI International, *A Decade of Public Charter Schools*, U.S. Department of Education, November 2002, 12.

<sup>19</sup> Center for Education Reform, *Charter Schools Today*, 2004, 12. Other responses included: constructivist, outcome-based education, home/independent study, bilingual/foreign language, GED/high school completion, Montessori, Expeditionary Learning, Virtual/Cyber/Online, Waldorf, and International Baccalaureate.

<sup>20</sup> Center for Education Reform, *Charter Schools Today*, 2004, 4, 12.

<sup>21</sup> Alexander Russo, *A Tough Nut to Crack in Ohio*, February 2005, 5, 18.

<sup>22</sup> See also Gib Hentschke, Scot Oschman, and Lisa Snell, *Trends & Best Practices for Education Management Organizations*, WestEd Policy Perspectives. The figure was 8 percent in the sample in the following study: Natalie Lacireno-Paquet, *Do EMO-Operated Charter Schools Serve Disadvantaged Students? The Influence of State Policies*, Education Policy Analysis Archives, June 15, 2004.

- 
- <sup>23</sup> Ohio source: Alexander Russo, *A Tough Nut to Crack in Ohio*, February 2005, 5, 15-6. Michigan sources: Michigan Association of Public School Academies, correspondence with the author, April 25, 2005. Note that the percentage has only changed from 70 percent in 1999 to 69 percent today. See Mackinac Center for Public Policy, "Education Management Organizations: Managing Competition," August 13, 1999, [www.mackinac.org](http://www.mackinac.org). See also Katrina Bulkley and Jennifer Fislser, "A Decade of Charter Schools: From Theory to Practice," Consortium for Policy Research in Education, April 2002, 3.
- <sup>24</sup> Alex Molnar, Glen Wilson, Daniel Allen, *Profiles of For-Profit Education Management Companies: Sixth Annual Report 2003-04*, Arizona State University's Commercialism in Education Research Unit, February 2004, 3, 9. In 2004, six of the largest EMOs combined to form the National Council of Education Providers, altogether serving over 155,000 students in 333 schools across 22 states: [www.educationproviders.org](http://www.educationproviders.org).
- <sup>25</sup> Source: NewSchools Venture Fund. The largest programs are Aspire Public Schools (11 schools; 3,590 students), Partnership to Uplift Communities (6 schools; 1,056 students), and Green Dot Public Schools (5 schools; 1,375 students).
- <sup>26</sup> Policy and Program Studies Service, 2004, xiii, 23.
- <sup>27</sup> Review of the Common Core of Data, National Center for Education Statistics, U.S. Department of Education, 2005.
- <sup>28</sup> Ron Zimmer et al., *Charter School Operations and Performance: Evidence from California*, Rand, 2003, 94, 96-97, 114.
- <sup>29</sup> Policy and Program Studies Service, 2004, xiii, 23.
- <sup>30</sup> Policy and Program Studies Service, 2004, xv, 25-26.
- <sup>31</sup> Center for Education Reform, *Charter Schools Today*, 2004, 10.
- <sup>32</sup> Caroline Hoxby, "Would School Choice Change the Teaching Profession?" Harvard University, 1999 (revised January 2002).
- <sup>33</sup> RPP International, *The State of Charter Schools 2000: Fourth-Year Report*, U.S. Department of Education, 2000, 24.
- <sup>34</sup> Chester E. Finn, Jr., Bruno V. Manno, and Gregg Vanourek, *Charter Schools in Action: Renewing Public Education*, Princeton University Press, 2000, 276.
- <sup>35</sup> Finn, Manno, and Vanourek, *Charter Schools in Action*, 277.
- <sup>36</sup> Policy and Program Studies Service, 2004, xiii. This might be more than expected, given that as of April 2005, only 16 charter school laws required that teachers in a charter school be certified, and 22 other laws had various limited requirements. The remaining laws did not require certification. There are some important nuances behind the data. First, the notion of requiring traditional modes of certification is somewhat antithetical to a sector designed to foster innovation and inject entrepreneurship into education. An important component of chartering is expanding the pool of teachers through alternate routes and from other sectors, thereby adding fresh thinking and approaches into the schoolhouse. Finally, some researchers have questioned whether current teacher certification systems are accurate indicators of teacher quality. See, for example, Marci Kanstoroom and Chester E. Finn, Jr., eds., *Better Teachers, Better Schools*, Thomas B. Fordham Foundation, July 1999.
- <sup>37</sup> Policy and Program Studies Service, 2004, 26.
- <sup>38</sup> Jon Schroeder, *Ripples of Innovation*, April 2004, 14-15.
- <sup>39</sup> Policy and Program Studies Service, 2004, 27.
- <sup>40</sup> We know very little about organic growth. In Illinois in 2003-04, 39 percent of charter schools were still in the process of adding grade levels, while 61 percent had all of their planned grade levels up and running. Source: Illinois State Board of Education, January 2005, 8.

## 2. The Academic Performance of Charter Schools

<sup>1</sup> Bryan Hassel, *Studying Achievement in Charter Schools: What Do We Know?* Charter School Leadership Council, January 31, 2005. Note that the original report included 38 studies but Hassel has since added new studies to the analysis as they have been released.

<sup>2</sup> Note that value-added analysis is not without its own set of challenges. Value-added assessments can be complex to administer and require a high degree of professional and technical expertise. Some observers have pointed out challenges with calibration to state standards, high student attrition rates leading to low numbers in data sets, etc.

<sup>3</sup> Caroline Hoxby, "Chalk It Up," *Wall Street Journal*, September 29, 2004.

---

<sup>4</sup> There were two exceptions to this rule: 1) one study (Metis Associates) was included because it examined all charters in Kansas City, Missouri, which has one of the largest charter market shares of any city in the U.S.; and 2) another study (Hoxby and Rockoff) reviewed Chicago charter schools operated by a single management organization. The studies were grouped into three categories: *panel studies* (following individual students over time to determine how their academic performance changed from year to year); *snapshot studies* (looking at one or more points of time); and *other change studies* (evaluating change over time but through some method other than following individual students over time, such as following average school-wide scores from year to year).

<sup>5</sup> Hassel, *Studying Achievement in Charter Schools*, 2005, 6.

<sup>6</sup> In spring 2005, a new web site ([www.schoolmatters.com](http://www.schoolmatters.com)) offered productivity comparisons across school districts: 1) The Return on Spending Index (RoSI) measures the average return, in terms of student proficiency, on the money spent on core activities—i.e., the percentage of students achieving proficiency for every \$1,000 spent per student—allowing for comparisons of educational productivity across similar districts (adjustments are made for student needs and differences in geographic purchasing power). 2) The Performance Cost Index (PCI) measures the cost associated with a level of student proficiency, revealing the average number of dollars spent for every percentage point of proficiency achieved (again, adjustments are made).

<sup>7</sup> Ron Zimmer et al., *Charter School Operations and Performance: Evidence from California*, Rand, 2003, xxv-xxvi.

<sup>8</sup> Alexander Russo, *A Tough Nut to Crack in Ohio: Charter Schooling in the Buckeye State*, Progressive Policy Institute, February 2005, 24. See also Terry Ryan, *A Wide-Angle Look at the Charter School Movement in Ohio/Dayton*, Thomas B. Fordham Foundation, September 2004, 5.

<sup>9</sup> Hassel, *Studying Achievement in Charter Schools*, 2005, 8.

<sup>10</sup> Ted Kolderie, *Evaluating Chartering: A Case for Assessing Separately the Institutional Innovation*, Education Evolving, October 2003.

<sup>11</sup> Ted Kolderie, *Evaluating Chartering*, Education Evolving, July 21, 2003 revision, 5.

### 3. The State of Charter School Accountability

<sup>12</sup> Bryan Hassel, *Studying Achievement in Charter Schools: What Do We Know?* Charter School Leadership Council, January 31, 2005.

<sup>13</sup> Note that the charter contract falls in both the internal and the external sets of layers.

<sup>14</sup> Policy and Program Studies Service, *Evaluation of the Public Charter Schools Program: Final Report*, U.S. Department of Education, 2004, 46.

<sup>15</sup> See, for example, Chester E. Finn, Jr., Bruno V. Manno, and Gregg Vanourek, *Charter Schools in Action: Renewing Public Education*, Princeton University Press, 2000.

<sup>16</sup> Illinois State Board of Education, *Illinois Charter School Annual Report*, January 2005, 8. Source: Author's review of the D.C. Public Charter School Board web site ([www.dcpubliccharter.com](http://www.dcpubliccharter.com)). Data are from 2004 Performance Reports of 22 charter schools and only for schools chartered by the D.C. Public Charter School Board (not the D.C. Board of Education). Lewis Solmon and Pete Goldschmidt, *Comparison of Traditional Public Schools and Charter Schools on Retention, School Switching, and Achievement Growth*, Goldwater Institute Policy Report No. 192, March 15, 2004.

<sup>17</sup> Policy and Program Studies Service, 2004, 46, 97.

<sup>18</sup> Policy and Program Studies Service, 2004, 96.

<sup>19</sup> Louann Bierlein Palmer and Rebecca Gau, *Charter School Authorizing: Are States Making the Grade?* Thomas B. Fordham Institute, June 2003, 1.

<sup>20</sup> U.S. Government Accountability Office, *Charter Schools: To Enhance Education's Monitoring and Research, More Charter School-Level Data Are Needed*, January 2005, 18. Reasons for qualified opinions or disclaimers included insufficient detail in financial statements or "going concern" opinions. Thirty charter states (of 39 surveyed by the GAO) reported that the state required charter schools to obtain regular audits of their financial statements, and in the 14 states that reported audit data, 84 percent received an unqualified ("clean") opinion.

<sup>21</sup> SRI International, *A Decade of Public Charter Schools*, U.S. Department of Education, November 2002, 7, 8. Nelson Smith, *Catching the Wave: Lessons from California's Charter Schools*, Progressive Policy Institute, July 2003, 23. U.S. Government Accountability Office, January 2005, 12.

- 
- <sup>22</sup> Bryan Hassel and Meagan Batdorff, *High-Stakes: Findings from a National Study of Life-or-Death Decisions by Charter School Authorizers*, Public Impact, February 2004. Note that most authorizers are local school boards.
- <sup>23</sup> U.S. Government Accountability Office, January 2005, 12-14.
- <sup>24</sup> L. Rhim, C. Lange, E. Ahearn, "Considering Special Education as a Critical Policy Force Driving the "Structuration" of Charter School Authorizer Policy and Practice," presented at the Annual Meeting of the American Educational Research Association, Montreal, Quebec, April 11-15, 2005. Supplemented by L. Rhim personal communication to NACSA, April 7, 2005.
- <sup>25</sup> Policy and Program Studies Service, 2004, xv.
- <sup>26</sup> Policy and Program Studies Service, 2004, xvi.
- <sup>27</sup> Center for Education Reform, *Charter Schools Today: Changing the Face of American Education—Statistics, Stories, and Insights*, Washington, D.C., 2004, 7, 16.
- <sup>28</sup> Policy and Program Studies Service, 2004, 36.
- <sup>29</sup> Rhim, Lange, Ahearn, April 11-15, 2005.
- <sup>30</sup> Policy and Program Studies Service, 2004, 48.
- <sup>31</sup> Center for Education Reform, 2004.
- <sup>32</sup> U.S. Government Accountability Office, January 2005, 58.
- <sup>33</sup> Caroline Hendrie, "Charter Authorizers Eye Rules on Closings," *Education Week*, February 2, 2005.
- <sup>34</sup> Palmer and Gau, June 2003, 1.
- <sup>35</sup> Policy and Program Studies Service, 2004, 98.
- <sup>36</sup> Hassel and Batdorff, February 2004, 37.
- <sup>37</sup> Policy and Program Studies Service, 2004, 38.
- <sup>38</sup> National Association of Charter School Authorizers, *Principles & Standards for Quality Charter School Authorizing*, Alexandria, Virginia, May 2004, 1.
- <sup>39</sup> Policy and Program Studies Service, 2004, 97. U.S. Government Accountability Office, January 2005, 18.
- <sup>40</sup> Policy and Program Studies Service, 2004, 52.
- <sup>41</sup> Todd Ziebarth, *Bringing to Life the School Choice and Restructuring Requirements of NCLB*, Education Commission of the States, 2004, 2.
- <sup>42</sup> For example, the 11 Aspire charter schools in California practice "360-degree accountability," with parents giving letter grades to teachers and administrators, families and teachers signing academic warranties agreeing to learning goals and consequences for failure to achieve them, and creative ways to track not only test scores but also things like time management. "Charters: Success or Failure?" *USA Today* (editorial), January 4, 2005.

#### 4. The Impact of Charter Schools

- <sup>1</sup> Jim Peyser, *From Margins to Mainstream: Building a Stronger Charter School Movement*, Progressive Policy Institute conference essays, July 18, 2003, 10.
- <sup>2</sup> Center for Education Reform, [www.edreform.com](http://www.edreform.com), 2005. Data on the number of charter schools and students are very difficult to come by, with no federal government agency keeping track and various state agencies or other groups providing counts in their jurisdictions, often on an ad hoc basis. In addition, some charters operate on multiple campuses, while others close down or move mid-year.
- <sup>3</sup> U.S. Government Accountability Office, *Charter Schools: To Enhance Education's Monitoring and Research, More Charter School-Level Data Are Needed*, January 2005, 1, 7.
- <sup>4</sup> Daryl James, "Schools in Marketing Battle for Students," *East Valley Tribune*, March 31, 2005. Bryan Hassel and Michelle Godard Terrell, *The Rugged Frontier: A Decade of Charter Schooling in Arizona*, Progressive Policy Institute, June 2004, 6, 13, 19. Charter sites comprise a whopping 50.5% of the public schools in Mohave County and 42.7% in Yavapai County.
- <sup>5</sup> Michigan Association of Public School Academies, cited on the Charter School Leadership Council web site: [www.charterschoolleadershipcouncil.org](http://www.charterschoolleadershipcouncil.org). Charter schools are called "public school academies" in Michigan.
- <sup>6</sup> Jennifer Coleman, "Governor Talks up Charter Schools in Weekly Address, Budget Plan," Associated Press, February 19, 2005. See also Erika Hayasaki, "Charter Schools a Beacon of Hope," *Los Angeles Times*, February 6, 2005. Ron Zimmer et al., *Charter School Operations and Performance: Evidence from California*, Rand, 2003, 58-59.

- 
- <sup>7</sup> Alexander Russo, *A Tough Nut to Crack in Ohio: Charter Schooling in the Buckeye State*, Progressive Policy Institute, February 2005, 14. Charter schools are called “community schools” in Ohio.
- <sup>8</sup> Florida Consortium of Charter Schools, cited on the Charter School Leadership Council web site.
- <sup>9</sup> Minnesota Association of Charter Schools, cited on the Charter School Leadership Council web site.
- <sup>10</sup> Texas Resource Center for Charter Schools, cited on the Charter School Leadership Council web site.
- <sup>11</sup> Sam Dillon, “Charters Proliferate in Ohio City,” *Denver Post*, March 27, 2005.
- <sup>12</sup> Source for charter enrollment (Sept. 2004): John Gehring, “Missouri High Court to Hear Charter Dispute,” *Education Week*, September 8, 2004. Source for district enrollment: Kansas City school district web site: <http://www.kcmsd.k12.mo.us> (April 2005).
- <sup>13</sup> Source: D.C. Public Charter Schools Association, cited on the Charter School Leadership Council web site.
- <sup>14</sup> Minnesota Association of Charter Schools, cited on the Charter School Leadership Council web site. Jon Schroeder, *Ripples of Innovation: Charter Schooling in Minnesota*, Progressive Policy Institute, April 2004, 31.
- <sup>15</sup> Michigan Association of Public School Academies, cited on the Charter School Leadership Council web site.
- <sup>16</sup> RPP International, *Challenge and Opportunity: The Impact of Charter Schools on School Districts*, U.S. Department of Education, June 2001, 11-12. The five states studied were Arizona, California, Colorado, Massachusetts, and Michigan. Changes in central office operations included: tracking students who left for charter schools, changes in central office workload, expansion of bus routes, improvements in the quality or speed of services to district schools (e.g., improved media and library services), and/or staff downsizing.
- <sup>17</sup> RPP International, June 2001, 16, 31-32.
- <sup>18</sup> Eric Rofes, *How Are School Districts Responding to Charter Laws and Charter Schools?* Policy Analysis for California Education, April, 1998.
- <sup>19</sup> Zimmer et al., 2003, 60.
- <sup>20</sup> Paul Teske et al. in Paul Peterson and David Campbell (eds.), *Charters, Vouchers, and Public Education*, Brookings Institution Press, 2001, 188-214.
- <sup>21</sup> Hassel and Terrell, June 2004, 24-5.
- <sup>22</sup> Center for Education Reform, “Charter Schools, Still Making Waves,” March 2005.
- <sup>23</sup> Jon Schroeder, *Ripples of Innovation*, April 2004, 39.
- <sup>24</sup> Center for Education Reform, March 2005.
- <sup>25</sup> Sheree Speakman, *From Margins to Mainstream: Building a Stronger Charter School Movement*, Progressive Policy Institute conference essays, July 18, 2003, 23. See also Marc Dean Millot, 16. Given the large size differential between public charter schools and district public schools (chartered schools are much smaller), charter schools would have to have a market share of about 20 percent of all public schools in order to achieve a market share of 10 percent of all public school students.
- <sup>26</sup> Caroline Hoxby, “Chalk It Up,” *Wall Street Journal*, September 29, 2004.
- <sup>27</sup> David Osbourne, “Healthy Competition,” *The New Republic*, September 21, 1999.
- <sup>28</sup> Caroline Hoxby, *School Choice and Productivity*, National Bureau of Economic Research, Working Paper No. 8873, April 2002.
- <sup>29</sup> Rick O'Donnell, “New Balance for Higher Ed: State Revamps Its Oversight,” *Denver Post*, April 10, 2005, E1. The goals were in three areas: transparency of information about reasons for tuition increases, student-centered curricula, and access for disadvantaged students. Press Release, “Governor Warner Announces Amendments to Higher Education Restructuring Bill,” Office of the Governor of Virginia, March 31, 2005.
- <sup>30</sup> Caroline Hendrie, “City Mayors Turn to Charter Schools,” *Education Week*, October 27, 2004. Robin Lake, *Seeds of Change in the Big Apple*, Progressive Policy Institute, September 2004, 5, 24. Robin Halsband and Terry Simonette, “What Is the Purpose of Charter Schools?” *From Margins to Mainstream*, Progressive Policy Institute conference essays, July 18, 2003, 3.
- <sup>31</sup> Zimmer et al., 2003.
- <sup>32</sup> Nelson Smith, *Catching the Wave: Lessons from California's Charter Schools*, Progressive Policy Institute, July 2003, 29.

---

## 5. The Politics and Policies of Charter Schools

<sup>1</sup> Nelson Smith, *Catching the Wave: Lessons from California's Charter Schools*, Progressive Policy Institute, July 2003, 21.

<sup>2</sup> There are, of course, exceptions. See for example Carline Hendrie, "N.Y.C. Teachers' Union Moves to Open 2 Charter Schools," *Education Week*, February 16, 2005, 13.

<sup>3</sup> Policy and Program Studies Service, *Evaluation of the Public Charter Schools Program: Final Report*, U.S. Department of Education, 2004, 52.

<sup>4</sup> Charters are required to report to the following agencies: Arizona Department of Education, State Board for Charter Schools, U.S. Department of Education, County Health Department, Health Department, Fire Marshal, local planning and zoning office, Attorney General's office, Secretary of State, Department of Revenue, and the Internal Revenue Service. Some charter schools are also required to report to the Department of Motor Vehicles (if they provide transportation), the State Retirement System (if they participate in it), and the Auditor General (if they are sponsored by a local school district).

<sup>5</sup> John Rau, *Laws from which Community Schools Are Exempt and Specifically Not Exempt*, Ohio Legislative Service Commission, R-125-1824, October 23, 2003. Note that there are 157 laws from which charter schools are exempt—many because they are written for districts or education service centers, not individual schools.

<sup>6</sup> Ron Zimmer et al., *Charter School Operations and Performance: Evidence from California*, Rand, 2003, 76.

<sup>7</sup> Policy and Program Studies Service, 2004, 33.

<sup>8</sup> Shalvey quoted in Nelson Smith, *Catching the Wave*, July 2003, 29.

<sup>9</sup> Author's estimate based on a review of charter school law information from Education Commission of the States, April 2005, [www.ecs.org](http://www.ecs.org).

<sup>10</sup> U.S. Government Accountability Office, *Charter Schools: To Enhance Education's Monitoring and Research, More Charter School-Level Data Are Needed*, January 2005, 15. For example, Oklahoma's charter law allows charters to be "exempt from all statutes and rules relating to schools, boards of education, and school districts" (70 Okl. St. 3-136), while the D.C. charter law itemizes charter school powers such as acquiring real property and exercising control over "expenditures, administration, personnel and instructional methods" (D.C. Code 38-1802.04).

<sup>11</sup> SRI International, *A Decade of Public Charter Schools*, U.S. Department of Education, November 2002, 41.

<sup>12</sup> Author's review of information on each charter school law from Education Commission of the States, [www.ecs.org](http://www.ecs.org). Note that in addition to the 27 states mentioned, Delaware doesn't statutorily cap the number of charters but does allow the state department of education or a local school board to limit the number of charters granted, and Wisconsin only allows the University of Wisconsin-Parkside to authorize one charter.

<sup>13</sup> American Legislative Exchange Council, "Groundswell: How Charter Schools Are Transforming the Education Landscape," December 1998, 5.

<sup>14</sup> See Bryan Hassel and Jim Griffin, *State Charter School Funding Systems (outline)*, Charter School Leadership Council, June 2004.

<sup>15</sup> Source for charter funding: Center for Education Reform, *Charter Schools Today: Changing the Face of American Education—Statistics, Stories, and Insights*, Washington, D.C., 2004, 7, 15. Respondents also indicated that about 3 percent of their budget is derived from private donors. Source for district funding: National Center for Education Statistics, Common Core of Data, U.S. Department of Education, Fiscal Year 2002. Ohio Legislative Office of Education Oversight, *Funding for Charter Schools*, March 2004. Twenty-four states plus the District of Columbia provide facilities assistance to charter schools. Source: Kim Smith and James Willcox with Julie Landry, "A Building Need: Charter Schools in Search of Good Homes," *Education Next*, Spring 2004, 46. There is a national study currently underway on charter school financing.

<sup>16</sup> Bryan Hassel and Michelle Godard Terrell, *The Rugged Frontier: A Decade of Charter Schooling in Arizona*, Progressive Policy Institute, June 2004, 13.

<sup>17</sup> "Finding Strength in Numbers," *Education Week*, February 9, 2005. The California Charter School Association has created a \$10 million loan program to help charters survive the funding delay. The Association also provides a whole line of optional services for charters, offering a range of insurance and workers' compensation products, a purchasing program called CharterBuy that offers discounts on

---

equipment and supplies, and more. UCLA study quoted in Nelson Smith, *Catching the Wave: Lessons from California's Charter Schools*, Progressive Policy Institute, July 2003, 21.

<sup>18</sup> Laura Brown, "Hawaii Withholding Funds from Charters," *Heartland Institute*, April 1, 2005.

<sup>19</sup> Anna Ditkoff, "Fund Fracas," *Baltimore City Paper*, March 30, 2005. Note that the district proposes to charge charters \$943 per student for transportation, utilities, and food services, but under state law charters are required to cover their own transportation and utility costs—so charter operators want that money distributed to them directly.

<sup>20</sup> Michigan Association of Public School Academies.

<sup>21</sup> Alison Waldman, "State Cutting Aid to Charter School," *Asbury Park Press*, April 1, 2005.

<sup>22</sup> Robin Lake, *Seeds of Change in the Big Apple: Chartering Schools in New York City*, Progressive Policy Institute, September 2004, 21.

<sup>23</sup> Matthew Carr and Samuel Staley, *The Case for Community Schools in Ohio*, Buckeye Institute, testimony to the Ohio House Alternative Education Committee, April 21, 2005, 14. "Because community [charter] school students cannot take local-share dollars with them, seven of the big-eight districts actually see their per-pupil revenues rising due to increases in community school enrollment." Alexander Russo, *A Tough Nut to Crack in Ohio: Charter Schooling in the Buckeye State*, Progressive Policy Institute, February 2005, 24. See also Terry Ryan, *A Wide-Angle Look at the Charter School Movement in Ohio/Dayton*, Thomas B. Fordham Foundation, September 2004, 5.

<sup>24</sup> Center for Education Reform, "Testing the Constitutionality of Charter Schools: A Guide for Legislators," March 8, 2005.

## **6. The State of Charter School Support**

<sup>1</sup> Center on Reinventing Public Education, *National Charter School Accountability Study*, U.S. Department of Education, June 2001, 62.

<sup>2</sup> RPP International, *The State of Charter Schools 2000: Fourth-Year Report*, U.S. Department of Education, 2000, 44, 48.

<sup>3</sup> Source: Author's review of various web sites—Charter School Leadership Council, National Charter School Clearinghouse, Center for Education Reform, and state web sites.

<sup>4</sup> Note that the Charter School Leadership Council is in the process of preparing such an inventory.

<sup>5</sup> SRI International, *A Decade of Public Charter Schools*, U.S. Department of Education, November 2002, 65. U.S. Government Accountability Office, *Charter Schools: To Enhance Education's Monitoring and Research, More Charter School-Level Data Are Needed*, January 2005, 21.

<sup>6</sup> Policy and Program Studies Service, *Evaluation of the Public Charter Schools Program: Final Report*, U.S. Department of Education, 2004, 17-18. The data for FTE were as follows: mean=3, median=2, mode=1, maximum=12.5 (Ohio) and minimum=0.1 (Mississippi).

<sup>7</sup> Ron Zimmer et al., *Charter School Operations and Performance: Evidence from California*, Rand, 2003, 83.

<sup>8</sup> U.S. Government Accountability Office, January 2005, 1, 10.

<sup>9</sup> Source: Charter School Leadership Council web site ([www.charterschoolleadershipcouncil.org](http://www.charterschoolleadershipcouncil.org)), April 2005. Credit enhancement funds are not directly available to charter schools, but rather are used by nonprofit and public agencies as backing for private loans to charter schools.

<sup>10</sup> Public Impact, *Jump-Starting the Charter School Movement: A Guide for Donors*, Philanthropy Roundtable, undated, 9.

<sup>11</sup> Public Impact, *Jump-Starting the Charter School Movement*, 15.

<sup>12</sup> NewSchools Venture Fund web site: [www.newschools.org](http://www.newschools.org), April 2005.

<sup>13</sup> Policy and Program Studies Service, *Evaluation of the Public Charter Schools Program: Final Report*, U.S. Department of Education, 2004, 16.

<sup>14</sup> Bryan Hassel quoted in "Charter Schools: Challenges and Opportunities," *Philanthropy*, January/February 2003.

<sup>15</sup> Policy and Program Studies Service, 2004, 28-30.

<sup>16</sup> Priscilla Wohlstetter and Joanna Smith, "Partnering to Improve Education," *Education Week*, September 29, 2004.

<sup>17</sup> Wohlstetter and Smith, "Partnering to Improve Education," September 29, 2004.

<sup>18</sup> Education Commission of the States, "Charter School Laws and Partnerships: Expanding Opportunities and Resources," Policy Brief, April 2004, 2-4.

---

<sup>19</sup> Education Commission of the States, April 2004, 5.

<sup>20</sup> SRI International, November 2002, 63.

## **7. The State of Public Opinion on Charter Schools**

<sup>1</sup> Michael Goldstein, *From Margins to Mainstream: Building a Stronger Charter School Movement*, Progressive Policy Institute conference essays, July 18, 2003, 46.

<sup>2</sup> This survey was designed and administered by the Glover Park Group for the Charter School Leadership Council. Conducted by phone using professional interviewers, the survey reached 803 registered voters, 18 and over, in the United States. The survey was conducted between March 29 and April 7, 2005. The margin of error for the full sample is +/-3.5%.

<sup>3</sup> Note that the Charter School Leadership Council used the same definition for charter schools used by *Education Week*, a popular education trade publication.

<sup>4</sup> Public Agenda, *On Thin Ice: How Advocates and Opponents Could Misread the Public's Views on Vouchers and Charter Schools*, New York, 1999.

<sup>5</sup> Policy and Program Studies Service, *Evaluation of the Public Charter Schools Program: Final Report*, U.S. Department of Education, 2004, 98.

<sup>6</sup> Lowell Rose and Alec Gallup, "The 34<sup>th</sup> Annual Phi Delta Kappa/Gallup Poll of the Public's Attitudes toward the Public Schools," *Phi Delta Kappan*, September 2002, 41-54.

<sup>7</sup> Nelson Smith, *Catching the Wave: Lessons from California's Charter Schools*, Progressive Policy Institute, July 2003, 7.

<sup>8</sup> Jon Schroeder, *Ripples of Innovation: Charter Schooling in Minnesota, the Nation's First Charter School State*, Progressive Policy Institute, April 2004, 18.

<sup>9</sup> Source for 1999 data: Public Agenda, *On Thin Ice*, 1999. Source for 2005 data: Charter School Leadership Council.

<sup>10</sup> Ron Wolk, *From Margins to Mainstream: Building a Stronger Charter School Movement*, Progressive Policy Institute conference essays, July 18, 2003, 35.