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CENTER FOR EDUCATION REFORM



# JUST THE FACTS

SUCCESS, INNOVATION,  
AND OPPORTUNITY  
IN CHARTER SCHOOLS

by Dr. Cara Candal, Research Fellow

**OUR MISSION** IS TO  
EXPAND EDUCATIONAL  
OPPORTUNITIES THAT  
LEAD TO IMPROVED  
ECONOMIC OUTCOMES  
FOR ALL AMERICANS,  
PARTICULARLY OUR  
YOUTH, ENSURING  
THAT THE CONDITIONS  
ARE RIPE FOR  
INNOVATION, FREEDOM  
AND FLEXIBILITY  
THROUGHOUT U.S.  
EDUCATION.

Opponents of charter schools in Massachusetts and across the nation have advanced many myths about charter schools. Among the most pervasive are:

- Charter schools are unaccountable and represent the “privatization” of education.
- Successful charter schools are only successful because they “cream” the most able students, those who are white, wealthy and do not have special needs.
- Charter schools produce “mixed” academic results, or academic results that are worse than traditional public schools.
- Charter schools are “killing” public education because they drain school districts of funding.

## INTRODUCTION

Few education reforms are as controversial and successful as charter schools. In the 2016 election cycle, a ballot initiative to expand charter schools in Massachusetts broke records, with groups on each side of the issue spending more than \$30 million dollars, combined, to sway voters.<sup>1</sup> The initiative failed. Charter opponents, funded almost entirely by teachers’ unions, successfully convinced the electorate that more charters would be “bad for public schools.”<sup>2</sup>

## THE FACTS ABOUT CHARTER PUBLIC SCHOOLS

MYTH	FACT
Charter schools represent the “privatization” of education.	Charter schools are public schools of choice.
Charter schools are unaccountable to the public.	Charter schools are held to a higher standard of accountability than district schools, in exchange for certain autonomies.
Charter schools “cream” the most able students.	Charter schools serve more poor, minority, and economically disadvantaged students than district schools.
Charter schools produce “mixed” or “poor” academic outcomes.	Gold standard research shows that charter schools produce superior academic outcomes, especially in urban centers.
Charters schools “drain” resources from districts.	Charter schools operate on smaller budgets than district schools, and they do more with less.

They made this argument despite ample evidence to show that Massachusetts’s charter schools are among the highest performing schools, charter or traditional, in the country.

None of these myths are true. Data show that students attending public charter schools across the country are flourishing. Public charter schools are advancing students – especially the most disenfranchised – and enabling them to achieve excellent academic outcomes. On average, the outcomes that public charter school students achieve are superior to those that their counterparts in district schools realize.

Data also show that charter schools are serving students who most need access to high quality education – poor and minority students and students with special needs. A great number of charter schools are helping low-income, black, and Hispanic students close achievement gaps at unprecedented rates. Many of the same schools are seeing an increase in the numbers of students with special needs who are seeking their services. Some schools are reaching out to special populations of students by providing programming geared specifically toward students who are “at risk” or have other special needs.

As public schools, many charters are doing all of these things on much smaller budgets than their district counterparts. This is because many states don’t fund charters as well as they fund other public schools. Charters are not draining funds from districts. Instead, they are finding innovative ways to serve more students better, with less. In doing so, charters are providing unprecedented numbers of parents with high quality educational options that they would not otherwise be able to access.

So why do the myths about charter schools persist? The complicated and often divisive politics of charter schools have prevented a real dialogue focused on data. Charter schools are politically divisive for a number of reasons.

In many states, teachers’ unions see charters as a threat to their membership, because the law may not require charter teachers to participate in unions.<sup>3</sup> Politicians who covet union support either denounce charters or qualify their support for successful charter schools. In Massachusetts, for example, senator Elizabeth Warren acknowledged the “extraordinary results” that charters achieve but came out against the initiative to allow more of these

excellent schools, saying that they might harm districts.<sup>4</sup>

Moreover, the media has paid very close attention to some “high profile” charter schools studies but failed to analyze their quality. Too many studies about charter schools are based on flawed assumptions and/or faulty comparisons. Some charter advocates have also failed to properly critique these studies. In doing so, they have inadvertently contributed to a policy landscape that is hostile to charter school expansion and innovation.

Fortunately, after nearly twenty-five years of an expanding charter school movement, there are ample, high quality data that provide an accurate picture of the charter landscape. To understand this important education reform, one needs a complete picture of how charters came to be, what they are today, whom they serve, and how they work.

**T**he following report defines the charter concept and describes the history of the movement in brief. It goes on to address the many myths that exist about the national charter school landscape and refute each with the most valid and reliable data available.

## CHARTER SCHOOLS: HIGHLY ACCOUNTABLE PUBLIC SCHOOLS OF CHOICE

From their inception in Minnesota in 1991, charter schools have been publicly funded schools of choice operated by individuals or organizations. They are an alternative to a system in which students are assigned to schools based on zip code. Bureaucracies do not assign students to charter schools – parents and students

concept of school choice; inter-district school choice options, magnet schools, charter schools, and school voucher programs rely heavily on this principle, which empowers families and provides them with superior education options. It is also worth noting that this principle has been practiced with great success in places outside of the United States, such as the Netherlands.<sup>7</sup> School choice detractors argue that policies in which funding follows students harm district schools, though no data exist to support this contention. In fact, the reverse is true: As data presented below demonstrate, where school choice is unavailable, and where funding for education flows to district bureaucracies rather than students and families, the most disenfranchised among us suffer disproportionately. This is because low-

**T**he “charter school bargain” provides charter schools with meaningful autonomies (such as the freedom to set school budgets and curricula, hire and fire staff, and extend the school day and year) in exchange for accountability. Charter schools are held to a higher standard of accountability than their district counterparts: if charters don’t fulfill their agreement with an authorizer, they close.

choose to attend. Charter schools may not discriminate as to whom they admit. When there is more demand for a charter school than the school can support, charter schools hold lotteries to randomly admit students. Many maintain long waitlists because demand is so high.<sup>5</sup>

When charter school policies are well designed, the tuition that districts would have received from state and local sources follows the child from his or her “assigned” district school, to the charter school of the family’s choice. Instead of being earmarked for schools, the tuition is earmarked for students and families.<sup>6</sup> The principle that money for education should flow to families and not to schools is central to the

income families, who are most likely to take advantage of public school choice options, often do not have the ability to “vote with their feet,” or to choose a higher performing school district in a wealthy area.<sup>8</sup>

Their status as “schools of choice” does not alone ensure that charters across the country function well. Accountability in exchange for autonomy is the grand bargain on which charter schools operate. Founders of the charter movement knew that U.S. schools, particularly those that are a part of large districts, are too often hamstrung by bureaucratic regulations. These regulations prevent them from doing what “on the ground” stakehold-

ers – teachers and school leaders – believe best for kids. They also knew that unbridled autonomy could be a recipe for bad schools to flourish, which is why accountability is the second important component of the charter school bargain. When charter schools fail to serve kids and parents well – whether academically, financially, or operationally – they close.<sup>9</sup>

Because they are crafted at the state level, charter school laws vary from place to place (only seven U.S. states have no charter school law). Places with strong charter school laws, such as Michigan, Indiana, Arizona, and Washington, D.C. place no or few caps on the number of charter schools that can exist, allow multiple entities to

The Center for Education Reform has been studying charter laws in implementation for 20 years. Based on more than 16 years of data from individual states, it has concluded that a strong charter school law, at a minimum, does the following:<sup>11</sup>

- gives charter operators freedom from the bureaucratic constraints that hamper most schools, save those that are meant to ensure students' civil rights;
- allows many charter schools and many different kinds of charter schools to exist;
- enables and encourages many different entities to authorize charter schools and provides a framework for authorizers to ensure that charter schools are held accountable for outcomes;
- provides full funding for charter school operators.

Charter school laws, which are designed and implemented at the state level, must first and foremost account for existing state and federal laws. States then design additional statutes to hold charters to a high standard of accountability. An authorizing agency is responsible for determining whether a charter is compliant with all relevant laws and whether each individual school is performing to a high acceptable standard (academic, financial, and/or operational).

Charter school laws also define what the greater charter landscape can look like in a given locale. They outline, for example, the number of charter schools that can exist at a given time, the types of people and organizations that can operate charter schools, the various entities that may authorize charter schools, and the amount and type of funding that charter schools may receive.

authorize charter schools, and provide charter schools with true flexibility and the autonomy to operate without unnecessary bureaucratic constraints. On the other hand, states with weak charter school laws, such as Maryland, Virginia, and Kansas do little to differentiate between charters and their district counterparts. In Kansas, for example, the state board of education is the sole authorizer, charter school teachers remain employees of local districts, and districts determine everything from how much money charter school students will receive to the autonomies that charter schools can (or cannot) enjoy.<sup>10</sup>

The type and quality of charter school authorizing is extremely important to the character of the charter school landscape in each state. Authorizers are the entities that execute the charter (agreement) with the people or organizations that want to operate a charter school. The job of an authorizer is to monitor the charter

school and close it if it fails to meet the terms of the authorizing agreement. The ability to close charter schools that do not perform to expectations is an essential part of any charter agreement, and the willingness of authorizers to close individual charter schools is critical to the success of all charter schools.<sup>12</sup> Unlike traditional public schools, charters are highly accountable to the public: the threat of closure is in place to prevent them from persistently failing all students or groups of students.

A number of different bodies authorize charters throughout the states, from colleges and universities to state departments of education to local school districts.

Charter schools suffer badly when authorizers do not allow them to have real flexibility over elements that create an educational program that fits the particular needs of students and parents. In some states, local school districts are the sole charter authorizers, and this can be detrimental to charter school success. Often, school districts see charter schools as competition and are unwilling to provide them with meaningful autonomy. Meaningful autonomies can include the ability to expand the school day and year, to provide innovative curricula and programming, to control school budgets, and to hire and fire staff.<sup>13</sup>

Furthermore, states that allow only one authorizer, especially if that authorizer is a local school district, tend to have lower numbers of charter schools and existing schools tend to have less autonomy.<sup>14</sup> A 2013 survey found that states with strong, multiple chartering authorities have almost three and a half times more charter schools than states that only allow local board approval.<sup>15</sup>

Charter schools are public schools that operate outside of the traditional system. They are highly accountable to the public via the laws that establish them and the authorizers that oversee them, and they are open to all students who wish to attend. When charter schools are oversubscribed, they hold random lotteries to admit students.

They do not stand in opposition to traditional public schools or districts. Instead, charters represent a different way of providing public education, one in which parent choice and student choice, the freedom for operators to run schools as they see fit, and accountability for outcomes matters.

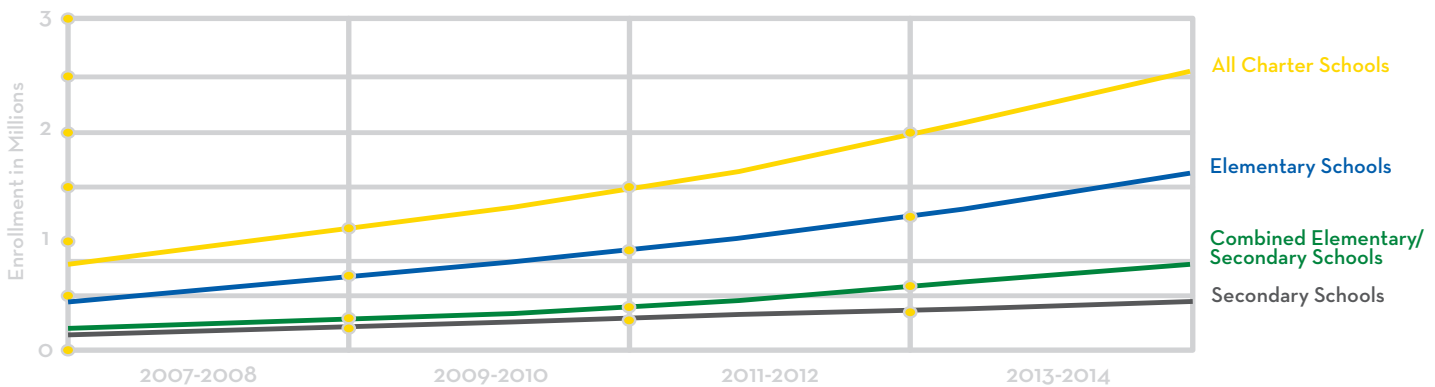
## CHARTERS DON'T “CREAM,” THEY SERVE THE MOST DISADVANTAGED

When states began to pass charter school laws in the 1990s, few could have predicted whether and how the idea would take hold. The number of charter schools in the U.S. has grown substantially since that time, and demand for charter schools is now so great that it outstrips supply in many places. Charter school enrollment expand-

Boston in 2016, over 10,000<sup>8</sup> students are waiting for charter school seats. Parents and students alike see charter public schools as a desirable option, especially in places where high quality district schools do not exist, or where availability is spotty.

Because many states place caps on the number of charter schools that can exist, charter schools often have more applicants than spaces available. When this happens, charters admit students via lotteries. Lotteries ensure that students are randomly selected and, in this way, that charter schools cannot “cream” students, especially those that may be considered “easier” to educate, or who may be better equipped to perform well academically.

### CHARTER SCHOOL ENROLLMENT BY SCHOOL LEVEL, 2003-2014



ed rapidly and the turn of the century and continues to grow. Nationwide, there were under 350,000 students enrolled in charter schools in 1999. As of 2015, more than 2.6 million students take advantage of charter school options.<sup>16</sup>

And more students and families want access to a charter school education. As of 2012, the length of the average charter school waiting list was 277 students.<sup>17</sup> In states where charter school supply is limited by caps and other statutory factors, waiting lists can be much longer. In the city of

Unfortunately, however, in places where demand for charter schools is very high, there are large numbers of students who do not win lotteries (these students number in the tens of thousands in some cities).<sup>19</sup> For many students and families, failure to “win” a charter school seat is a painful experience, tantamount to being stripped of a meaningful choice and the opportunity to access a high quality education.

Demographic groups that have traditionally not had access to high quality public schools are



more likely than others to seek a charter school education. On average, charter schools across the country serve more black, Hispanic, and low-income students than their traditional public school counterparts.

These data suggest that minority students are more likely to take advantage of charter school options. They also suggest that in some areas (mostly urban centers) minority students are attending charter schools in concentrated numbers, looking for better educational options.

And the minority students that charter schools serve also tend to be more economically disadvantaged than their peers in traditional public schools. Although it is an imperfect measure, which underestimates the number of eligible children enrolled in charters,<sup>21</sup> the federal government uses enrollment data from the National School Lunch Program as a means to report the number of students attending a school who live at or below the poverty line. (Students who live in poverty are eligible for free and reduced price lunch). In 2013-14, 37 percent of students in charter schools nationwide qualified for free and

reduced lunch, compared to only 24 percent of students enrolled in traditional public schools.<sup>22</sup>

## ACCORDING TO THE NATIONAL CENTER FOR EDUCATION STATISTICS (NCES)<sup>20</sup>, IN 2013-14:

In a majority (60 percent) of traditional public schools more than half of the students were White, while in 9 percent more than half of the students were Black and in 15 percent more than half of the students were Hispanic. In comparison, 36 percent of charter schools had more than 50 percent White enrollment, 24 percent had more than 50 percent Black enrollment, and 23 percent had more than 50 percent Hispanic enrollment.

## PARENTS EXERCISING CHOICE THROUGH CHARTERS

*“We love having a charter school option. They often offer specialized areas such as leadership and college and career courses. Charter schools have offered a more structured and positive environment, not to mention the amazing student to teacher ratio!”*

*“My son is autistic, his first two years of preschool education*

*were in restrictive settings and I did not see the growth, nor did I want that setting for him. Despite being told that my son would not excel in an inclusive environment, we took a chance and applied to send him to a charter school. My son’s school includes him amongst his own peers and [he] is not separated for periods of time. As a bonus, academically he has ex-*

*ceeded any expectation formerly held for him.”*

*“My two daughters have attended charter schools for the past three years and their academic growth has been amazing. My older daughter is taking college classes in high school, [her school] is helping to ensure she is a success first generation college student.”*

*Charter schools nationally serve more minority students and more economically disadvantaged students than their district counterparts. Individual charter schools are more likely than district schools to serve concentrations of students who live in poverty.*

And charter schools are also more likely to serve concentrations of students who live in poverty. A 2014 national survey published by the Center for Education Reform found that 61 percent of charter schools “serve student populations where more than 60 percent of students qualify for the free and reduced lunch program for low-income families.” In traditional public schools nationally only 48 percent of public schools serve such concentrated populations of socioeconomically disadvantaged students. The same survey found that “27 percent of charter schools serve populations with at least 60 percent of students categorized as at-risk.”<sup>23</sup>

These statistics not only refute the argument that charter schools “cream” the most privileged or motivated students, they also indicate that charter schools are playing an important role in advancing school choice and opportunity for disadvantaged groups nationwide. Importantly, student outcomes in charters nationwide are positive, indicating that these schools are providing students academic opportunities that they might not otherwise have.

## *GOLD STANDARD RESEARCH SHOWS THAT CHARTERS ACHIEVE STELLAR OUTCOMES*

Both supporters and detractors of charter public schools are eager to draw conclusions about the “state” of charter schools nationwide. They want to know whether charter schools produce student outcomes that are better or worse than district schools. Student achievement, this line of thinking argues, should be the reason for charters to exist (or not to exist).

Student achievement is undoubtedly a critical indicator of school quality. But how do researchers understand the outcomes that charter schools produce, especially in comparison to their district counterparts?

*The gold standard of research is the randomized control trial (RCT). In charter school research, RCTs compare students who applied to charter school lotteries and were admitted to students who applied to charter school lotteries but were not admitted. Using this approach, researchers can compare similarly motivated students. Studies that do not use this approach may be based on faulty assumptions and/or comparisons.*

*DR. JAY P. GREENE, ENDOWED PROFESSOR OF EDUCATION REFORM AT THE UNIVERSITY OF ARKANSAS, HAS WRITTEN:*

According to the Global Report Card, more than a third of the 30 school districts with the highest math achievement in the United States are charter schools. This is particularly impressive considering that charters constitute about 5 percent of all schools and about 3 percent of all public school students... As impressive and amazing as these results by charters schools may be, it would be wrong to conclude from this that charter schools improve student achievement. The only way to know with confidence whether charters cause better outcomes is to look at randomized control trials (RCTs) in which students are assigned by lottery to attending a charter school or a traditional public school.<sup>24</sup>

Randomized control trials (RCTs) are considered a research gold standard. They can be exceptionally difficult to perform in public education, because they require that one group of students receive a “treatment” and another does not in order to see if the treatment works.

Charter schools, however, provide the opportunity for this type of research to happen. Because students are admitted to charters via random lotteries, those who are admitted to charters receive the charter “treatment.” Those who are not admitted to charters do not receive the “treatment,” but are otherwise similar to their peers. RCTs control for what researchers call “selection bias,” the idea that some schools may attract more motivated students and that outcomes are therefore a function of something other than what the school provides.

When RCTs are used, they find charter schools provide great academic benefits to students, especially urban students who have not traditionally had access to high quality public schools. And these RCTs have been conducted with different students in different locales – locales with the greatest concentrations of charter schools in the country.

One of the first RCTs conducted was in 2005, a time when charter schools were rapidly expanding across the country. A team of researchers, led by Caroline Hoxby, then of Harvard University, looked at student results from a group of charter schools established by the Chicago Charter Schools Foundation. In comparing students who were admitted via charter school lotteries to students who applied to lotteries but were not admitted, Hoxby et. al found great gains for charter school students. Specifically,

*Students in charter schools outperformed a comparable group of lotteried-out students who remained in regular Chicago public schools by 5-6 percentile points in math and 5 percentile points in reading... To put the gains in perspective, it may help to know that 5-6 percentile points is just under half of the gap between the average disadvantaged, minority student in Chicago Public Schools and the average middle-income, non-minority student in a suburban district.<sup>25</sup>*

In a larger 2009 RCT, Hoxby and her colleagues found similarly impressive gains for charter schools in New York. This time using a lottery approach that included 93 percent of all students enrolled in New York charter schools, Hoxby, Murarka, and Kang found that New York charters close achievement gaps for low-income, minority students. They write that a “student who attended New York City’s charters in all grades K-8 “would close about 86 percent of the “Scarsdale-Harlem achievement gap” in math and 66 percent of the achievement gap in English.” Moreover, “a student who attended fewer grades would improve by a commensurately smaller amount.” The study also found that for every year a charter high school student attended a charter school, his or her score would rise three points on the New York Regents examination.<sup>26</sup>

The same year (2009), another group of researchers from Duke, MIT, Harvard, and the University of Michigan conducted an RCT in Boston, another city where demand for charter schools has been great. The study compared Boston’s district, pilot (district schools with

Language Arts and .18 to .54 standard deviations in math relative to those attending traditional schools in the Boston Public Schools.” The authors also found the “estimated impact on math achievement for charter middle schools” to be extraordinarily large. The middle schools studied “increased student performance by .5 standard deviations, the same as moving from the 50th to the 69th percentile in student performance. This is roughly half the size of the black- white achievement gap.”

On the heels of this study, researchers have continued to focus on the Boston area, not only because Massachusetts is known for strong data collection methods but also because the impact of Boston’s charters were found to be so strong in 2009.

Researchers from MIT, Columbia, and the University of Michigan, conducted lottery based studies of Massachusetts’ charters in 2013 and 2015 and found important charter school advantages in all cases. The 2013 study by Angrist et. al at (MIT) confirmed the stellar results found in the 2009 study for charter schools located

*Charter school attendance [in Boston] has large positive effects for math and English state exam scores for special needs students. A year of charter attendance increases math test scores by over 0.223 standard deviations for middle and high school special education applicants and by 0.309 standard deviations for elementary school special education applicants. Since the charter effects are similar across special needs status, the special needs achievement gap remains in charters. However, one year of charter attendance for a special needs student narrows the special needs achievement gap.<sup>31</sup>*

– Elizabeth Setren

enhanced autonomy), and charter schools to see if any one type of school had a student achievement advantage. That study concluded that Boston’s “charter schools raise student achievement .09 to .17 standard deviations in English

in Boston and Lynn, Massachusetts. That study linked strong charter school performance to a particular pedagogical/cultural approach popular in Boston known as “No Excuses.”

## RANDOMIZED CONTROL TRIALS AND CHARTER SCHOOL RESULTS

HOXBY ET. AL, 2005	Charter middle school students closed “just under half of the gap between the average disadvantaged, minority student in Chicago Public Schools and the average middle-income, non-minority student in a suburban district.”
HOXBY ET. AL, 2009	A student who attended New York City’s charters in all grades K-8 “would close about 86 percent of the ‘Scarsdale-Harlem achievement gap’ in math and 66 percent of the achievement gap in English.”
ABDULKODIROGLU ET. AL, 2009	Boston’s charter middle schools “increased student performance by .5 standard deviations, the same as moving from the 50th to the 69th percentile in student performance. This is roughly half the size of the black- white achievement gap.”
GLEASON ET. AL, 2009	Charter middle schools in 15 states had a “statistically significant and positive impact for low-income and low-achieving students in math.”
ANGRIST ET. AL, 2013	“Attendance at one of Boston’s charter high schools increases pass rates on the state graduation exam, facilitates “sharp gains” in SAT math scores, and doubles the likelihood that students will sit for Advanced Placement examinations.”
SETREN, 2015	“Charter school attendance [in Boston] has large positive effects for math and English state exam scores for special needs students.”

Again in 2013, Angrist and team looked at the Boston charter high school “effect” using an RCT approach. They concluded that “gains for Boston’s charter high schools are remarkably persistent,” and that attendance at one of Boston’s charter high schools increases pass rates on the state graduation exam, facilitates “sharp gains” in SAT math scores, and doubles the likelihood that students will sit for Advanced Placement examinations.

And a more recent lottery-based study of Boston charter schools in 2015 showed that Boston charters are serving students with special needs especially well. In that study, Elizabeth Setren of MIT found that Boston charters are serving special needs students at almost the same rates as district schools and that when students with special needs enroll in Boston charters they are less mobile than their peers in district schools. Finally, Setren found that when ELL and special needs students enroll in Boston charters they outperform students

who did not “win” the charter lottery in both reading and math.<sup>30</sup>

In Boston and beyond, Setren’s study made waves because it dispels two particularly powerful myths about charter schools. The first is that charter schools “cream” students and/or push out the most “difficult to educate.” The second is that charter school outcomes are as good as or worse than outcomes achieved in traditional public schools. The data are clear: Boston’s charter schools serve great concentrations of poor and minority students. They also serve students with special needs at rates comparable to their district peers.<sup>32</sup> And when each of these groups enrolls in charters, it achieves stronger outcomes than it would in a traditional public school setting.

Most RCT studies are conducted locally, because they require the availability of reliable lottery data as well as comparable student outcomes data (data derived from the same tests). RCT

studies encompassing more than one locale do exist, however. Not surprisingly, findings are similar to those in Chicago, New York, and Boston.

A 2010 RCT conducted by Gleason et. al.<sup>33</sup> for the Institute of Education Sciences compared charter middle school lottery “winners and losers” in 15 states. The study found that “on average” there was little difference in student performance between the charter middle schools and the traditional middle schools studied.

But, this “average,” according to the authors, overlooks important differences. Most important is that the charter middle schools studied had a “statistically significant and positive impact for low-income and low-achieving students in math,” but an opposite, negative impact for “high-income high achieving students.”<sup>34</sup>

Of the eight gold standard studies discussed above, none have received substantial attention in the national media. This is one reason why the myth that charter schools across the nation achieve “mixed” or even “poor” academic outcomes continues to persist.

In the case of the national CREDO study, researchers used an approach that compared charter students to their “virtual twins,” or non-existent students created using demographic and achievement data from traditional schools in proximity to the charters studied.<sup>37</sup> Even though some of CREDO’s studies, particularly its “local” studies of urban centers, find great advantages for charters,<sup>38</sup> there is risk in making decisions based on data that does not derive from gold standard research.

The Knowledge is Power Program (KIPP) may be the best-known charter management organization in the country, with over 200 schools serving more than 80,000 students nationwide. In a study that used both a lottery approach and quasi-experimental design when lottery data were not available, Mathematica Policy Research found:

- Across the KIPP network, the average impacts of middle schools on student achievement were positive and statistically significant throughout the 10-year period covered by the study data, although they were higher in earlier than in recent years.
- KIPP middle schools that opened in 2011 and later... are producing positive impacts similar in size to those that older KIPP middle schools produced in their first years of operation.
- KIPP high schools increase students’ course taking, likelihood of applying to college, and several other college preparation activities.<sup>35</sup>

This study suggests, as do the many studies outlined above, that charters are serving the students who need them most – poor and minority students – and serving them particularly well. A final gold-standard study that merits discussion is of a national charter organization well known for providing poor and minority students with superior educational options.

Matthew Ladner highlights this risk, pointing out that several studies of Arizona charter schools (none of them RCT) find persistently lower growth for charter school students. But low growth is difficult to reconcile with the superior scores “general education, low-income” students in Arizona charters achieve on the National Assessment of Educational Progress (NAEP).

In fact, students in Arizona’s charters saw an additional ten points in NAEP gains over their traditional public school peers.<sup>39</sup> As NAEP is often viewed as a high quality “check” on the low rigor of state standardized tests,<sup>40</sup> then it could be that Arizona’s charters are doing much better than non RCT research suggests.

a provision that restricts charter school expansion to low-performing districts and a provision that requires all charter operators to be deemed “proven providers” (those with a track record of operating effective schools) before the state will grant a charter.<sup>41</sup>

Studies that have received a great deal of attention, such as those conducted by the Center for Research on Educational Outcomes (CREDO) at Stanford University, suffer two fatal flaws:

1. They attempt to look at a broad swath of charter schools, which requires using data that are often not comparable.
2. They fail to compare “apples to apples,” or actual, demographically similar and similarly motivated students to one another.<sup>36</sup>

Holding charter school research to a very high standard is important because charter schools are particularly vulnerable to adverse policy decisions made on the basis of non-RCT research. In a political environment where powerful interest groups lobby against charter schools, faulty research findings are used to curtail charter school growth and rob charter public schools of funding.

And charter school proponents are guilty of succumbing to the attention that some non-RCT research has received. Many have accepted or advocated for the creation of regulations that encourage the replication of certain types of “successful” charter schools.

Even in states where RCT research exists, such as Massachusetts, research can drive policy decisions that have an adverse impact on the charter sector. In 2010, for example, the Massachusetts legislature looked to research as a basis to pass legislation to raise the charter cap. That legislation, however, came with onerous strings attached for charter schools, including

These types of regulations not only undermine growth in state and national charter sectors, they also ensure that the same types of charter schools tend to be authorized again and again. Forcing this “sameness” upon the charter school movement fundamentally undermines the charter concept — a concept that, at its core, is about providing parents and students with choice. Choice fundamentally requires that meaningful school alternatives exist.

## CHARTERS ARE NOT A DRAIN ON DISTRICT SCHOOLS: THEY MAKE THEM BETTER

Even when charter critics are forced to admit that charter school quality is high, they often fall back on another myth to prevent charter school expansion. Charter schools, they claim, divert funding from their district counterparts and therefore harm public education generally.

According to critics, the first way in which charters drain money is by diverting students to charters and lowering district school enrollment. When districts lose enrollment, budgets decrease. This argument is a non-starter, however, given that districts lose students for a variety of reasons, including student mobility (moving to other places) and lower birth rates in a community.

dents that remain or provide the same number of teachers to keep class sizes to a reasonable minimum. For large districts, this line of reasoning suggests, more students provide economy of scale.

LAUSD, like many large districts around the country that are losing enrollment, is failing to adapt its budgeting practices to reality. When charters are successful and families choose them over district schools, they may be forcing districts to examine practices that are unsustainable, with or without the existence of charter schools. Charter schools, on the other hand, can't afford to engage such unsustainable practices.

Since their inception, charter schools have used innovative budgeting practices to survive and to compete with district schools. This is because in many states they receive far less funding than their district counterparts. The Brookings Institution finds that charter schools nationwide “are underfunded in comparison to traditional public schools,” receiving, on average, 36 percent less.<sup>43</sup>

School finance experts such as Marguerite Roza point out that districts of all different sizes exist and operate successfully across the country. Rather than draining district budgets, Roza notes, the loss of students to charter schools reveals greater issues with district bureaucracies and budgeting practices. The Los Angeles Unified School District (LAUSD) provides one example. “In the last six years, as LAUSD lost over 100,000 students, its staffing (the most expensive part of running any school or district) actually grew.”<sup>42</sup>

But critics take the argument on step further, claiming that when they lose money because a student attends a charter school, it has a disproportionate impact on overall school budgets. Losing even five percent of students and the funding they represent makes it difficult, districts claim, to keep the lights on for the stu-

There are various reasons why charters receive less funding: charter school law may establish an inequitable funding scheme. Or, funding could be “baked in” as a line item in a state’s budget and therefore subject to annual cuts. In other cases, states and districts may withhold money from individual schools to cover “fees” or “ad-



ministrative costs that may have little to do with the charter.<sup>44</sup>

An equitable allocation for charter school students is the same allocation that those students would receive attending any other public school. In states where the money “follows the child,” no matter the school he or she chooses to attend, charters tend to receive more equitable allocations. In such situations, charters students receive both the state and local education dollars to which they are entitled because districts effectively send the “tuition” that each child would receive to the charter school. The principle that the money follow the child is especially important because few charter schools, unlike districts, have access to a municipal tax base: charters cannot, for example, request that a local community tax itself at a higher rate in order to generate more resources to meet school needs.<sup>45</sup>

*Charter schools, on average, receive 36 percent less funding than their district counterparts yet achieve superior outcomes. Instead of draining district schools of funding, they have provided them with innovative examples of how to run schools and educate students better.*

Even when states have relatively equitable per-pupil funding laws in place, they may disadvantage charter schools in another way: by failing to provide them with funding for the establishment and maintenance of facilities.<sup>46</sup> Whereas a local school district would use municipal taxes to build schools (often with the addition of state

subsidies), many charter schools must fundraise in order to pay the mortgage or rent on a building to house their students.

The problem of adequate facilities support for charter schools is pervasive: as of 2015, only 29 jurisdictions across the country had some policy in place to support charter schools with facilities funding. Policies can entail anything from providing charters access to local property tax dollars or existing school buildings, to establishing per-pupil facilities allowances or charter school grant and loan programs.<sup>47</sup> State laws that do not support charter school facilities put the students and families who choose charter schools at a disadvantage.

Considering that the vast majority of charter schools in this country operate at a financial disadvantage, it is even more impressive that they also help students to achieve such stellar outcomes. In this way, charters are dispelling another pervasive education myth: that “schools perform poorly because they need more money.”<sup>48</sup> In fact, many of the innovations for which charters have come to be known would seem to require that they operate with more money than districts.

Research<sup>49</sup> finds that some of the most common innovations in the charter sector include extended school days and/or years, small group tutoring and/or personalized learning, and smaller class sizes. All of these initiatives cost schools more money. But charters across the country have implemented them successfully because they also innovate in other areas, such as budgeting; alternative teacher licensure and hiring practices; and differentiating teacher pay according to performance.

Districts have adopted many of these innovations from charter schools. Especially in situations where district schools have been deemed “troubled,” policymakers like to leverage charter-like tools, such as extended school days and one-to-one tutoring.<sup>50</sup>

In the case of Denver, CO, officials explicitly linked their desire to improve public schools to a model taken from charters; Education Week reported in 2012 that Denver is “aiming to re-create within its own buildings the innovation seen in top charter schools.”<sup>51</sup> Researchers also find that, across the country, districts have responded to competition from charters in the following constructive ways: expanding or improving district schools, programs or offerings; improving district efficiency; and supporting semiautonomous charter-like schools.<sup>52</sup>

*The operational flexibility and freedom once afforded to charter schools almost universally has caught a regulatory fervor that its own advocates have invited, slowly “morphing” them into organizations like those they sought to disrupt- they have become more bureaucratic, risk averse, and fixated on process over experimentation. This organizational behavior is, in academic parlance, called isomorphism- the behavior that allows once innovative organizations to resemble those they once disrupted.*

## JUST THE FACTS: RISK AND OPPORTUNITY IN THE CHARTER SECTOR

If “innovation,” a word that is mentioned in the vast majority of state charter school laws,<sup>53</sup> was a main promise of the charter idea, then charters have lived up to that promise. They have not only innovated, they have also influenced the very entities they sought to disrupt (school districts) in positive ways. But the ability of charters to innovate is dependent upon the conditions under which they operate. Furthermore, innovation can’t be the only reason to embrace charter schools.

Charter schools were intended to be more than just disruptive forces. They are also supposed to provide families with distinctive educational options – alternatives to the status quo. Taking a chance on alternatives to the status quo also means embracing risk. Not all ideas will succeed, and this is why it is performance based accountability that most often drives whether schools remain open: when charters are not successful, they close.

Increasingly, states and even charter school interest groups are curtailing the abilities of charter schools and organizations to take risks and provide meaningful new options. Jeanne Allen, Founder and CEO of the Center for Education Reform writes:

The operational flexibility and freedom once afforded to charter schools almost universally has caught a regulatory fervor that its own advocates have invited, slowly “morphing” them

into organizations like those they sought to disrupt- they have become more bureaucratic, risk averse, and fixated on process over experimentation. This organizational behavior is, in academic parlance, called isomorphism- the behavior that allows once innovative organizations to resemble those they once disrupted.

What Allen calls “isomorphism” in the charter sector is the result of well-intentioned reformers seeking to replicate charter schools and charter management organizations in order to guarantee that only successful charters will be authorized. States and charter authorizers have likewise facilitated the expansion and growth of a charter school “type” by allowing only operators who have “proven” track records to open new schools. Philanthropists, charter interest groups, authorizers, and states have likewise “grown increasingly sensitive to critiques of their industry- criticisms that come largely from inaccurate studies as well as misinformation.”<sup>54</sup> As a result, charter school funders have become risk averse and less willing to support charter operators who represent something other than the status quo.

But great opportunity exists outside of the status quo. Some of the most successful and in-demand charter organizations that exist today were once “mom and pop” operations, schools that were started by a few smart people with a good idea and a drive to succeed. Had no state, authorizer, or funder taken a chance on KIPP, 80,000 students wouldn’t have the education and the opportunities that they do today. Had some of the first charter school authorizers not been willing to close a failing school, we would have no example of what true accountability looks like in public education.

In the interest of parental choice and educational excellence, true charter advocates

should denounce the myths and lay bare the facts about charter public schools. They should demand that only the most rigorous research be considered in decisions that affect charter school policy, and they should fight to protect charter schools from unnecessary regulation. Finally and perhaps most importantly, they must actively promote diversity and innovation in the charter sector. Diversity within the charter sector provides meaningful choices for parents and students – without it, charters are just districts by another name.

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