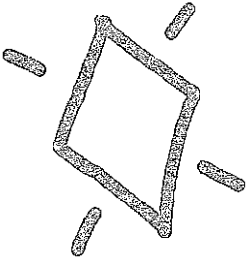




 Center for Education Reform



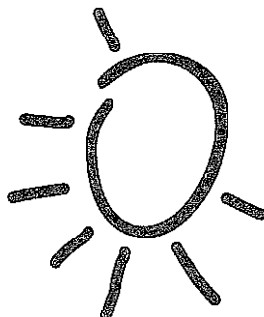
*Today*

# CHARTER SCHOOLS:<sup>^</sup>

CHANGING THE FACE OF AMERICAN EDUCATION

## PART 1: ANNUAL SURVEY OF AMERICA'S CHARTER SCHOOLS

*2005 Data*



*Edited by:*  
Jeanne Allen  
David Heffernan

*February 2006*

The Center for Education Reform (CER) creates opportunities for and challenges obstacles to better education for America's communities. Founded in 1993 to translate ideas into action, CER combines education policy with grassroots advocacy to work deep within the nation's communities to foster positive and bold education reforms.

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## PART 1: ANNUAL SURVEY OF AMERICA'S CHARTER SCHOOLS: *2005 Data*

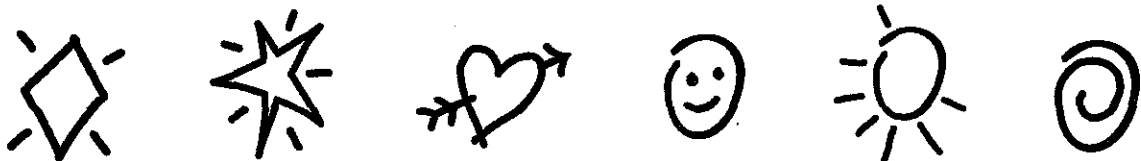
Since 1992 when the first charter school opened in Minnesota, supporters and naysayers have waged a heated policy debate over charter schools, school choice, and efforts to offer alternatives to public schools that fail to educate children.

While education reformers have enjoyed remarkable success against entrenched education bureaucracies, the overwhelming political and economic power remains in the hands of those who argue on behalf of the status quo, that schools just need more money to improve. The Center for Education Reform argues that offering parents a range of educational choices for their children is the only way to help conventional public schools improve.

Choice and competition forces schools to regularly examine operations and find out what works. We live in a rapidly changing world today, and our nation needs to respond and continuously improve the way we educate children. The status quo may have worked in the past; but today, it's unacceptable.

The story of charter schools, which is arguably only in its adolescent phase, is still unfolding. Along with a number of great success stories, there are inevitable failures. School reformers do not attempt to hide or dismiss that reality. But schools that fail, for whatever reason, do not remain open. This is the sort of accountability that simply does not exist, except in rare instances, among conventional public schools.

Since 1997, CER has regularly surveyed charter schools operating in the United States. Respected among the charter leaders themselves, CER receives unprecedented, first-hand information from charter schools that is not available from any other source.



# SUMMARY OF KEY FINDINGS

This report underscores the simple message about charter schools:

- Ⓢ Charter schools are new, innovative public schools that are accountable for student results. Charter schools receive public funding and are open and free to all students.
- Ⓢ Charter schools operate under contract with state-approved entities and are held academically and fiscally accountable.
- Ⓢ Charter schools provide parents an opportunity to choose from among a number of public school options.
- Ⓢ Charter schools use innovative practices to help students meet high standards.

## SIZE AND SCOPE

### **Growing Interest**

The number of charter schools operating in 40 states and the District of Columbia in the fall of the 2005-06 school year stood at 3,617 with more than a million students enrolled.

Charter schools have experienced double-digit annual growth since the mid-to-late 1990s.

### **Meeting Parent Demands For Smaller Schools**

On average, charter schools enroll 297 students, about half the number attending conventional public schools. According to the National Center for Education Statistics, in 2003-04, the average number of students per school was 438 in primary schools, 616 in middle schools, and 758 in high schools. Research indicates that smaller schools typically are more advantageous for learning, depending on the programs being used and what is expected.

Interest in charter schools remains high. Over the last few years, the number of charter schools has grown significantly, but 56 percent report maintaining significant waiting lists for students who want to attend.

### **Expanding the Number of Chartering Authorities**

States with multiple chartering authorities have 4.5 times more charter schools than states requiring local school board approval only. Local school boards, however, are more likely to grant charters when state laws permit multiple authorizers or when there is a strong appeals process. Only 4 percent of charter schools are in the 10 states that allow for only one authorizer and no appeals process, while 96 percent are located in states with multiple chartering authorities or a strong appeals process.

The most promising indicator of the expansion of chartering authorities is the growing presence of universities/colleges. Among responding charter schools, 14 percent report being authorized by a university/college, up from 7 percent in CER's previous survey.

## DEMOGRAPHICS

### **Educating Under-Served Students**

Contrary to some myths, charter schools do not “cream” the best students. A median 75 percent of students in charter schools fall into categories defined as “at-risk.” Parents appear motivated to choose charter schools to improve the odds of academic success for their children.

Charter schools serve students who largely are under-served in the conventional public school environment: at-risk students, minority students, and low-income students. Conventional public schools do not provide the specialized attention and tailored programming that charter schools offer these students.

Charters continue to target services to students at the ends of the instructional spectrum who are being failed by a “one-size-fits-all” education system: gifted and talented students, teen parents, expelled and court adjudicated youth, and non-English speaking children.

## OPERATIONS

### **Ensuring Accountability**

All charter schools must test to the requirements of their state or district. Among charter school survey respondents, 93 percent report administering a specific standardized test, with many schools requiring more than one test. The 7 percent of charter schools that do not require a standardized test likely provide alternative education programs for students that have dropped out or serve only pre-school age children.

### **Providing Innovative, Quality Choices**

Charter schools provide multiple curriculum options, responding to the demand for better and more focused curricula that meet the needs of each school's district population.

Most charter schools choose a specialized teaching strategy – one the school's operators believe will best meet students' needs. The curriculum programs vary considerably. Some, for example, focus on specific disciplines (such as math and science or the arts), while others are built around students' future plans (college preparation or school-to-work).

Perhaps the most innovative, yet simple, value provided by charter schools is increased instructional time for their students. Few conventional public schools have stretched their hours beyond the traditions of 180 days a year, 6.5 hours per day. Many charters provide additional time because they are able to make innovative allocations of resources.

Among survey respondents, 57 percent go beyond the traditional school day or year.

## MANAGEMENT

### **Doing More With Less**

Charter schools spend less and receive fewer dollars than conventional schools. Among reporting charter schools, the median per-pupil cost was \$6,497, with median revenue at \$6,000. According to the National Center for Education Statistics, total median per-student expenditures for regular school districts in the 2002-03 school year was \$8,724, with median revenue at \$8,891.

### **Fostering Diverse Schooling Options**

Charter schools engage community groups in ways that conventional schools cannot. Charter schools continue to enjoy a vibrant mix of applicants and operators, providing diverse opportunities for communities and parents. Non-profit organizations continue as the leaders in applying for charters and running charter schools, with 33 percent of respondents citing their applicants/operators as non-profits.

### **Maximizing Resources**

An effective balance between teachers and administrators is key to ensuring schools meet their primary responsibility: to educate children. Charter schools generally maintain high ratios of teachers to administrative personnel, averaging 17 full-time teachers to an average of 4 full-time administrative staff.

# SIZE AND SCOPE

## CHARTER SCHOOLS GENERATE INCREASING INTEREST AND GROWTH

The number of charter schools operating in 40 states and the District of Columbia in the fall of the 2005-06 school year stood at 3,617, with more than a million students enrolled.

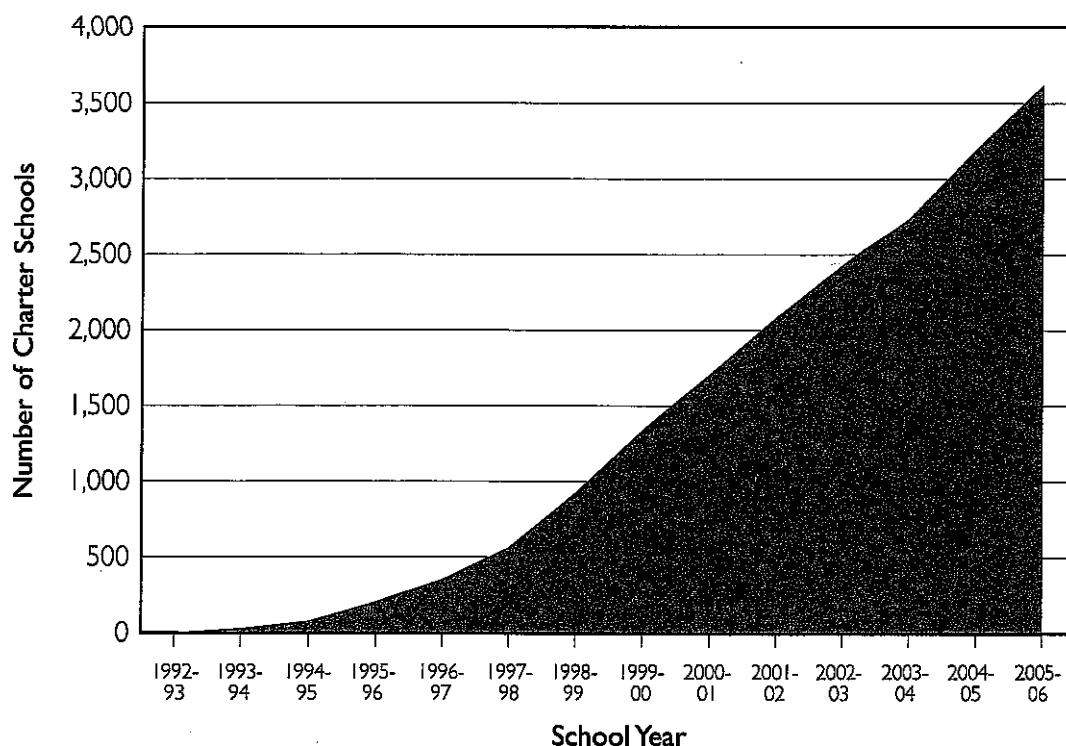
The number of charter schools grew modestly until the mid-to-late 1990s (Figure 1), reflecting the increased number of state legislatures that passed charter laws. Since then, charter schools have experienced double-digit annual growth nationally, which is particularly evident in selected states such as Arizona, California, Florida, Michigan, Minnesota, Ohio, Texas, and Wisconsin (Figure 2).

Unlike conventional schools, charter schools

face enormous challenges to open and survive. Failure and closure may result from academic, financial or management problems, or may be associated with school consolidation, among other reasons. Despite some concerns, charter schools are accountable to various oversight and market forces and experience an overall closure rate of about 11 percent.

Also noteworthy, is a recent study by the Ewing Marion Kauffman Foundation, "Debunking the Real Estate Risk of Charter Schools." Charter schools that acquire or rent facilities at affordable rates remove a key "cause" of failure. According to the study, 42.8 percent of charter schools in their sample either owned or had long-term leases on their

**Figure 1. Growth in Operational Charter Schools, 1992-2006**



**Figure 2. Charter School Enrollment and Closures, by State**

State	Total Schools Operating	Enrollment	Average Enrollment	Closures Since 1992
Alaska	24	4,773	199	5
Arizona	449	96,934	216	75
Arkansas	17	3,477	205	3
California	592	21,9480	371	75
Colorado	116	38,032	328	6
Connecticut	15	2,676	178	4
Delaware	15	6,791	453	2
Washington, D.C.	65	20,116	309	10
Florida	326	96,676	297	44
Georgia	49	21,116	431	6
Hawaii	27	5,405	200	0
Idaho	23	7,795	339	1
Illinois	41	17,235	420	6
Indiana	29	7,013	242	2
Iowa	7	1,332	190	0
Kansas	25	4,105	124	8
Louisiana	21	6,685	318	7
Maryland	15	3,812	254	0
Massachusetts	57	20,555	361	6
Michigan	233	86,874	373	21
Minnesota	126	20,650	164	22
Mississippi	1	380	380	0
Missouri	26	10,780	415	3
Nevada	20	6,672	334	4
New Hampshire	6	517	86	1
New Jersey	52	14,440	278	15
New Mexico	51	9,888	199	1
New York	79	21,468	272	5
North Carolina	100	28,154	282	24
Ohio	277	85,082	307	18
Oklahoma	13	3,866	297	1
Oregon	62	9,616	155	7
Pennsylvania	115	51,504	488	9
Rhode Island	11	2,398	218	0
South Carolina	26	5,171	199	7
Tennessee	12	1,842	154	0
Texas	259	85,444	330	23
Utah	39	11,797	302	0
Virginia	5	528	106	3
Wisconsin	188	35,406	188	13
Wyoming	3	479	160	0
<b>TOTAL</b>	<b>3,617</b>	<b>1,076,964</b>	<b>297</b>	<b>438</b>

\* Data as of November 2005



## CHARTERS MEET PARENT DEMANDS FOR SMALLER SCHOOLS

On average, charter schools enroll 297 students, about half the number attending conventional public schools (Figure 3). According to the National Center for Education Statistics, in 2003-04, the average number of students per school was 438 in primary schools, 616 in middle schools, and 758 in high schools. Research indicates that smaller schools typically are more advantageous for learning, depending on the programs being used and what is expected.

Charter schools now enroll over a million students, with an estimated half a million on waiting lists. Charter school survey respondents that numerated a waiting list, about 14 percent of all operational charter schools, identified almost 80,000 students on waiting lists, for an average of 166 students per school. Over 56 percent of charter schools report having a waiting list for enrollment. The typical charter school (the median) has 50 students on its waiting list.

Median number of students on charter school waiting list:

**50**

**Figure 3. Charter School Waiting Lists**

Average Enrollment	297
Percentage of Schools with Waiting Lists	56
Average Number of Students on Waiting List	166
Number of Students on the Typical (or Median) Charter School Waiting List	50

## MULTIPLE CHARTERING AUTHORITIES

States with multiple chartering authorities have 4.5 times more charter schools than states requiring local school board approval only. Local school boards, however, are more likely to grant charters when state laws permit multiple authorizers or when there is a strong appeals process. Only 4 percent of charter schools are in the 10 states that allow for only one authorizer and no appeals process, while 96 percent are located in states

with multiple chartering authorities or a strong appeals process.

The most promising indicator of the expansion of chartering authorities is the growing presence of universities/colleges. Among responding charter schools, 14 percent report being authorized by a university/college, up from 7 percent in CER's previous survey.

**Figure 4. Percentage of Charters Approved by Various Authorities**

Local School Boards:	42 percent
State Boards of Education:	30 percent
State Chartering Boards:	14 percent
Universities/Colleges:	9 percent
Mayor or City:	1 percent
Other (or did not specify):	4 percent

# DEMOGRAPHICS

## CHARTERS EDUCATE UNDER-SERVED STUDENTS

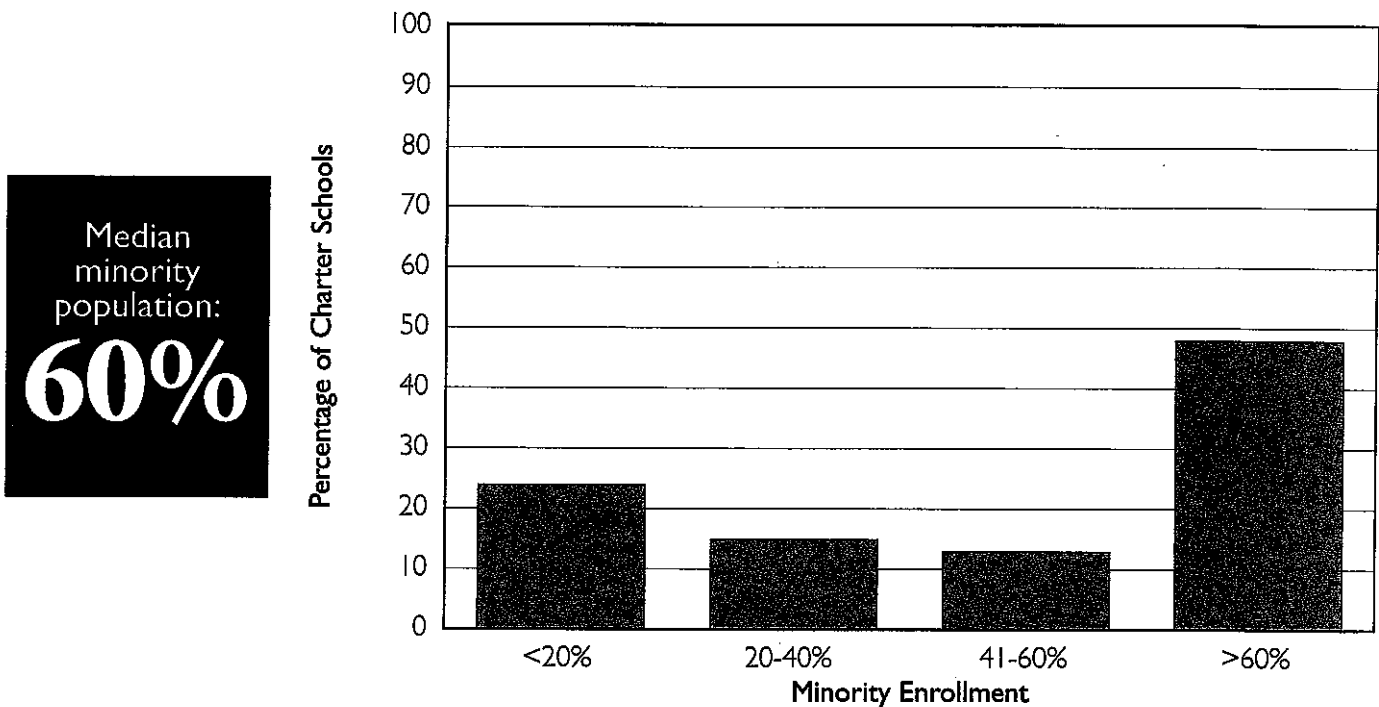
Contrary to some myths, charter schools do not “cream” the best students. A median 75 percent of students in charter schools fall into categories defined as at risk. Parents appear motivated to choose charter schools to improve the odds of academic success for their children.

Charter schools serve students who largely are under-served in the traditional public school environment: at-risk students, minority students, and low-income students.

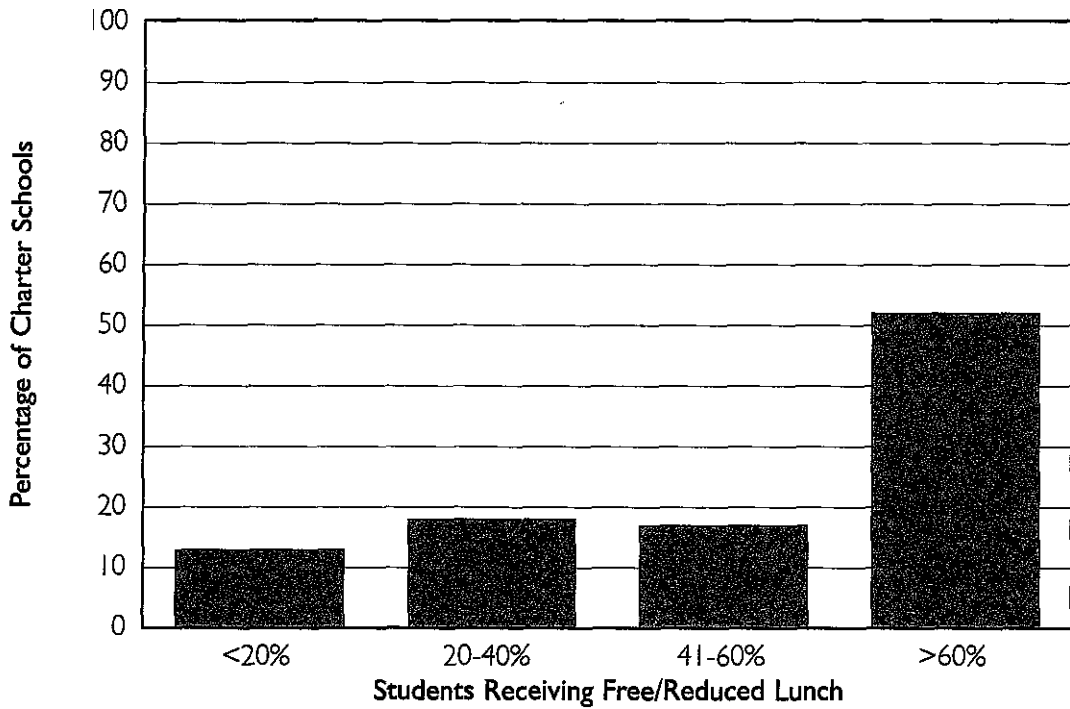
Conventional public schools do not provide the specialized attention and tailored programming that charter schools offer these students.

Charters continue to target services to students at the ends of the instructional spectrum who are being failed by a “one-size-fits-all” education system: gifted and talented students, teen parents, expelled and court adjudicated youth, and non-English speaking children.

**Figure 5. Charter School Demographics, Minority Enrollment**

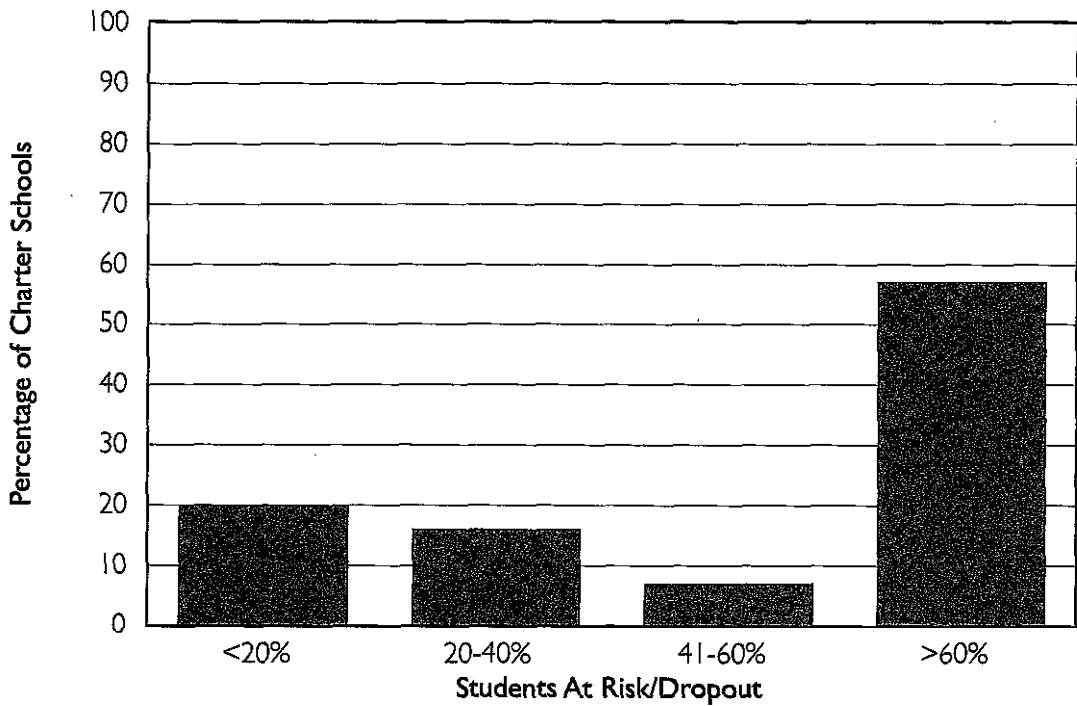


**Figure 6. Charter School Demographics, Free/Reduced Lunch**



Median free/reduced lunch:  
**63%**

**Figure 7. Charter School Demographics, At Risk/Dropout**



Median at risk/dropout:  
**75%**

# OPERATIONS

## CHARTERS ENSURE ACCOUNTABILITY

All charter schools must test to the requirements of their state or district. Among charter school survey respondents, nearly 64 percent are required to administer a state-specific standardized test. Percentages add to over 100 percent because many

schools require more than one test. The 7 percent of charter schools that do not require a standardized test likely provide alternative education programs for students that have dropped out or serve only pre-school age children.

**Figure 8. Charter School Testing Requirements**

Respondents that identify administering a specific standardized test:	93 percent
Require a state-specific test:	63.8 percent
Require a Stanford 9:	26.9 percent
Require the Terra Nova:	19.6 percent
Require the Iowa Test of Basic Skills:	13.0 percent
Require the California Achievement Test:	11.5 percent
Require the California Test of Basic Skills:	4.5 percent
Require another standardized test:	36.0 percent

## CHARTER SCHOOLS PROVIDE INNOVATIVE CHOICES

Charter schools provide multiple curriculum options, responding to the demand for better and more focused curricula that meet the needs of each school's district population.

Most charter schools choose a specialized teaching strategy – one the school's

operators believe will best meet students' needs. The curriculum programs vary considerably. Some, for example, focus on specific disciplines (such as math and science or the arts), while others are built around students' future plans (college preparation or school-to-work).

**Figure 9. Curriculum/Instructional Focus**

College Prep:	17 percent
Direct Instruction:	12 percent
Core Knowledge:	11 percent
Science/Math Prep:	9 percent
Thematic Instruction:	8 percent
Back to Basics:	7 percent
School to Work:	7 percent
Arts:	7 percent
Constructivist:	6 percent
Outcome-Based Education:	5 percent
Bilingual/Foreign Language:	5 percent
Virtual/Cyber/Online:	4 percent
Home/Independent Study:	3 percent
GED/HS Completion:	3 percent
Montessori:	3 percent
Expeditionary Learning:	3 percent
Waldorf:	1 percent
International Baccalaureate:	1 percent

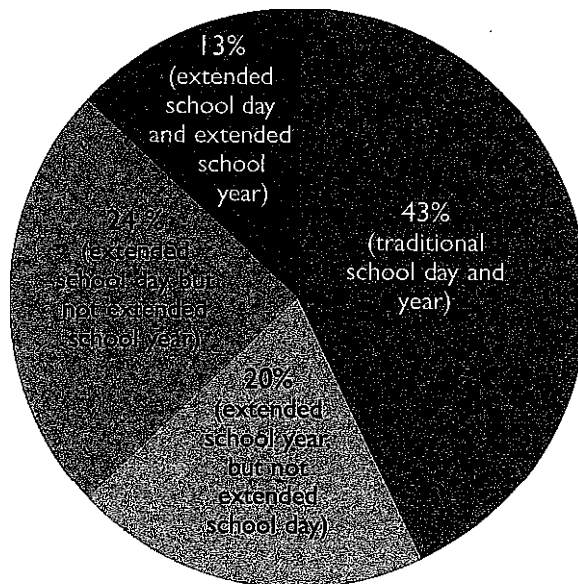
**CHARTERS PROVIDE MORE INSTRUCTIONAL TIME**

Perhaps the most innovative, yet simple, value provided by charter schools is increased instructional time for their students. Few conventional public schools have stretched their hours beyond the traditions of 180 days a year, 6.5 hours per

day. Many charter provide additional time because they are able to make innovative allocations of resources.

Among survey respondents, 57 percent go beyond the traditional school day or year.

**Figure 10. Instructional Time**



# MANAGEMENT

## CHARTER SCHOOLS DO MORE WITH LESS

Charter schools appear to cost less than conventional schools. Among 669 responding charter schools, the median cost per pupil was \$6,497, with 60 percent of all schools costing between \$5,000 and \$8,575 per pupil (Figure 11). According to the National Center for Education Statistics, total median per-student expenditure for regular school districts in the 2002-03 school year was \$8,724.

In addition to salaries, benefits, supplies, and purchased services, total expenditures include capital outlays for school construction and equipment.

Charter schools appear to receive less money than traditional schools. Among 720 responding charter schools, the median revenue per pupil was \$6,000, with 60 percent of all schools receiving between \$4,900 and

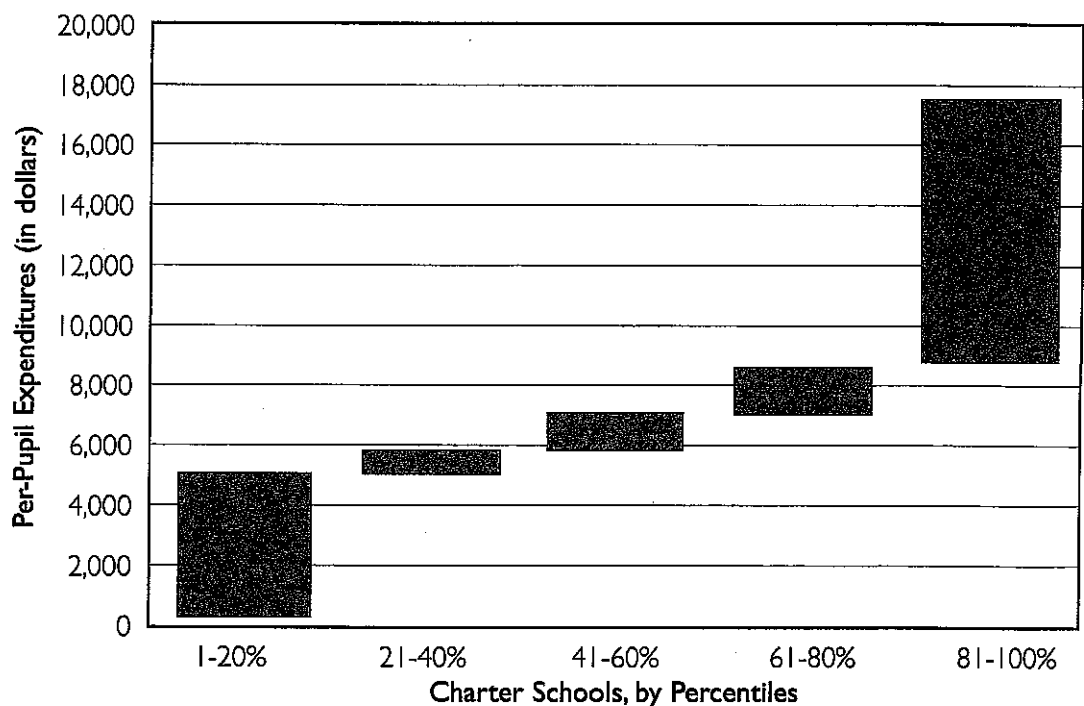
\$7,800 (Figure 12). According to the National Center for Education Statistics, total median per-student revenue for regular school districts in the 2002-03 school year was \$8,891.

Charter schools have to find creative ways to make up the difference between the per-pupil cost and revenue.

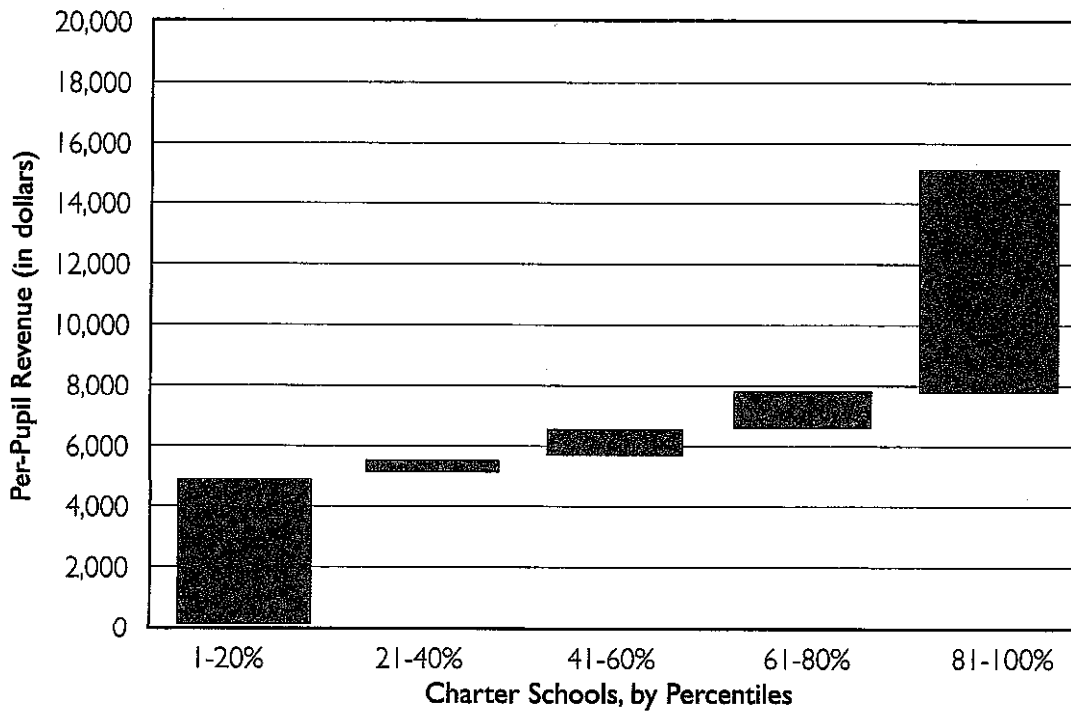
School districts appear to represent a larger percentage of revenue for charter schools than in the past, 15 percent, up from 3 percent in the previous survey report (Figure 13).

Charter schools report spending a decreasing percentage of their budgets on capital, or facilities, 13 percent, down from 16 percent in the previous survey report (Figure 14).

**Figure 11. Costs Per Pupil**

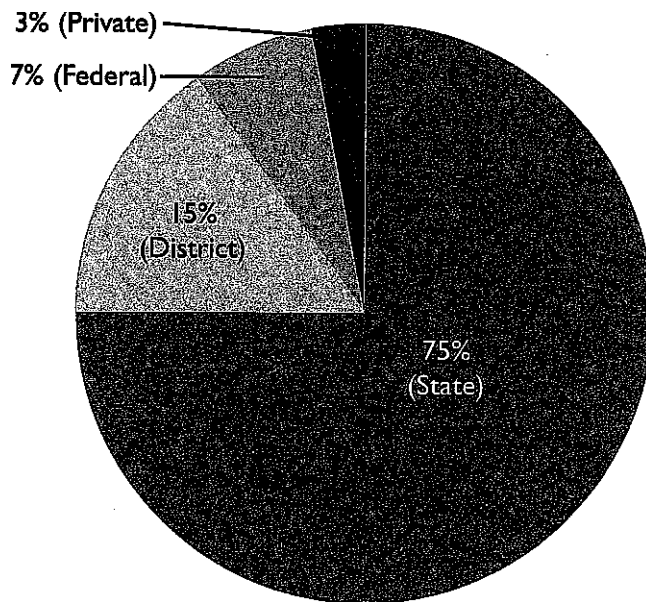


**Figure 12. Revenue Per Pupil**

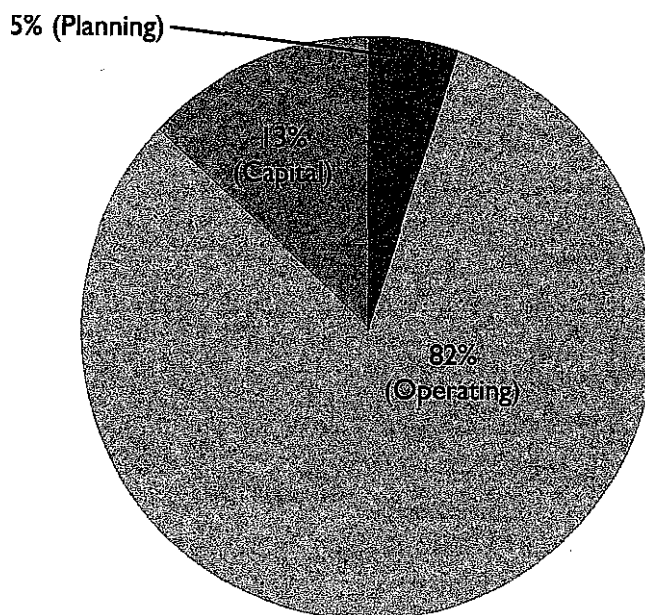


Median cost per pupil in charter schools:  
**\$6,497**

**Figure 13. Sources of Revenue for Charter Schools**



**Figure 14. Budget Allocations for Charter Schools**



## CHARTER SCHOOLS FOSTER DIVERSE SCHOOLING OPTIONS

Charter schools engage community groups in ways that conventional public schools cannot. Charter schools continue to enjoy a vibrant mix of applicants and operators, providing diverse opportunities for communities and parents. Non-profit organizations continue as the leaders in

applying for charters and running charter schools, with 33 percent of respondents citing their applicants/operators as non-profits. Note that total exceeds 100 percent because some schools gave more than one answer to the question (Figure 15).

**Figure 15. Charter Applicant/Operator**

Non-Profit Organization:	33 percent
Public School:	24 percent
Combination:	16 percent
For-Profit Organization:	9 percent
Parent(s):	6 percent
Community Group:	6 percent
Teacher(s):	4 percent
University/College:	2 percent
Private School:	less than 1 percent
Teacher Union:	less than 1 percent



## CHARTERS MAXIMIZE HUMAN RESOURCES

An effective balance between teachers and administrators is key to ensuring schools meet their primary responsibility: to educate children. Charter schools generally maintain

high ratios of teachers to administrative personnel, averaging 17 full-time teachers to an average of 4 full-time administrative staff (Figure 16).

**Figure 16. Number of Employees**

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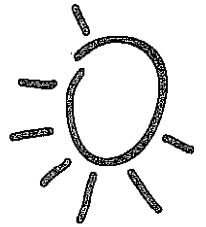
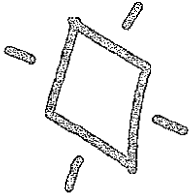
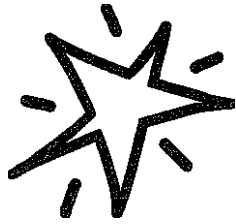
Administrative Part Time:	2.5
Administrative Full Time:	4.0
Teacher Part Time:	6.0
Teacher Full Time:	17.0

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## METHODOLOGY AND DATA NOTES

In November 2004, CER distributed survey instruments to 3300 operating charter schools. The survey posed general questions about educational programs and operations, standardized testing, and demographics. Through Spring 2005, 990 charter schools returned their surveys. CER compiled and tabulated the data, some of which are presented by the range of numerical response segmented in quintiles.

CER maintains and regularly updates a database of information about charter schools. Note that Figures 1 and 2 represent a snapshot of charter school information taken in the fall of the 2005-2006 school year. Figures 3-16 are drawn from the most recent survey data.



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