



# Hopes, Fears, & Reality

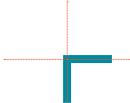
A BALANCED LOOK AT AMERICAN  
CHARTER SCHOOLS IN 2006

*Robin J. Lake & Paul T. Hill, Editors*





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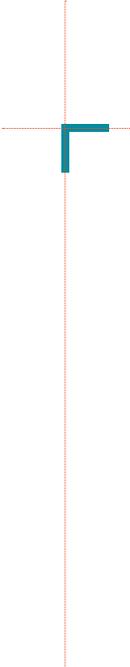
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CHARTER SCHOOLS IN 2006

Robin J. Lake & Paul T. Hill, *Editors*

*National Charter School Research Project  
Center on Reinventing Public Education  
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# About NCSRP

The National Charter School Research Project (NCSRP) brings rigor, evidence, and balance to the national charter school debate.

NCSRP seeks to facilitate the fair assessment of the value-added effects of U.S. charter schools and to provide the charter school and broader public education communities with research and information for ongoing improvement.

NCSRP:

- Identifies high-priority research questions.
- Conducts and commissions original research to fill gaps in current knowledge or to illuminate existing debates.
- Helps policymakers and the general public interpret charter school research.

The Project is an initiative of the Center on Reinventing Public Education.

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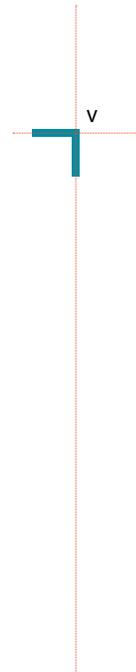
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# Acknowledgments

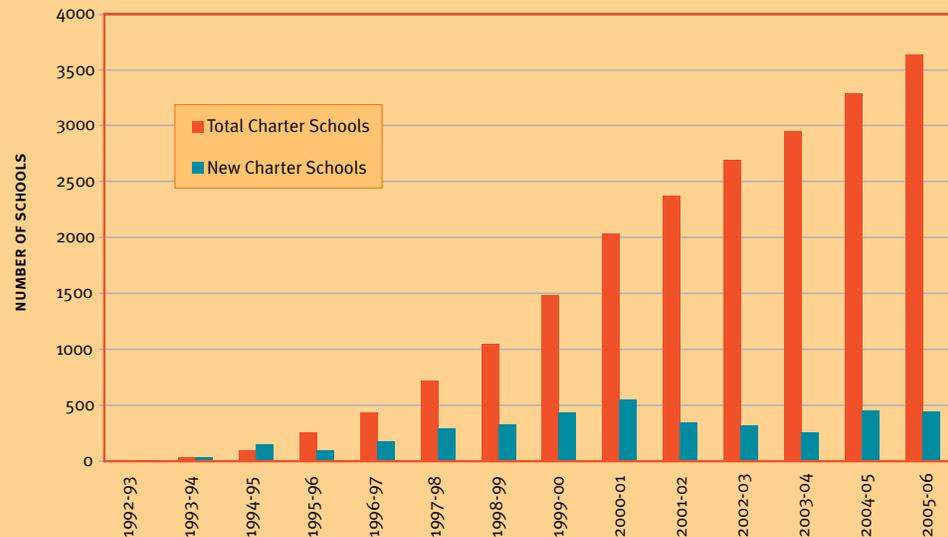
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## FAST FACTS: Charter Schools in 2005-06

FIGURE 1: CHARTER SCHOOL GROWTH: NEW & TOTAL CHARTER SCHOOLS 1993-2006



- Number of charter schools in 2004-05: **3293**
- Number of charter schools in 2005-06: **3638**
  
- Percentage of all public schools that are charters in 2004-05: **3.3%**
- Percentage of all public schools that are charters in 2005-06: **3.69%**
  
- Percentage of all public school students that attend charter schools in 2004-05: **1.9%**
- Percentage of all public school students that attend charter schools in 2005-06: **2.1%**
  
- Number of states that *expanded* the allowable number of charter schools or charter school students: **5**
- Number of states that *restricted* the allowable number of charter schools or charter school students: **2**
  
- Percentage of all charter schools authorized by a local school board: **52.9%**
- Number of states that expanded their charter laws in to allow agencies other than local school boards to authorize: **3**
  
- Percentage of all charter schools that were new *this* year: **12.2%**
- Percentage of all charter schools that were new *last* year: **13.6%**
  
- Number of charter schools that opened in 2004-05: **445**
- Number of charter schools that opened in 2005-06: **448**
  
- Number of charter schools that closed in 2004-05: **65**
- Number of charter schools that closed in 2005-06: **106**

**Source:** Unless otherwise noted, the figures reported here come from NCSRP's annual survey of state charter school offices conducted between May and July 2006. For more detailed information about the survey and its results, see the NCSRP web site: [www.ncsrp.org](http://www.ncsrp.org). The numbers of all public school students and public schools nationwide in 2004-06 come from the National Center for Educational Statistics (NCES) Common Core of Data. Figures relating to legislative activity were provided by Todd Ziebarth at the National Alliance for Public Charter Schools. The numbers of charter schools and charter school students from 1992-2004 are from the Center on Education Reform.

## INTRODUCTION

# Grappling With the New Reality

Last year's edition (2005) of *Hopes, Fears, & Reality* described a fast-maturing charter school movement with the potential to have a large-scale impact on K-12 education in the United States. But much like a gangly teenager, the charter school movement has suffered major growing pains. Our essays last year explored some of those growing pains—including how to ensure that bad charter schools are closed while the number of high-quality charter schools expands, and the possibility of using charter schools as replacements for low-performing traditional public schools.

Over the past two years, the nation's leading newspapers have featured at least two rounds of dueling studies on charter schools' impact on academic achievement. Two national evaluations of charter schools concluded that charter schools collectively had lower academic performance,<sup>1</sup> while two other analyses found that charter schools modestly boost academic achievement.<sup>2</sup> As several of the chapters in this volume suggest, flaws in the research methodologies of these competing studies make their conclusions suspect—or at the very least raise doubts about whether there is anything of utility that policymakers, educators, and parents can glean from the national findings about charter schools. For now—despite its importance—the debate over academic achievement among charter students is far from settled, and is likely to remain so for some time.

In this year's volume, readers are asked to shift their attention beyond this well-publicized debate over academic achievement to the broader realities of the present-day charter school movement. The charter school concept still faces strong opposition in some communities, but in most of the country, chartering is relentlessly

## WHAT ARE CHARTER SCHOOLS?

Charter schools are public schools of choice. Charter schools receive public funds based on the number of children who attend, and schools that do not attract enough students to pay their bills must close. Schools obtain charters only with the approval and oversight of their local school district or other state agency. The approving agency can also close a charter school if it does not perform. The adults who run charter schools and teach in them enjoy significant freedom of action, but they can lose their jobs if the school proves ineffective or families do not choose it.

Charter schools are another way—in addition to schools directly operated by a school district—that communities can create new public education options and partnerships for their children. While some of public education's traditional constituents may be uncomfortable with charter schools, these new institutions are intended to be part of the fabric of public life in their communities.

expanding. Every year it involves larger numbers of children, parents, and teachers, and affects more communities. Complete counts of charter schools are hard to come by. Our tallies suggest that the nation now has some 3,600 charter schools that are home to more than a million students—growing by approximately 10 percent from last year.

Due to the *No Child Left Behind* (NCLB) law, which obligates school districts to replace low-performing schools, the number of charter schools is likely to continue to grow, as districts experiment with replacing sub-par schools with charter schools. As the number of charter schools has increased, the charter approach has expanded from an elementary school phenomenon to a movement that encompasses all of K-12 education. Thus, with little fanfare, the tenor of public debate over charters has shifted dramatically. The question today is no longer should communities open a charter school, but rather *what will be the consequences of the continued growth of charter schools?*

This year's *Hopes, Fears, & Reality* examines the consequences of charter school expansion from the perspective of several leading players in the charter school debates. In particular, this volume looks at the implications of charter school growth for:

- *Families*—who now find themselves able to consider new options because of charter school expansion
- *Existing public schools*—who find themselves in competition with charter schools, and in some cases losing students and funding because of families' decisions to transfer to charter schools and other public schools of choice
- *Teachers unions*—who now uneasily coexist with non-union charter schools
- *School districts and school boards*—who are now charged with the challenging and unfamiliar task of authorizing new charter schools and assessing the performance of existing charters
- *State departments of education*—who are obliged to evaluate the performance of charter schools, at a time when even experts seem unable to agree on the impact that charter schools have on academic achievement

We devote one chapter each to the first four constituencies and three chapters to the ongoing debates about measuring performance and accountability:

### **CHAPTER 1: Doing Their Homework: How Charter School Parents Make Their Choices**

In this chapter, Paul Teske and Robert Reichardt report the results from a new multi-city survey that examines how low-income parents choose charter schools. The authors present new data that compares the selection strategies of parents

who choose charter schools to the strategies of parents who elect non-charter choices for their children. Using data from Denver, Washington, D.C., and Milwaukee, the authors show that low-income families who choose charter schools use strategies very like those used by families considering private and suburban schools. Among other important findings, the authors' careful research debunks the stereotype of charter parents as ill-informed consumers who are led unwittingly to charter schools.

## **CHAPTER 2: Life After Charters: School Districts and Charter School Growth**

Authors Christine Campbell and Deborah Warnock report the results of their new study of charter school “hot spots” around the nation, examining how city school districts that lose students and funding to charter schools can help their schools compete. The authors show that these school districts are not doomed to failure, and they describe in detail how one district is responding to intense charter school competition.

## **CHAPTER 3: A One-Day Ceasefire: What Charter School and Teachers Union Leaders Say When They Meet**

Lydia Rainey, Andrew Rotherham, and Paul Hill report on the results of an animated discussion between charter school leaders and teachers union leaders. (A 2006 symposium, sponsored by the National Charter School Research Project (NCSRP) and the Progressive Policy Institute, brought the two groups together to discuss areas of agreement and disagreement around teachers unions and public charter schooling.<sup>3</sup>) The authors show that even though the two sides harbor a deep and abiding distrust of each other, some leaders on both sides believe that a period of détente could be in their own interest. The chapter suggests ways the two sides can begin to build mutual confidence, reduce hostilities, and structure some early collaborative efforts between unions and charters.

Broadly conceived, chapters four through seven ask how government institutions responsible for judging the performance of charter schools can do their jobs fairly and effectively. And while these chapters examine charter school accountability per se, they also provide ideas about how school districts can perform the responsibilities assigned to them by NCLB and standards-based state reform laws.

## **CHAPTER 4: Improving State and Local Assessments of Charter School Performance**

In this chapter, Paul Hill and Julian Betts show how states can get an honest picture of how charter schools are performing under their laws. State

legislatures set the rules under which charter schools operate and decide how many charter schools can exist. State education agencies and lawmakers with oversight responsibilities must be able to ferret out the most valid and pertinent information about charter school performance. Yet many state officials are confused about how to best assess charter schools, particularly in light of the ongoing national debate about the impact of charter schools on academic achievement. Drawing from NCSRPs recent white paper on charter school student achievement,<sup>4</sup> Hill and Betts show that states can indeed track critical charter school data and develop more rigorous state evaluations.

### **CHAPTER 5: Charter Authorizing: It's a Dirty Job, But Somebody's Got to Do It**

Katharine Destler reports here on the preliminary results from an ongoing NCSRPs study of the agencies that authorize new charter schools and assess their performance. In most areas of the country, school boards and school districts serve as charter authorizers, yet authorizing and evaluating charter school performance is still an alien role for many districts. The Washington, D.C., school board's decision in 2006 to relinquish its chartering authority because it felt it lacked the wherewithal to judge charter school performance is just one recent illustration of the problem. Drawing from research on other government agencies and private businesses, the authors suggest how charter authorizers can build the capacity to judge charter proposals, oversee performance, intervene on behalf of children in troubled schools, and encourage development of competent school providers.

### **CHAPTER 6: A Better Way: Measuring Charter School Success and Failure**

In this chapter, authors Laura Hamilton and Brian Stecher show how public officials, citizens, and the press can move beyond the current single-minded preoccupation with test scores to begin assessing charter schools on the basis of their long-term consequences for children. This chapter provides a roadmap for understanding the tradeoffs between test scores and other longer-term—and possibly more significant—measures of charter school outcomes. A balance of short- and long-term outcome measures can improve assessment of individual charter schools—and also provide a richer means of judging the contributions of the charter school movement as a whole.

### **CHAPTER 7: Counting Graduates: A New Challenge for Charter Schools**

Author Mary Beth Celio contemplates the challenge of fairly measuring charter school graduation rates—an important but rarely tracked metric of school success.

Drawing from a two-city analysis that employs commonly used methodologies to track graduates and drop-outs, Celio finds that the only method available to track charter school graduates would paint a gloomy picture of charter school drop-out rates. The author offers guidance for how public officials can begin to make apples-to-apples comparisons of charter and non-charter graduation rates.

Elected officials, parents, and state and local educators grapple regularly with all the questions raised in this volume and would do so even if charter schools were not a high-profile issue. The K-12 enterprise writ large can benefit by knowing more about how to inform parents about school choices, how to broker conflicts between unions and school leaders, how to improve schools and attract families in the face of enrollment declines and funding losses, and how to assess the quality and performance of individual schools. Charter schools have not created these issues, but they have given them greater salience. In this volume, NCSRP provides guideposts and recommendations based on the best evidence available, so that policymakers, educators, and parents can begin to resolve some of the urgent and persistent problems bedeviling American education.

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## NOTES

1. F. Howard Nelson, Bella Rosenberg, and Nancy Van Meter, "Charter School Achievement on the 2003 National Assessment of Educational Progress," American Federation of Teachers, 2004, <http://www.aft.org/pubs-reports/downloads/teachers/NAEPCharterSchoolReport.pdf>; and National Center for Education Statistics, "America's Charter Schools: Results From the NAEP 2003 Pilot Study," U.S. Department of Education, Institute of Education Sciences, 2004, <http://nces.ed.gov/nationsreportcard/pdf/studies/2005456.pdf>.
2. National Alliance for Public Charter Schools, "What NAEP Is Really Telling Us About Charter Performance," 2006, [http://www.publiccharters.org/files/1101\\_file\\_Charter\\_Data\\_Point\\_2\\_.doc](http://www.publiccharters.org/files/1101_file_Charter_Data_Point_2_.doc); and Caroline M. Hoxby, "A Straightforward Comparison of Charter Schools and Regular Public Schools in the United States," Harvard University and National Bureau of Economic Research, 2004, [http://post.economics.harvard.edu/faculty/hoxby/papers/charters\\_040909.pdf](http://post.economics.harvard.edu/faculty/hoxby/papers/charters_040909.pdf).
3. For a report of the proceedings, see Paul T. Hill, Lydia Rainey, and Andrew J. Rotherham, *The Future of Charter Schools and Teachers Unions: Results of a Symposium*, National Charter School Research Project (Seattle: Center on Reinventing Public Education, 2006).
4. See Charter School Achievement Consensus Panel, *Key Issues in Studying Charter Schools and Achievement: A Review and Suggestions for National Guidelines*, National Charter School Research Project White Paper Series, No. 2 (Seattle: Center on Reinventing Public Education, 2006).



## CHAPTER I

# Doing Their Homework: How Charter School Parents Make Their Choices

*Paul Teske and Robert Reichardt*

Some groups of parents have always been able to choose their children's schools. These parents, the economically privileged and lower-income families who feel so intensely about schools, changed neighborhoods, sought vouchers, or found parochial schools. Nobody expresses much concern about whether they were able to make well-informed choices. Charter schools, especially those in big cities, extend choice to new groups of low- and moderate-income parents, which has led to concern about whether parents choosing charter schools are sophisticated enough and have access to good enough information to make good decisions.<sup>1</sup> Critics fear that such parents may be misled by superficial aspects of schools, rather than concentrating on academic priorities.

A number of researchers have compared parents who chose charter schools to parents who did not exercise any form of educational choice.<sup>2</sup> These studies were done in places where few schooling options exist and parents must take extraordinary measures to get them. However, there are now communities where low- and moderate-income families can choose among a wide variety of publicly funded schooling options, including their neighborhood schools, other district-run schools, magnets, charters, and, in some cases, voucher-funded private schools. No one knows whether, under such circumstances, parents who choose charter schools differ from parents who choose other alternatives.

We sought to answer that question by surveying 800 low- and moderate-income parents in three cities with many choice options: Milwaukee, Washington, D.C., and Denver.<sup>3</sup> The choice of these cities allowed us to compare charter school parents to those who picked other choice options. Thus, our comparison group is not a passive group of “non-

choosing” parents, but rather a second group of active parents who picked options other than charter schools.

We found that parents who choose charter schools:

- are not richer or better educated than other parents who exercise school choice;
- say that academic factors and teacher quality are their most important considerations, regardless of their income level;
- use the same kinds of information in making a choice as other parents: visiting schools, talking with parents who have children in the school, reviewing printed materials, and consulting school counselors and parent information centers;
- are more likely to select a school other than their “neighborhood school” (85 percent versus 60 percent for other choosers);
- factor their children’s views about schools into their decision criteria;
- are more likely than other parents to use school websites in making their choice (possibly because charter schools are more likely to have websites);
- are more likely to be very or somewhat satisfied with the schools chosen than parents who chose other public schools (97 percent versus 84 percent), and are as satisfied as parents who chose private schools; and
- are, compared to parents of similar incomes who choose private schools, more likely to choose on the basis of academic factors than on school culture, environment, safety, and values.

These findings do not tell us whether low- and moderate-income families who choose charter schools are more sophisticated than families that do not bother to choose, or are less sophisticated than parents who are richer and more educated. But they do tell us that the kinds of families for whom charter schools are now creating choices care about school quality and have an appetite for information. They also suggest that the high satisfaction rates in charter schools cannot all be attributed to the act of choosing itself.

*The kinds of families for whom charter schools are now creating choices care about school quality and have an appetite for information.*

## THE PEOPLE WE SURVEYED AND THE CHOICES THEY MADE

Parents in our survey sample appear to be representative of low- and moderate-income parents in urban areas. Table 1 shows that survey respondents are spread fairly evenly across the five quintiles within the \$0-50K income range.<sup>4</sup>

TABLE 1. CITY COMPARISONS

	MILWAUKEE	DC	DENVER
CITY POPULATION 2003	569,000	529,000	545,000
MEDIAN HOUSEHOLD INCOME 2003	\$ 33K	\$ 43K	\$ 44K
POP % BLACK 2003	41%	60%	12%
POP % HISPANIC 2003	14%	10%	35%
% WHO SAID THEY “CONSIDERED OTHER SCHOOLS”	73%	70%	56%
SAMPLE % BLACK	54%	90%	18%
SAMPLE % HISPANIC	6%	8%	43%
SAMPLE % IN CHARTER SCHOOLS	11%	21%	7%
SAMPLE % IN PRIVATE SCHOOLS	26%	20%	14%

*Source: U.S. Consensus Bureau, 2003 data*

Our parent sample is overwhelmingly female—about 90 percent.<sup>5</sup> The heavy preponderance of women occurs both because we interviewed the main school decisionmaker in the family and because nearly two-thirds of our sample is single-mother households. The city samples vary considerably by race, as do the cities. In Milwaukee, 54 percent of parents surveyed are black, 33 percent are white, and 6 percent are Hispanic; in Washington, D.C., 90 percent are black; and in Denver, 43 percent are Hispanic, while 35 percent are white and 18 percent are black.

In our sample, charter parents and parents who elected other school choice options are surprisingly similar, showing no statistically significant differences across a slew of comparisons.<sup>6</sup> They show no appreciable differences in parental income, educational attainment, attendance at public or private schools as children, attendance at a school within the region, length of residency in the metropolitan area,<sup>7</sup> parent age, church attendance or religious affiliation, marital status, employment status, first language, and whether or not their spouse is employed. Looking just at the characteristics of children in charter schools, we find that they are also quite similar in age, gender, and numbers of siblings to the children of parents who opt for non-charter options.

Nearly two-thirds of the parents in our survey said they had “considered a school other than their neighborhood public school” (73 percent in Milwaukee, 70 percent in D.C., and 56 percent in Denver). Thus, even though some parents either did not know they could make a choice, or did not want to consider other schools, the majority of these low- and moderate-income parents did make an active choice.

Across our sample, 37 percent placed their child in the closest public school (even though they told us they “considered other schools,” and we did not want to rule out this form of choice), 15 percent placed their child in another district (non-charter) public school, and another 11 percent chose an out-of-district public school (mostly in the Denver metro area). By contrast, 19 percent of parents had enrolled children in private schools, and 14 percent of families in the three cities chose charter schools.<sup>8</sup>

In every city, the parents in our sample reported being very satisfied with their school choice, perhaps even more so than in other surveys, which consistently show high satisfaction levels. More than two-thirds of these low- and moderate-income parents report being “very” satisfied (at the extreme end of a 5-point scale), and nearly 90 percent are either “very” or “somewhat” satisfied. This is a higher degree of satisfaction than found in earlier studies of public school parents by Phi Delta Kappa<sup>9</sup> and the U.S. Department of Education.<sup>10</sup> The latter study, for example, found that of a cross section of all public school parents, 61 percent of parents were “very satisfied” with public schools of choice, compared to 52 percent “very satisfied” for their assigned public schools. Our survey result of 68 percent “very satisfied” is above this range, and from a low- and moderate-income group in cities where the actual school performance is substantially below national averages.

*Quite apart from the demographic similarities of the two groups, charter parents and non-charter parents look alike as school choosers.*

*The same proportions of charter and non-charter parents learned about their school choice opportunities via word of mouth, use of media, and school-initiated outreach.*

## HOW CHARTER PARENTS CHOOSE

Quite apart from the demographic similarities of the two groups, charter parents and non-charter parents look alike as school choosers. The same proportions of charter and non-charter parents learned about their school choice opportunities via word of mouth, use of media, and school-initiated outreach.

Once parents know that school choices are possible, they use the same methods to learn about schools. Their most important source of information is parents with children in the schools under consideration, or friends. Parents say they rely on these sources because they trust them to give unbiased information. Parents who choose charters and public schools are equally likely (60 percent) to consider their child’s opinions about schools, and to consider how far a school is from home.

Parents in both groups are equally likely to visit a school (about 85 percent do so), take their child to a school, consult with other parents and/or other family members and

friends, review printed materials, and utilize a parent information center. They talk to the same number of people in their social network about their decision, are equally interested in consulting a school counselor, and place the same level of faith and trust in school officials.

Finally, charter parents and other parents consider and apply to the same number of schools. When asked to single out the most important factor in their final choice, both charter parents and non-charter parents cite academic factors, including quality teachers and high performance. As one non-charter school mother responded to our open-ended question, “I wanted a school with better teachers, better books, and a better all-around atmosphere.”

## DIFFERENCES BETWEEN CHARTER PARENTS AND OTHER CHOOSERS

Though charter school parents in our three cities do not have more education and income than other parents and do not place a higher priority on academic concerns, there are a few differences between parents who choose charters and those who choose other schools.<sup>11</sup> A subgroup of charter school parents—particularly those who rank academic issues as their top priority—do display somewhat more sophistication and ambition about their school search than most non-charter parents.

Though all parents care about how far a school is from home, parents who choose charter schools are apparently more willing than other parents to trade off convenience for other factors. In fact, 85 percent of charter students are not in the closest school to home, compared to 60 percent for children of other choosers. Parents who choose charters also cast a wider net, using a larger number of information sources—72 percent used two or more sources, compared to 59 percent of parents who selected non-charter options. And larger proportions of charter than non-charter parents (44 percent versus 28 percent) said they emphasized written materials about schools over word of mouth, though they used both kinds of resources.

One big difference is in the use of school websites: Half of the charter parents viewed school websites during their search process, while only about a quarter of the non-charter group (28 percent) did so. The largest gap in website use was in Washington, D.C., where charter schools are more likely to have websites than other schools, and the

*When asked to single out the most important factor in their final choice, both charter parents and non-charter parents cite academic factors, including quality teachers and high performance.*

smallest gap was in Denver, where virtually all schools have available websites. Thus, differences in use might reflect the availability of web-based information rather than parents' preferences among sources of information.

Because we did not assess the academic performance of charter schools in these three cities, we cannot say whether charter parents' greater reliance on multiple sources of written information and websites leads them to make better choices. But we can say that charter parents are more satisfied than other choosers. (On a 1-4 scale where 1=very satisfied and 4=very unsatisfied, charter parents scored 1.3 and other choosers 1.5.) Charter parents are more satisfied in all three cities, with the largest difference in Milwaukee and the smallest difference in D.C. On another measure, parents who chose non-charter public schools are quite happy (84 percent were "very" or "somewhat" satisfied across our sample), but 97 percent of charter parents are "very or somewhat" satisfied. This satisfaction rate is nearly identical to the 96 percent satisfaction rate reported by parents who chose private schools for their children. Within the charter parent group, those who valued academics most are also the most highly satisfied.

The comparable satisfaction rates led us to ask whether parents who chose charter schools sought the same kinds of information as parents who chose private schools. We found important differences. Parents who chose private schools are different from parents who chose charters and other public schools—more likely to be married, to have attended private schools themselves as children, and to describe themselves as religiously active. However, we did not find that private school parents sought more information or chose more carefully. Charter parents are far more likely to learn about choice options through school actions, such as letters to prospective parents and other written information (32 percent versus 13 percent), while private school families are more likely to learn about choice through their social networks (49 percent versus 38 percent).

When it comes to actually selecting a school, academic concerns again weighed more heavily on charter parents in our sample than on the families that opted for private schools. Private school parents more often name school culture (environment, safety, values) as their most important factor in picking a school (36 percent versus 19 percent), while charter parents are more likely to choose schools based on academic factors (71 percent versus 58 percent). When asked about the most important source of information they relied on, private school parents are more likely to say family or personal knowledge (68 percent versus 40 percent), while charter choosers are more likely to mention teachers or administrators (47 percent versus 25 percent).

*Private school parents more often name school culture as their most important factor in picking a school, while charter parents are more likely to choose schools based on academic factors.*

In short, while charter parents are just as satisfied with their schools as private school parents, the two groups learn about choice and gather information in somewhat different ways, with charter parents emphasizing academics and school-based information relatively more than social network information.

Since all parents in our sample made some sort of choice, it is not likely that charter choosers' higher degree of satisfaction is due simply to cognitive dissonance—the tendency to justify a decision by focusing on the positive aspects of the object chosen. We speculate that better information might lead to greater satisfaction: private school parents have the advantage of choosing known quantities, while charter school parents learn enough about the schools they choose to be confident that they have obtained what they sought.

## SIGNIFICANCE OF OUR FINDINGS

In most respects, charter parents are no different from other parents who make other school choices in an urban setting. That overarching finding is new but not entirely unexpected—once parents are in a “choice mode,” they are likely to review an array of school types that they may never have considered before.

Clearly charter parents are not ill-informed consumers of school choice, as some critics have suggested. But neither are they parents with overwhelming socioeconomic advantages—at least not when compared with other low- and moderate-income families that exercise school choice in urban areas.

Nor are parents who choose charters an elite group that has greater information resources than parents who choose other public schools. Like other low- and moderate-income parents in our sample, charter parents are not accustomed to choosing schools, but they know what they want in a school and make serious efforts to inform themselves.

Policymakers should especially take note that charter parents do their own homework in making school choices and are happier with the results than parents who pick non-charter public options. These facts suggest that districts and schools would be well advised to provide more and better information about all their schools—academic quality, curricu-

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lum, and other school features—since there is a surprisingly robust audience of low- and moderate-income parents eager to educate themselves about schooling options.

This research was not designed to learn about the small number of families who do not exercise choice even when they have the opportunity to do so. It may be that those families are less savvy than those who choose, or those families may prefer, for whatever reason, to trust the district to provide for their children. Whatever the case, there may always be some families who choose not to choose, making it incumbent on school systems that offer choice as a mainstream option to think carefully about how to ensure that all students are placed into high-quality schools.

Future research might examine why charter schools are more successful than other public schools at matching parents' expectations; how districts can better provide information to address parent concerns; and what kinds of safeguards need to be put in place to provide for students whose parents choose not to participate in a choice-based public school system.

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#### NOTES

1. While these criticisms and concerns are often expressed informally and anecdotally in media outlets, some of the most thoughtful skepticism in this vein comes from Jeffrey Henig, *Rethinking School Choice: Limits of the Market Metaphor* (Princeton: Princeton University Press, 1995); Scott Abernathy, *School Choice and the Future of American Democracy* (Ann Arbor: University of Michigan Press, 2005); and Courtney Bell, "All Choices Created Equal? How Good Parents Select "Failing" Schools" (working paper, National Center for the Study of Privatization in Education, Columbia University, October 2005).
2. See, for example, Paul Teske and Mark Schneider, "What Research Can Tell Policymakers About School Choice," *Journal of Policy Analysis and Management* 20, no. 4 (2001): 609-31.
3. Our telephone survey of low- and moderate-income parents, with annual incomes of less than \$50K, was fielded in the fall of 2005 in Washington, D.C. (300 parents), Milwaukee (300 parents), and Denver (200 parents). All three of these cities can be characterized as "mature" choice sites that offer parents a variety of educational options. The cities are also similar in population size. In Washington, D.C., almost 25 percent of public school students are now enrolled in charter schools, and another 6 to 7 percent attend private schools with aid from a privately funded scholarship program and a new federally funded voucher program. Milwaukee and Washington are the two large cities in the nation with the longest-running and most far-reaching school choice programs, so local knowledge and information availability should be relatively advanced. We selected Denver to complement our fieldwork in Milwaukee and Washington, D.C., because Denver's choice offerings are closer to those of many medium-sized American cities. Denver has public school choice, and about 10 percent of its public school students attend charter schools. Unlike Milwaukee and Washington, D.C., however, Denver does not offer vouchers.

4. Across our sample, for the five quintiles, 16 percent report less than \$10K income, 19 percent between \$10-20K, 24 percent between \$20-30K, 20 percent from \$30-40K, and 21 percent from \$40-50K.
5. This was also true in surveys of parents by Mark Schneider, Paul Teske, and Melissa Marschall, *Choosing Schools: Consumer Choice and the Quality of American Schools* (Princeton: Princeton University Press, 2000) and in the survey by Emily Van Dunk and Anneliese Dickman, "School Choice and the Question of Accountability: The Milwaukee Experience" (New Haven: Yale University Press, 2004).
6. We define "different" as statistically significant differences above a 95 percent likelihood that we can reject the null hypothesis of "no difference."
7. On the importance of length of residence for knowledge about local schools, see Paul Teske, Mark Schneider, Michael Mintrom, and Sam Best, "Establishing the Micro Foundations of a Macro Theory: Information, Movers, and the Competitive Market for Local Public Goods," *American Political Science Review* 87, no. 3 (1993): 702-13.
8. Washington, D.C., has the highest proportion of families choosing charters (21 percent, compared to 11 percent in Milwaukee and 7 percent in Denver). For private schools, Milwaukee leads the sample with 26 percent of students in private schools, compared to 20 percent in D.C. and only 14 percent in Denver.
9. This poll can be accessed at <http://www.pdkintl.org/kaplan/kpollpdf.htm>.
10. See Edith McArthur, Kelly W. Colopy, and Beth Schlainé, "Use of School Choice," NCES 95-742R (Washington, DC: U.S. Department of Education, National Center for Educational Statistics, 1995).
11. Whenever we highlight a difference between charter and other parents in this section, it is based upon a statistically meaningful difference between the groups, analyzed at the 95 percent level of confidence.



## CHAPTER 2

# Life After Charters: School Districts and Charter School Growth

*Christine Campbell and Deborah Warnock*

**W**hen Dayton Mayor Rhine McLin heard the news in spring 2005 that 23 more charter schools wanted to open their doors in her city, she was outraged. Dayton, Ohio, home to just 34 district schools, already had 36 charter schools. “I would say they are trying to experiment with Dayton to see if they can truly dismantle public schools,” McLin told the local paper. “If it works here, the whole system of public education as we know it will not exist. Is that a good thing? No.”<sup>1</sup>

Though only 13 of the 23 proposed schools in Dayton actually opened,<sup>2</sup> more than a few superintendents and school board presidents in districts across the country echo McLin’s fear that a sudden influx of charter schools will put traditional school districts out of business.

In Albany, New York, for example, the head of the local teachers union says that charter schools are “siphoning off nearly 20 percent of our kids and our funding . . . We’re at the saturation point where someone has to say enough is enough.”<sup>3</sup> In Detroit, Michigan, charters and inter-district school choice account for about half of the 9,300 students who left the beleaguered Detroit Public Schools in 2004.<sup>4</sup> The Detroit public school district projects that by 2008 its total enrollment will be somewhere around 100,000 students—down from almost 175,000 students in 1999.<sup>5</sup> Choice and charter schools may be marginal threats to most school districts—but in places like Dayton, Albany, and Detroit the new schools can no longer be ignored.

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Such stories mark an important turning point for the charter movement and the districts it affects. Since the inception of the movement 15 years ago, the notion that charter schools might be numerous enough to pose a threat to traditional public schools has been a remote and rhetorical concern among critics. Today, at least in some districts, such threats are no longer so abstract. But as advocates on both sides of the issue consider charters and their effects in places like Dayton, Albany, and Detroit, it is important to keep in mind two areas of context that are easily ignored but greatly inform whether charters threaten districts as some fear: the broader demographic trends in these cities, and how the districts are responding to competition.

### ONE DISTRICT'S DRAIN IS ANOTHER'S PRESSURE VALVE

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Charter schools can serve either as a pressure valve or as a drain for school districts, depending on changes in the student population. If the number of school-aged children is growing and a district is gaining enrollment, the district can afford to lose students to charter schools. In such cases, charter schools may serve as a pressure valve, relieving the district of having to provide new facilities and hire more staff. Charters might even take a disproportionate share of students who are hard to serve, or who need unusually expensive remedial services. By contrast, in localities where the school-aged population is stable or in decline, any competition—even with other districts—could lead to falling enrollments and reduced funding, if the districts' funding formulas are linked to enrollment.<sup>6</sup>

Consider, for example, the following urban districts where charter schools have a high percentage of the total number of enrolled students.<sup>7</sup>

Table 1 shows that the three districts with some of the highest proportions of charter schools are losing enrollment, but it also shows seven districts with high proportions of charters actually gaining enrollment—here, charters are the pressure valve.

TABLE 1. "HOT SPOT" CHARTER SCHOOL DISTRICTS

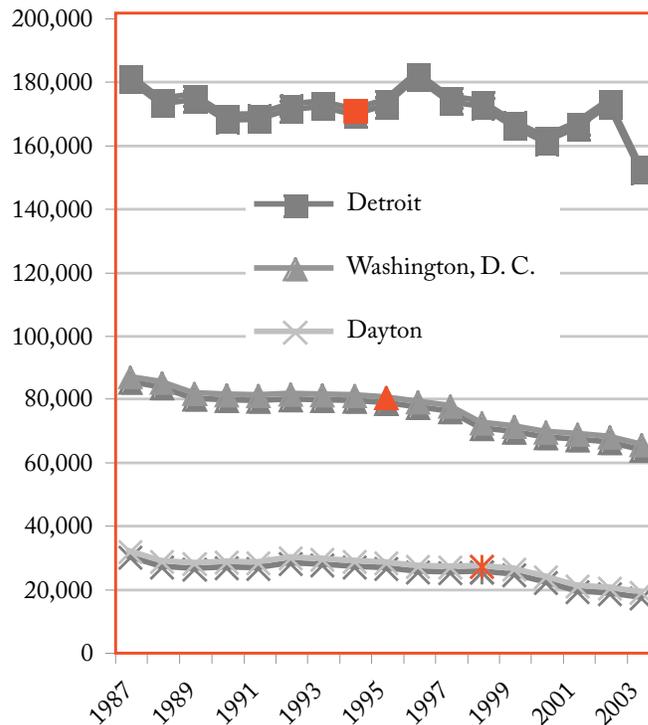
SCHOOL DISTRICTS	% ENROLLED IN CHARTER SCHOOLS 2005-2006	# STUDENTS IN CHARTER SCHOOLS 2005-2006	# STUDENTS IN TRADITIONAL PUBLIC SCHOOLS 2005-2006	CHANGE IN DISTRICT ENROLLMENT 1990-2000	CHANGE IN POPULATION-SDDS	
					TOTAL POPULATION	SCHOOL-AGED POPULATION
DAYTON	25	6,234	19,000	-4,000	-19,111	-1,115
DETROIT	21	20,834	78,996	-20,681	-76,705	13,756
WASH. D.C.	20	16,660	65,099	-10,539	-34,840	4,798
KANSAS CITY	15	5,764	32,687	3,458	-17,470	1,818
MILWAUKEE	14	15,153	95,600	7,906	-31,064	7,892
MINNEAPOLIS	13	5,558	37,865	12,303	14,069	11,723
PHILADELPHIA	10	21,096	191,510	15,748	-68,027	26,468
MESA	8	6,117	74,000	10,570	97,025	16,936
DENVER	8	6,014	73,018	11,394	87,511	16,962
SAN DIEGO	7	9,937	125,870	21,429	57,942	23,951

*Source:* This table was generated by Center on Reinventing Public Education (CRPE) demographer and data analyst Mary Beth Celio and researcher Deborah Warnock on June 7, 2006. The table is comprised from many sources.<sup>8</sup>

Dayton, Detroit, and Washington, D.C., showed overall declines in enrollment between 1990 and 2000, ranging from a loss of 4,000 students in Dayton, to 10,500 in Washington, D.C., to 20,600 in Detroit. According to census data, the number of school-aged children in two of the three cities has increased slightly in the last 10 years, with Washington, D.C., growing by 4,700 children, and Detroit growing by 13,700 children. The growth, however, does not offset the enrollment declines experienced in either of these districts. Dayton, on the other hand, is the only district among the 10 highlighted here that is losing enrollment *and* facing a decline in the number of school-aged children in the city.

These three districts appear to have been in trouble for a long time. Figure 1 shows that enrollment was in decline before charters arrived.

**FIGURE 1. THREE DISTRICT'S ENROLLMENT TRENDS**



*Source: National Center for Education Statistics Common Core of Data; table generated June 7, 2006, by CRPE researcher Deborah Warnock using CCD Build A Table tool, <http://nces.ed.gov/kcd/bat/>.*

Washington, D.C., Dayton, and, to a lesser extent, Detroit have all experienced not only significant but steady declines in enrollment over the last 10 to 20 years. The Detroit district went from enrolling 168,956 students in 1990 to 153,034 in 2003, losing 16,000 students, or almost 10 percent of its enrollment. Washington, D.C., went from 79,165 students in 1990 to 65,099 in 2003, a drop of almost 20 percent. And in 1990, Dayton enrolled 33,452 students. By 2003, the Dayton district had only 18,491 children enrolled, a loss of almost half of its students.

The red marks in figure 1 show the year that charter schools became law in each of the states, and illustrate that, in each case, enrollment was falling before charter schools arrived. In all three cases, however, the passage of a charter school law coincided with a faster rate of enrollment decline. In Detroit, traditional public schools were declining at an average of 1,532 children each year during the time period from 1987 to 1994, when

charter schools arrived. After charter schools opened, traditional public schools declined at a faster rate, losing an average of 1,980 children each year during the time period of 1994 to 2003 (approximately 440 more children leaving each year). The same holds true in Washington, D.C., and Dayton. In Washington, D.C., the district was declining by an average of 829 children per year in the eight years before charter schools opened. After charter schools, the district declined by an average of 1,838 per year, or an average loss of more than 1,000 more children a year from 1995 to 2003. In Dayton, the district was losing an average of 427 children per year from 1987 to 1998. After charter schools arrived, the decline was dramatic—1,641 per year, or an additional 1,220 children per year.

Though demographics, local economies, and other education policies may have played part in the increased pace of decline in these cities, charters may have done so as well.

The bottom line is that even among these ten urban districts facing severe competition from charter schools, seven appear to have maintained and increased their enrollment, thanks in part to continued growth in the cities' school-aged population. In the other three districts that experienced enrollment decline, they have most likely suffered some net funding losses if their funds are tied to enrollment.<sup>9</sup>

## CHARTER EFFECTS DEPEND ON DISTRICT RESPONSES

While charter schools pose a competitive threat in a number of urban charter hot spots, the most powerful income reducer in Detroit, Washington, D.C., and Dayton is persistent enrollment decline over several decades. Declining enrollment is due to a variety of causes, including faltering local economies, demographic shifts, and white flight to suburban schools, as well as the availability of new schooling options, including inter-district school choice, vouchers, and charter schools. Districts cannot control demographics, but they can control how they respond. The belated response of many districts to these shifts has often left districts with costly excess capacity on their hands.

Losing students to charter schools—or for any other reason—means districts have fewer students to educate and thus lower costs. However, district costs typically do not decline smoothly as students leave. Classrooms where enrollment declines from 20 to 18 students still need teachers paid the same salaries no matter how many students they

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teach. Unless districts shed unneeded staff, buildings, busses, and other assets, they will struggle to reduce costs to match enrollment.

A number of studies suggest that districts are slow to respond to charter school competition, if they respond at all.<sup>10</sup> Of course, part of this indifference may simply result from the fact that most urban districts are not, in fact, losing significant numbers of students to charter schools. District personnel see few reasons to respond to competition when they feel it has little effect on their enrollment, or when enrollment decline is gradual enough for them to manage teacher employment declines through attrition.<sup>11</sup> This is often the case, even when charter schools saturate a district. The tardy response of districts to charter competition is not altogether surprising, given that districts have failed to respond to competition from private schools, neighboring school districts, and other demographic and economic shifts enumerated above.

When researchers do find competitive responses in districts, the responses tend to follow a pattern. Frederick Hess of the American Enterprise Institute provides a good summary:

*The competitive effects . . . tend to be relatively consistent: the opening of new schools organized around a specific philosophy or theme, the addition of programs such as all-day kindergarten, an increase in curricular resources, the introduction of new programs consistent with parent preferences, new concern for publicity, and replacement of the superintendent with a “reformer.”*<sup>12</sup>

All of these responses are generally discrete initiatives designed to address particular parent demands for programs and services (for example, all day kindergarten, or Montessori programs) or to influence parents’ school choices (for example, publicity campaigns). By contrast, hiring a reform-minded superintendent may make large-scale change more likely. Yet on balance, research suggests that districts do not typically respond to choice with deep or radical change.

Making hard choices is something that many districts avoid, not just those with charter schools. Over time, failure to reduce staff, facilities, and transportation services, often considered “fixed costs,” can have disastrous consequences. Seattle, a district *without* charter schools, has been losing students for decades. In 1965, Seattle enrolled 97,000 students in 121 buildings. Today it enrolls 47,000 in 99 buildings—and it hasn’t closed a school in 19 years.<sup>13</sup> Seattle faces a \$15 million shortfall in 2006, and a \$25 million

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shortfall in 2007. Only in 2006 did Seattle begin the painful—and therefore long-deferred—process of closing schools and divesting itself of unneeded assets.

In short, with or without charter schools, districts still need to face the reality that they operate in a highly competitive, volatile environment—and they must learn how to respond effectively.

## CHARTERS AS OPPORTUNITY TO OVERCOME DISTRICT DENIAL: THE CASE OF DAYTON

A recent study by the Center on Reinventing Public Education (CRPE) suggests that districts might be more sensitive to funding declines caused by charter schools than to those caused by other factors. When there is an official choice program, and public funds are being transferred from the district to other identifiable schools, these districts are sent strong undeniable signals that competition is real.<sup>14</sup> Reform-minded superintendents and civic leaders can use the threat of competition from charter schools as a leverage point for promoting their own reform agendas,<sup>15</sup> or they can respond to competition by revamping their principal workforce.<sup>16</sup>

The CRPE research included a case study of Dayton, the district among the urban hot spots that is facing the most pressure from charter schools, and the only one facing a decline in school-aged children.<sup>17</sup> Taking a closer look at how this district is responding to charter school growth provides some preliminary lessons to other districts on how they might begin to mount a competitive strategy.

On the same spring day in 2005 that Dayton Mayor McLin was expressing outrage over the looming influx of more charters, Superintendent Percy Mack took a different approach, telling reporters, “We are not going to fold. We are going to be the system of choice in this community.”<sup>18</sup> Dayton is finding ways to compete, in part because of enrollment pressure caused by charter schools, and in part due to threats from Ohio’s accountability system, which had labeled Dayton as a district in academic emergency. These pressures have led the district to focus as never before on boosting academic achievement and attracting families back to district schools.

Many of Dayton’s reform efforts are not new to districts, or even to Dayton, and they are not particular to responding to choice. They are, in fact, basic efforts that school

*With or without charter schools, districts still need to face the reality that they operate in a highly competitive, volatile environment—and they must learn how to respond effectively.*

reform advocates believe districts should be doing if they want to improve schools and be effective and attractive to parents and children. What makes them interesting is that they are taking place in the context of intense competition, and that Dayton is using them to try to attract people to the district. District leaders point to one sign that their efforts are starting to pay off—kindergarten enrollment increased by 150 students for the 2005–2006 school year.

Dayton's recovery effort has just begun, so it would be premature to judge whether the district's reforms will work. However, early indicators suggest that there are lessons to be learned from this struggling but determined district:

### **LESSON #1: *Offer Parents Choices***

Dayton Public Schools is trying to help schools compete by offering parents new options within the traditional district school system. Dayton, like other districts facing competition, recognized that it was hard to cope with a variety of new competitors if it only offered families the option of attending their traditional neighborhood schools.

As a result, the district developed a variety of programs to serve as magnets across the district and to improve student achievement within neighborhood schools. In explaining this focus, an official said that the district is emphasizing academics—something the district had not done well for years—“because we knew that going out and marketing without a product to market wouldn't work.”

### **LESSON # 2: *Reach Out to Parents***

Like many urban districts, Dayton advertises on television, radio, newspaper, and billboards. Dayton's advertising budget, however, is surprisingly large—it spent almost \$600,000 over the past three years.<sup>19</sup> By contrast, Columbus Public Schools, a district three times the size and budget of Dayton, has no advertising line item in their budget. Dayton is trying to attract students who have already left for schools of choice as well as reach the parents of first-time students.

At the school level, school personnel spoke about how their students' daily experiences reflected on their school as an organization. As one principal put it, “the child is your best public relations person.” Another principal reinforced that sentiment: “Ultimately, I

think that parents choose schools based on how their children feel about the people that they meet each day when they come to school.”

This focus on fostering mutual respect between the school and home, and on positive personal interactions in the schools is no small transformation for the district, where for years parents were treated poorly and ignored. School leaders in Dayton saw these personal connections as a way to “compete” for their students. In some ways, they were competing on trust, using interpersonal interactions to build stronger relationships between families and schools.<sup>20</sup>

### LESSON #3: *Take Oversight Seriously*

Districts that compete with an abundance of charter schools must take their public oversight duties far more seriously than most districts. This means making hard choices about the viability of individual schools and looking for ways to salvage them—or failing that, close them. In Dayton, leaders talked about a school’s viability in terms of enrollment, leadership, academic performance, and parent satisfaction. District officials realized that paying for excess classrooms and unpopular schools made it harder for the whole district to improve and compete. In the last two years, Dayton has reconstituted four low-performing schools. It has also closed 16 schools since the introduction of charters in 1998. Nonetheless, declining enrollment has still left the district with more buildings than it needs, suggesting that this kind of oversight is not a one-time event, and that more closings and consolidations are necessary.

### LESSON #4: *Address Policy Barriers*

Districts have a hard time helping their schools compete because of the ways they traditionally manage finance, transportation, and facilities. Even when district leaders try to help schools compete by providing more options or by closing low-performing or under-enrolled schools, district administrative systems often get in the way.

In particular, finance, transportation, and facilities systems are ill-equipped to deal with the stresses introduced by choice. When the allocation of dollars lags behind students as they move from school to school, for example, schools may find that their budgets do not reflect their actual enrollments. As of 2005, Dayton student enrollment counts

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happened only twice a year. If a school gained students in the meantime, their budget remained unchanged even though their expenses may have increased. More frequent counts and the use of weighted student funding that follows students wherever they go are practical solutions to this problem.

Dayton Public Schools transports students throughout the city to district schools of choice or charter schools, which creates daunting transportation costs. The district has gone beyond traditional bussing systems and has tried accessing public transportation, but even the public transit cannot handle the increased ridership at current prices. Dayton may need to think of alternatives, such as contracting out, giving families transportation vouchers, or cutting back service as ways to approach this dilemma.

Dayton, like most districts, continues to own and manage all public school buildings, which leaves the district dealing with the fixed costs associated with schools losing enrollment. Dayton's CFO called fixed costs the district's "biggest burden." Purchase-lease agreements, public-private partnerships, or getting out of the real estate business altogether are ways districts can get creative about their fixed costs. Each of these prospects comes with possible downsides (loss of long-term capacity, potential corruption, windfalls for developers). However, the costs are significant enough to warrant investigating and piloting new options.

Pursuing legislative and other fiscal policy changes to allow dollars to follow students, rethinking how students get to and from school, and exploring more flexible facilities arrangements are an important step to help schools compete.

## CONCLUSION

Both the national data and the Dayton mini-case study suggest that districts facing charter school proliferation can best compete simply by bringing a renewed sense of urgency to improving district schools in general. In some sense, separating out the pressures created by choice and crafting specific responses to charter school growth may be beside the point. Dayton's experience highlights that helping schools compete is about the basics: monitoring performance, making connections with parents, providing schooling options that fit different needs, intervening in chronically low-performing schools, and scaling back fixed costs by getting rid of unneeded assets.

*Finance, transportation, and facilities systems are ill-equipped to deal with the stresses introduced by choice.*

Can traditional public school districts survive charter school growth? This is a complex question. What is clear from the evidence presented here is that indeed, some can. In charter hot spots like Mesa, Arizona, and Kansas City, Missouri, districts can continue to grow even as charter school enrollment grows. And in cities where enrollment has plummeted, like Detroit or Washington, D.C., district officials need to ask why people are leaving their schools and work to win families back.

If there is a poster child for those who fear that charter school proliferation will undermine schools districts, Dayton is it. Even in Dayton, however, the conclusion of the charter school story is far from settled. The district can work on addressing excess capacity, lobbying for changes in state finance policy, and rethinking transportation. Dayton also has a good chance of competing with charter schools and winning back students—in 2004–2005, the district schools outperformed charter schools on state tests and on meeting requirements of the federal *No Child Left Behind* (NCLB) law.<sup>21</sup> In August 2006, the district learned that it had moved out of “academic emergency” status and missed meeting NCLB’s measure of “adequate yearly progress” by .01 percent, a fairly stunning achievement by many accounts.<sup>22</sup>

In the end, charter school growth, when viewed in the broader context of enrollment decline, does more to shine a bright light on the challenges districts already face than to signify a dismantling of public education as we know it. Districts faced with such competition would be wise to confront those problems sooner rather than later.

## NOTES

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*In the end, charter school growth, when viewed in the broader context of enrollment decline, does more to shine a bright light on the challenges districts already face than to signify a dismantling of public education as we know it.*

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## CHAPTER 3

# A One-Day Ceasefire: What Charter School and Teachers Union Leaders Say When They Meet

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**T**here is no love lost between teachers unions and charter schools. In fact, most states passed charter laws in the face of high-pressure union lobbying and threats of political retribution. Unions oppose charter schools because the new schools bypass collective bargaining agreements and enable publicly funded institutions to hire non-unionized teachers. Indeed, many early charter advocates hoped to overhaul the hiring, firing, and prerogatives of teachers—and thereby break the unions’ power.

Conflict between charter advocates and unions continues to this day. In state legislatures, unions are pressing to limit the numbers of charter schools; in state courts, union lawyers are asserting that the very concept of chartering is inconsistent with state constitutions and local school board control of public education. The venue of hostilities changes from time to time: In the past two years, teachers unions in California and Massachusetts openly agitated to get teachers in charter schools to unionize, while charter school associations and school heads resisted. In New York, the teachers union simultaneously lobbied against lifting the legislative cap on the number of charter schools while suggesting that the union might support a higher cap if charter teachers were allowed to opt in to local bargaining units.

While tensions and disputes between unions and charter advocates persist, the charter-union battleground has shifted subtly in the last 15 years as thousands of charter schools opened across the country. Even the most vociferous union foe of charter schools no

longer thinks that charter schools are an ephemeral educational fad that will soon disappear. At the same time, the naïve hopes of some early charter advocates that the unions could be broken or placated to make way for charter schools have also faded. The two sides are no longer battling over either the charter school movement's or the unions' right to exist. Today, the battle is primarily waged over how best to co-exist—and with that fledgling recognition, the two longtime adversaries have begun to explore some small-scale efforts at accommodation. More than ever before, charter leaders and union officials are beginning to deal with one another within charter schools, as teachers at some charters opt to bargain collectively. And a handful of local unions—notably New York City's United Federation of Teachers—have even joined the charter school movement in a fashion, opting to running a small number of charter schools on their own.

A sidebar (page 34) briefly explores some of the new teachers union-charter school collaborations. No one, of course, expects that these modest pilot efforts will lead either side to abandon its position. Yet it is important to explore the likely impact on individual charter schools and unions as more charters become unionized and as more unionized instructors teach in charter schools. Will grassroots exposure change charter schools or unions? Will existing conflicts only spread—or will first-person contact lead to more moderation?

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In May 2006, the National Charter School Research Project (NCSRP) and the Progressive Policy Institute convened a meeting in Washington, D.C., of 30 union and charter leaders to discuss the future of the charter school-union relationship. Every senior union official and charter association leader invited agreed to attend—evidence of the importance of the issues raised, if not of a desire to calm hostilities. Both the hosts and the attendees treated the meeting as a kind of diplomatic summit that might or might not have practical consequences.

This chapter summarizes highlights of the conference discussion and suggests next steps that might help charter and union leaders expand their current and somewhat narrow ceasefire zone. Conference participants were guaranteed anonymity to ensure frank discussion and are therefore not identified by name in the pages that follow.<sup>1</sup>

## BOTH SIDES SAY THEY WOULD LIKE TO DE-ESCALATE

Despite their many conflicts, union and charter school leaders both profess to be dedicated to the children they serve. Neither side wants their conflict to drive families out of public education or to lead to reductions in funding for public schools. Moreover, both camps recognize that the other is here for the foreseeable future. This recognition of mutual interests underlies the sentiment, shared by both charter school and union advocates, that the two sides would benefit from a temporary truce.

Somewhat surprisingly, several of the very union leaders who led anti-charter campaigns in state legislatures and launched lawsuits against charter schools expressed support at the conference for exploring whether charter schools can create opportunities for useful experimentation with teacher-management relations. No union leader agreed to stop opposing charter schools. But a few agreed with charter supporters that the unions could benefit from exposing their members to the relaxed work rules, autonomy, and accountability for results intrinsic to charter schooling. Charter schools, the union reps argued, could help unions develop the professional working conditions that their members crave. As one union leader put it, “I think we need to have the opportunity within charter schools to experiment with [management] structures, new kinds of collective bargaining, and also with different types of pay systems.”

For their part, charter school leaders would like to stop battling teachers unions in state legislatures and courts. Many charter advocates believe that these conflicts amount to a war of attrition that has stunted the charter movement’s growth, both by limiting the numbers of charter schools allowed, and by draining time, financial resources, and political capital. Though no one denied that unions had many advantages in this war of attrition, one researcher suggested that the unions’ preoccupation with 3,400 charter schools keeps them from improving the other 96,000 traditional public schools.

In the end, most charter leaders flat-out opposed the unionization of charter schools. Yet many admired the efforts of Los Angeles’ Green Dot Charter Schools to build teacher collective bargaining into their schools’ basic operating plans. Charter leaders noted, however, that teachers in Green Dot schools were organized by a separate union whose leaders had been critical of traditional teachers unions.

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## WHAT'S GOOD FOR TEACHERS?

For all that charter leaders and union representatives would prefer to de-escalate tensions, both groups believe the other side clings to beliefs and practices that are bad for teachers and antithetical to good teaching.

Charter school leaders affirmed their belief in individual schools' need to hire whomever they choose and to pay teachers based on performance and demand for skills, rather than on seniority. They claimed that a system of free, mutual job contracts between schools and teachers will attract qualified people into teaching, encourage schools to build satisfying professional working environments, and provide the best pay and most appealing jobs to the highest-performing teachers. As one charter leader claimed, "We're not competing on pay, we're not competing on security—what we are competing on is the promise of professional satisfaction."

By contrast, union leaders thought professionalism was best served by delineating clear roles, work rules, rights, and responsibilities for teachers. They did not trust that school entrepreneurs would respect teachers, and they relayed anecdotes about hostile work atmospheres in charter schools where teachers were allegedly treated as commodities and fired for irrelevancies (including suggesting the need for a union). One said, "What I hear in charter schools is a complete derogation of teacher knowledge, of teacher skill." Another union leader foresaw the elimination of teacher input in charter school decisionmaking and an overall lack of respect for teachers in a "charter model dominated by corporate chains."

The two sides, in short, were not inclined to see shades of gray. Charter leaders, for example, did not acknowledge the smooth collaboration between principals and teachers that exists in a number of unionized schools; union leaders, meanwhile, did not acknowledge that the majority of charter schools are run not by corporate chains, but rather by educators and people dedicated to teaching children.

These conflicting views about fostering good teaching were deeply held, but they were based largely either on personal experience in a few schools or conference gossip. Advocates on both sides of the divide were unable to show convincingly whether teachers have greater voice in a school when a union represents them or whether they fare best in a school where teachers have market power and management must work to keep them. Nor could attendees do much more than allege that a particular form of teacher

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employment or share in decisionmaking had predictable consequences for students. To be sure, both sides knew what they liked—formal representation anchored in collective bargaining for union participants, and quality-enforcing market forces for the charter advocates. But the evidence used to document each side’s claims was surprisingly thin.

## WHO SPEAKS FOR THE MOVEMENT? HARD-LINERS VERSUS MODERATES

From the first minute of the meeting, it was obvious that both unions and the charter movement contain a wide range of opinions, and that it was difficult to know whether individuals prone to confrontation or collaboration typically represented their side. Charter leaders noted that some union leaders who expressed support for accommodation at the conference had also campaigned to roll back charter authorizing laws, sued public officials who sponsored charter schools, and threatened to block the hiring of teachers trained in universities that authorized charter schools. Similarly, union leaders noted that charter leaders who talked about finding common ground accepted funding from sources that openly favored breaking teachers unions and putting all schools in private hands.

Nonetheless, conference participants generally agreed that it is hard to say what proportion of either side holds these irreconcilable views. As the discussion progressed it became apparent that the charter and union movements are both big tents. Though many participants could see little basis for collaboration, at least a few prominent national labor leaders admitted that “charters are here to stay,” while a minority of the charter managers present said they would not only tolerate but promote the formation of unions in their schools.

## A GLIMMER OF AGREEMENT ABOUT FUTURE UNIONIZATION AT CHARTER SCHOOLS

While participants on both sides generally adopted a hard line, moderates from the two groups agreed about the form of unionization that will be most compatible with charter schools in the future. A number of union representatives agreed with charter leaders that a charter school could not be governed by a traditional district-wide collective bargaining agreement without losing its financial, managerial, and instructional flexibility—that

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is, without becoming something other than a charter school. In particular they cited incompatible provisions in district contracts that govern the exact amount of time that can be spent on particular tasks and senior teachers' rights to transfer from one school to another regardless of whether the receiving school wanted them or could comfortably pay their salaries.

Union and charter moderates agreed that charter schools need to be their own bargaining unit, and that the contract should cover only those issues that teachers and management believe make their particular school fairer, a better place to work, and more effective.

### THE PERSISTENT ROOTS OF MISTRUST

All participants acknowledged that genuine, inherent conflicts of interest exist between charter schools and teachers unions. Some activists held out hope that sharing experiences in charter schools could increase collaboration in the future, but many were skeptical. Both sides expressed fears that the other would say nice things in a meeting such as ours, but would resume fighting as soon as they returned to their school districts.

Most union members agreed with one of their colleagues who said, "we will never believe [that charter leaders] are concerned about children as long as they include people who want to run schools for profit." Union leaders were also rankled by charter schools' employment of teachers on an at-will basis, which they took to mean that teachers could be dismissed or ignored at management's sole discretion.

Charter school leaders noted that several union leaders present at the conference were willing to discuss the advantages of charter schools in theory but were simultaneously lobbying against charter school laws and bringing lawsuits against school districts that sponsor charter schools. Charter leaders also cited examples of union leaders from elsewhere in the country, in Cincinnati, Minneapolis, Chicago, and Seattle, who were voted out of office for being "too collaborative."

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## BUILDING CONFIDENCE AND ELIMINATING THE EVIDENCE VACUUM

This first meeting of charter school and union leaders resembled the opening talks between factions in a civil war. The muskets were left outside the room but were at the ready if needed. Still, all participants hoped to talk further.

Much as is the case in international diplomacy, breaking the union-charter school stalemate will require both sides to compromise and figure out ways to reframe their fundamental interests. If both sides continue defining those interests as hard-liners do now—keeping all public school teachers in district-wide collective bargaining agreements versus breaking unions and giving school operators near total discretion over hiring, wages, and working conditions—nothing much will change.

The contentious relationship between union and charter activists will only lessen in the future if two things happen:

First, both sides need to take what diplomats would call “confidence-building” measures.

For union leaders, the price of working with the charter school movement is that they mostly likely will be obliged to stop lobbying for strict caps on the numbers of charter schools, for regulations that would hamstring charter schools, and against proposals to spend as much on students in charter schools as in other public schools. Similarly, union leaders cannot expect to work with charter schools if they continue threatening and suing around issues that affect charter schools.<sup>2</sup> Union leaders will also need to clarify what they mean by the two attributes they frequently cite as missing in traditional schools, but especially in charter schools: “teacher voice” and “professional working environments.” Union leaders are quick to point out when these qualities are missing, but hard-pressed to describe how a school could successfully embody these ideals.

For charter leaders, the opportunity to work with union leaders will likely require them to become much clearer about what “at-will” employment and due process mean in charter schools. Charter leaders cannot expect to be taken seriously by teachers unions if they even tacitly countenance workplaces that fail to adhere to basic principles of due process for public employees. Movement-wide standards about teacher hiring, firing, and consultation about instructional decisions would be important inducements to unions to participate in charter schools. These basic

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protocols could still leave room for schools that make extraordinary time and effort demands on teachers who willingly accept them, and allow for unique features in collective bargaining agreements at individual schools.

Second, independent researchers and education experts can help soften conflict by creating a hard body of data and facts about union teachers in charter schools in place of the name-calling rhetoric that now prevails in the charter school-union counterpoint.

Remarkably little is known about the professional lives of teachers in charter schools. Yet that evidence vacuum only seems to inflame the fervor with which the two sides make competing claims. Not surprisingly, both sides prefer to believe what they believe—and routinely make claims based on those beliefs in public debates and before state legislatures.

No recent studies have tested the assumptions about union teachers and charter schools that now put unions and charter school leaders at odds.<sup>3</sup> Based on existing data, education experts cannot answer:

- Why many teachers leave charter schools after one to three years.
- What proportion of teacher turnover is initiated by school management, and what proportion reflects teachers' longstanding career plans (for example, to enter graduate school).
- What "at-will" employment means in practice at a charter school, and how the meaning of at-will employment varies from one charter school to another.
- Whether some charter schools manage teacher turnover effectively, and if so, how they do it.
- Whether senior teachers in charter schools play different mentoring and school-stabilizing roles than they had played in conventional public schools.
- Whether the experience of teachers is different in stand-alone charter schools or those run by providers that manage multiple schools.

In politically charged debates like the union-charter school standoff, no one can be sure that partisans on both sides will use research data scrupulously and fairly as it emerges. Nonetheless, real-world data is preferable to mere conjecture—and evidence that bears directly on the fate of union teachers in charter schools could quiet frightened members of the unions' rank and file. Hard data from charter schools could also curb some of the poisonous claims made in lobbying by both sides.

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A second, potentially promising approach to generating more real-world data is to have union and charter school leaders visit, discuss, and inform their members about unionized charter schools, including schools run by teacher cooperatives and unions themselves (see sidebar, page 34). As one union leader said, “If we could create models that people could see, feel, touch, they would say, ‘Oh, there’s fairness here, but you don’t have to have that 200-page behemoth [district collective bargaining contract].’ That would be great for all the district schools as well. But you have to walk people through that model.”

Ultimately, the conflict between charters and unions is no schoolyard squabble. Both sides have fundamental interests at risk, and the outcome of that conflict has serious consequences for the future of charter schools. At the very least, the continued union-charter school estrangement has effectively helped cap the growth of the charter school movement. But are the disagreements so deep that they can be managed only through conflict in legislatures and courts? Or is some progress possible through hard talk grounded in better facts and shared experience? No one can say for sure. But answers aren’t likely to be forthcoming until the two groups begin to take on the messy tasks of accommodation, of talking to each other, and of developing a better grounding in facts. In the years ahead, NCSRP will seek to be both an honest broker in that discussion and a neutral purveyor of real-world data about the experience of union teachers in charter schools.

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## TALES FROM THE TRENCHES

### GREEN DOT PUBLIC SCHOOLS

Green Dot Public Schools is a management organization that operates six secondary charter schools in the Los Angeles area. Steve Barr, who previously co-founded the “Rock the Vote” campaigns, started Green Dot in 1999 with the “vision of transforming secondary education in California.” From the get go, Barr urged his teachers to unionize because he felt that reform of large urban school districts would be impossible without union involvement. But there was some self-interest in his encouragement as well: he didn’t want to face a hostile unionization campaign at a later date.

Today, Green Dot teachers have their own collective bargaining unit, which is affiliated with the California Teachers Association but separate from the LAUSD teachers union (Unified Teachers Los Angeles, ULA). The union, named the Asociacion de Maestros Unidos, has a three-year, 28-page contract. It includes many reformist elements: just cause instead of tenure, professional workdays instead of defined minutes, and teacher performance evaluations. Green Dot management also agreed to revisit the tenets of the contract each year if needed. In turn, teachers are paid 10 percent more than they would be by LAUSD, and are empowered to participate in decisions affecting each school, including creating a new model for management-teacher collaboration and developing a professional work environment. Barr cites the following evidence of success: 1) Green Dot received 800 applications for 80 teaching positions in 2006, and 2) Green Dot’s ninth grade reading intervention project, where 40 percent of Green Dot ninth graders test well below fourth grade reading level, yet 90 percent reach grade level by the end of their freshman year.<sup>4</sup> For more information on Green Dot schools, visit [www.greendotpublicschools.org](http://www.greendotpublicschools.org).

### AMBER CHARTER SCHOOL

In 2001, a year after Amber Charter School opened, the United Federation of Teachers (UFT) approached the school about partnering. The next year, Amber Charter School signed a unique, 6-page labor contract that is completely separate from the over 200-page contract UFT holds with the district. The school and union have negotiated three times since 2002.

The contract departs from the traditional salary schedule in three ways: it has a modified step system based only partially on seniority and partially on improvement in practice; second, to move beyond seniority pay increases, a teacher must complete a professional growth project approved by the joint union-management committee; and finally, salary increases for education degrees and college credits are only awarded if they are in a field where the school needs to develop expertise.

The contract also spells out a grievance procedure that requires a teacher to first address a co-director of the school. If the grievance remains unresolved, the teacher can appeal to the school’s governing board. A union participant at this symposium explained the intent: “By no means did we want to reproduce the due process which exists in the public schools—part of the problem with that is that it takes so long.” School leaders argue that being part of the union increases their ability to find teachers that fit their bilingual education program. The school’s accountability reports tout high levels of student attendance and achievement.<sup>5</sup> For more information on the Amber Charter School, visit [ambercharter.echalk.com](http://ambercharter.echalk.com).

### UFT ELEMENTARY CHARTER SCHOOL & UFT SECONDARY CHARTER SCHOOL

In September 2005, the United Federation of Teachers opened the UFT Elementary Charter School in the East New York neighborhood in Brooklyn; in 2006, they opened a secondary school in the same area. The union set out to show that “freed from bureaucratic regulation and the school district’s

micro-management,” they could create schools “that exemplify a collaborative labor-management relationship . . . and prepare students for high levels of academic achievement.”<sup>6</sup>

The schools adhere to all the essential provisions in the current collective bargaining contract between New York Public Schools and the UFT, although the schools do use the contract’s waiver procedure to opt out of specific provisions of the district contract.

To maximize what union leaders call “teacher voice,” the schools are teacher-run. Instead of principals, they have school leaders that report to a 13-member board of trustees. Classes in the elementary school have two teachers and are limited to 25 students. Each teacher receives a comparatively large budget for classroom materials (\$800 versus \$200 in other New York public schools). The schools are too new to have demonstrated results, but their website promises highly qualified, accomplished teachers, a safe and disciplined environment, and rigorous curriculum. To learn more about the UFT’s charter schools, visit [www.uft.org/chapter/charter/](http://www.uft.org/chapter/charter/).

### EDVISIONS SCHOOLS

EdVisions oversees a network of 27 small schools, located primarily in Minnesota and Wisconsin, that promote teacher ownership and personalized, project-based teaching.

These schools aim to create a truly professional teaching environment via a teacher co-op management structure. Since there is no management apart from teachers at these schools, the schools effectively blur the line between teachers and managers that is the foundation of unionization. Teachers share leadership duties and control hiring, budgeting, and the educational programming. Peers conduct performance evaluations and the schools use performance-based pay and at-will employment. As for results, EdVisions points to academic results as well as high levels of student engagement. For more information on these schools, visit [www.edvisions.com](http://www.edvisions.com).

### NOTES

1. For the full report of the conference see Paul T. Hill, Lydia Rainey, and Andrew J. Rotherham, *The Future of Charter Schools and Teachers Unions: Results of a Symposium* (Seattle: Center on Reinventing Public Education, National Charter School Research Project, October 2006).
2. See, for example, Catherine Candisky, “Justices Consider Charter Schools’ Constitutionality,” *Columbus Dispatch*, November 30, 2005.
3. An early study (1998) for the NEA examined the working environment, benefits, and union role for teachers in charter schools. The study found, among other things, that 40% of charter teachers report that their working conditions are spelled out in individual employment contracts, that levels of salaries and benefits are generally about the same (50%) or greater (30%) than their previous teaching assignment, and that charter teachers cite the “freedom to teach the way I want” as their most common reason for choosing to teach in a charter school and believe that this freedom is key to their success. For more information see: Julia E. Koppich, Patricia Holmes, and Margaret L. Plecki, *New Rules, New Roles? The Professional Work Lives of Charter School Teachers* (Washington, DC: National Education Association, 1998).
4. See [Eduwonk.com](http://eduwonk.com), September 3, 2006, <http://eduwonk.com/>.
5. See [http://ambercharter.echalk.com/site\\_res\\_view\\_folder.aspx?id=d6c3d26e-dcf2-4772-b42c-0d0511bb29fd](http://ambercharter.echalk.com/site_res_view_folder.aspx?id=d6c3d26e-dcf2-4772-b42c-0d0511bb29fd).
6. See [http://www.uft.org/chapter/charter/secondary/sec\\_mission.pdf](http://www.uft.org/chapter/charter/secondary/sec_mission.pdf).



## CHAPTER 4

# Improving State and Local Assessments of Charter School Performance

*Paul T. Hill and Julian Betts*

In 2004, the nation's leading newspapers began covering an ongoing dispute between researchers about the performance of charter schools. Dueling studies, most recently one published by the National Center for Education Statistics in August 2006<sup>1</sup>, have drawn opposite conclusions about whether children are helped or harmed by charter schools. Yet for all the controversy, sober reviews of the research done to date—notably the white paper recently published by the National Charter School Research Project (NCSRP)<sup>2</sup>—have concluded that few of the studies people are fighting about are of high quality, and none of them is definitive. Meanwhile, the sniping continues. Predictably, both sides in the recent battle in New York over raising the state cap on the number of charter schools accused each other of misusing student performance data.

Confusion and disagreement are perfectly normal in an emerging research field—and it does researchers good, not harm, to debate vigorously about methods and interpretation of results. But chaos in the research community makes it tough on school administrators, charter authorizers, parents, and elected officials who have concrete decisions to make about charter schools. How do governors and state legislatures assess the performance of charter schools in their states and decide whether to amend state laws and raise or lower caps on the numbers of charter schools? How do school districts and other public agencies judge the performance of schools they oversee and decide whether to change their criteria for approving and renewing school charters? How do philanthropists who want to make investments, and parents who want to make choices, tell whether a charter school is helping its students?

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Adlai Stevenson once complained, half in jest, that a “reporter is someone who separates the wheat from the chaff—and then publishes the chaff.” Much the same sentiment, in fact, sometimes gets voiced about journalists by charter school scholars and, in turn, about charter school scholars by principals, teachers, parents, and others on the front lines of the charter school wars. For all of the undeniable importance of the national debate about charter school effectiveness, this academic quarrel often seems to those toiling in the trenches to revolve around abstruse methodological issues and be driven by ideological agendas. Yet no matter how this national debate is ultimately resolved, parents and local officials will be opening, closing, and evaluating local charter schools for the foreseeable future. Charter schools are simply too popular and numerous at this point to drop off the screen of the local education agenda.

Unlike academic scholars who often try to generalize about charter schools from national data, school officials, parents, and others active at the local level are concerned about a particular school or set of schools. Charter schools usually spring up to meet a perceived need at the local level—a neighborhood school may be faltering, or a special population of students seems to be underserved in district schools. If a charter school is unavailable in these instances, then school administrators and parents may be forced to rely on a neighborhood school that appears in some way deficient. Public school officials and local charter activists thus do not have the luxury of debating the national data on charter school performance. But as this chapter will show, it might be easier for states, local districts, and authorizers to make judgments about *their* charter schools than for researchers to draw nationally applicable conclusions about charter schools in general.

To be sure, evaluating charter schools is not easy. State and community officials have to ask the right questions and make sure they avoid methods likely to give the wrong answers. They also need to make sure there are good data—test scores, other school outcomes, and student and school characteristics—on which to compare students in charter and regular public schools. But state and local officials need not respond to the national debate and disagreements among researchers by throwing up their hands and concluding that there are few lessons that they can successfully apply at the state and district level.

This chapter provides a guide for states, authorizers, local districts, and others, illustrating how they can successfully assess charter schools at the state and local level. We first provide a brief distillation of the strengths and weaknesses of charter school evaluations

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in general, and then explore how assessments can best be put to use by states, local districts, and authorizers in evaluating their own schools.

## WHY RESEARCH ON CHARTER SCHOOL ACHIEVEMENT IS DIFFICULT TO GET RIGHT

Are students in charter schools learning more or less than they would have learned in conventional public schools? This is a reasonable question, but it is not easy to answer: it is impossible to observe the same students simultaneously in both charter schools and the schools they would have attended had charter schools not been available. Thus, to judge charter school performance it is necessary to estimate something that never really occurred—how well individual students would have done had they attended a school different from the one they did attend. Another complication is that student achievement is affected by many non-school factors, such as the influence of parents and peers.

NCSRP's white paper on studying charter schools and achievement considers the strengths and weaknesses of different methods for estimating how much students learn because they are in charter schools. The paper rates alternative methods on how well they eliminate extraneous factors (for example, differences in students' race, income, neighborhood, family, and personal characteristics) so that any difference in performance can be clearly attributed to students' attendance at charter schools. Social scientists call this criterion *internal validity*.

The white paper also discusses *external validity*, the degree to which the results of a study can be generalized to other charter schools. Studies that focus on unusual charter schools (for example, those in only one locality, or only those that have waiting lists in a state where few charter schools have waiting lists) are likely to have low external validity.

It is easier to achieve internal validity if a great deal of information is available about the schools and students studied and if one can be sure there are no hidden factors like students' prior experience or motivation that could amplify or work against the effects of students' charter school experience.

There are three basic approaches to estimating a charter school's benefits to students:

- Comparing the scores of students attending charter schools with those of students who applied to the same schools but did not get in because all the seats were taken

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- Comparing individual students' test scores before and after entering charter schools, in order to judge whether students' learning rates were higher or lower in charter than in non-charter schools<sup>3</sup>
- Comparing scores for students in charter versus non-charter schools, matched on the basis of students' income, race, and other educationally relevant factors (for example, home language, immigrant status, handicapping conditions)

In theory, the first method, comparing scores of charter school students with others who applied to the same schools but lost in a lottery, can provide the greatest internal validity, because it compares students who are randomly chosen from the same pool and are alike in their desire to enroll in a charter school; they are distinguished only by the luck of the draw.

The second method can also provide good internal validity because it uses individual students as their own controls; scores are compared before and after a student transfers between a public school and a charter school.

By contrast, the third assessment method is tricky because it involves comparing different students. It can produce valid or invalid results—depending on how well researchers match up students in charter and regular public schools. Comparisons of groups with big differences in income, race, parents' education, and ESL status are obviously invalid. But valid comparisons can be difficult even if the researcher controls for demographic factors. For example, if the students in a charter school have unusually committed parents or unusually high prior achievement levels, demographic matching will ignore key factors and almost certainly make the charter school look good for reasons other than the effectiveness of its program. The same point can be made in the opposite direction. A charter school may have a disproportionate number of children who left regular public schools because they were doing much worse than others of their same economic or racial group.

Whether one method or another can be used in a particular case depends on local conditions and the availability of data. The first method can only be used in a locality where charter schools have lotteries with waiting lists. The second method can only be used in localities where annual test scores are kept for all students, including those who transfer between charter and district-run public schools.

This broad summary of methodology provides a macro sense of the pluses and minuses of different research strategies. But at the micro level, assessments are greatly strength-

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ened by the collection of certain types of data. Other telltale factors that affect the internal validity of a study include:

- *Does the study include test scores for multiple years or just one year?* A one-year snapshot can give a misleading result if, for example, students in one kind of school (charter or regular public) had higher average scores before the year in which the snapshot was taken. Though more studies use one-year snapshots than any other method, they cannot lead to definitive results unless the groups to be compared were randomly selected or the data available on individual students allows extremely good controls for their academic histories. Very few snapshot studies can meet these conditions.
- *Does the study include detailed information about the students in charter schools?* Incomplete data on student attributes—which can make it difficult to know whether students in two schools are alike or different—can wreck efforts to compare performance of students from different schools.<sup>4</sup>
- *Have students in charter schools—and students to whom they are compared—been tested in the same way?* When charter school students take one test and the district-run school students to whom they are compared take another, gaps in outcomes can be due to differences in the tests rather than to school quality.

Even if a study has high internal validity, it can focus on such a special group of charter schools that its results do not apply to charter schools in general (that is, it is low in external validity). Results can be unrepresentative if the schools studied are extremely high or low on attributes correlated with effectiveness, for example, school age (new charter schools struggle much more than older ones), financial solvency, and staff stability. Even studies using extremely good methods can have low external validity if they focus on an unrepresentative group of students (for example, students who took part in admissions lotteries in a locality where few charter schools have enough applications to make lotteries necessary, or students on whom many years of test scores are available in a locality where such records are available only for very few students).

In the field, the use of superior methodology and high-quality data in assessments matters a great deal. Two Texas studies, one using only a snapshot (the percent of students in a school who passed a state test in 2002)<sup>5</sup> and the other tracking students' gains over several years,<sup>6</sup> drew very different conclusions about the state's charter schools. The first study concluded that very few charter schools performed as well as regular public schools. The second study, which was able to take account of students' test scores before entering charter schools, showed that many more students were benefiting from charters than the earlier study had suggested. The latter study was far from a whitewash: It found

a multitude of problems that needed to be addressed in Texas charter schools, concluded that students in their first year in a charter school display significant declines in test scores, and found that first-year charters were relatively low performing vis-à-vis more mature charters. But this study also showed that low-performing students may be particularly well served by moving to charter schools. The study that focused on students' gains, but not the snapshot analysis, produced results that reflected the real contributions of charter schools, while directing policymakers' attention to problems that needed to be solved.

Of course, no single research method is perfect, and it is seldom possible to get ideal test scores or complete information about schools and students. Any rigorous study, for example, would try to control for the proportions of low-income students in charter versus regular public schools, but many charter schools do not participate in the free/reduced-price lunch program, a common proxy for low-income status. As a result, counts of students in the lunch program may provide rough estimates of student poverty in regular public schools but seriously underestimate the number of low-income families in charter schools. Studies that can measure low-income status only via free/reduced price lunch counts cannot validly compare the effectiveness of charter and district-run schools.

Every study includes some compromises, and researchers and readers must be clear about how those compromises limit the applicability of findings in charter schools.

## LESSONS FOR STATE AND LOCAL LEADERS

In charter school research, as in most other fields, diligence and care pay off and slapdash efforts get bad results. In fact, a study that has sketchy information about charter schools and their students and compares, for example, schools based on a one-year snapshot of test scores, is often worse than no study at all. In the absence of a study, nobody can say with any confidence how schools are doing. But with a bad study, people may boldly draw the wrong conclusions.

States, local districts, and authorizers have typically sought to assess charter schools and other educational innovations in the absence of the data required for sound analysis. The results, as is the case in many existing studies in particular states and localities, are inevitably mostly disappointing. Either the studies are unable to reach any definitive conclu-

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sions, or efforts to drag results out of inadequate data create controversies that cannot be resolved with existing evidence.

Yet states, local districts, and authorizers have big advantages over researchers seeking to study charter schools nationwide. And some excellent studies done in Texas, California, Florida, and North Carolina show what is possible.<sup>7</sup>

States that want to draw valid conclusions about charter schools, and identify the characteristics of charter schools associated with high performance, have a number of options. While not an exhaustive list, here are four useful benchmarks for state and local assessments:

- Make sure that children in all public schools, including charters, take at least some of the same tests.
- Keep multi-year records on all students, including those in charter schools, that link student characteristics, school assignments, and test-score results.
- Make it possible for researchers—with appropriate privacy safeguards—to combine student, school, and, if available, teacher records.
- Require that charter schools keep records on their admissions lotteries, and share these with the agencies that granted them the charter, as well as with the state department of education. This step could vastly increase the quantity of high-quality research.

Below we briefly explore how states and districts might implement these four benchmarks and flag some practical problems that may arise during implementation.

**COMMON TESTS.** In some states, the most important change that state and district officials could make would be to require charter schools and district-run schools to administer the same achievement tests to children at a particular grade level, to do so every year, and to include the results for every student in state and local databases. While the *No Child Left Behind* (NCLB) Act will require improvements in data-keeping, no states maintain as good information about charter schools and their students as they do about district-run schools and students. Keeping the same data on all students every year no matter where they go to school would enable states, districts, and authorizers to avoid one-year snapshot studies and instead analyze multi-year trends in student scores.

Charter school resistance to testing could be reduced if states provided test forms and reports free of charge to charter schools, as they do for district-run public schools.

*States that want to draw valid conclusions about charter schools, and identify the characteristics of charter schools associated with high performance, have a number of options.*

**STUDENT-TEACHER RECORDS AND SCHOOL DESCRIPTIONS.** The vast majority of states need to upgrade the links among student, school, and teacher databases, so that assessments can control for central aspects of school organization and climate. These critical aspects include the age of the school, grade levels served, staff stability, funding per pupil relative to surrounding public schools, ethnic and income composition of the student body, proportion of students considered handicapped, and instructional methods used. These variables are not needed to test whether charters are outperforming or underperforming. However, they are extremely useful for gauging the external validity of each study, that is, the applicability of the results to charters in other locales, and also for studying why some charters may outperform other charters. Fortunately, bolstering data collection in these ways has benefits apart from improving the assessment of charter schools. Doing so can also greatly enhance states' and districts' ability to monitor and intervene in the performance of district-run public schools.

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Virtually all state databases have holes—incomplete student records, weak information on student characteristics, or weak links to school and teacher characteristics. Some states collect student-level achievement data but do not link them over time, making it impossible to measure gains in achievement for individual students. Data on all these factors exist someplace, but many times they are kept on incompatible computer systems or even on paper in filing cabinets. These databases can be combined, but at some cost. Florida has made the investment itself, but North Carolina and Texas have allowed researchers to do the work of assembling and analyzing the data. These states have also worked hard on solving the problems of protecting individuals' privacy by stripping names and other identifiers from files, and by allowing researchers to use data only in secure facilities.

NCSR has conducted a national survey of states with charter school laws, to assess the quality of their school data and learn about plans to improve it. Results include:

Nearly half of all states with charter schools report that incomplete or inaccurate reporting of data is a problem. Charter schools are (slightly) more likely than school districts to provide incomplete data and submit their reports late.

Few states collect all the data that would be required for a rigorous assessment of charter school performance. Though a majority of states surveyed assign unique numerical identifiers for all students and keep information about charter school enrollment, student race, and test scores, only a handful of states keep detailed

student information on courses taken, credits gained, grades, absences, family composition, and disciplinary actions.

State education agencies that are responsible for authorizing and overseeing charter schools keep much richer and more accurate information than do agencies in states where only local entities (school districts, colleges, and nonprofits) authorize charter schools. It seems like a feasible and sensible step for departments of education in those states that give local entities responsibility for issuing charters to ask those entities to contribute the information they gather to a state-level database on charter schools.

Under pressure from NCLB, many states are upgrading the data they keep on regular public schools and charters. But most states keep far less information than is needed to support valid assessment of individual schools.

At the same time that states are working to put themselves in a better position to judge charter school performance, they can exploit the data kept by big city districts. Many metropolitan districts (for example, New York, Chicago, Dade County, San Diego) have more complete data on their own students, including those in charter schools. It would be possible to draw sound and perhaps representative judgments about charter schools, based on records kept by major urban districts, which in many states are home to the majority of charter schools. District-level work is especially important in the majority of states that lack statewide student data systems.

Again, local studies are much easier to do well than national ones. Any one charter authorizer usually only oversees a relatively small number of charter schools (70 percent of all authorizers oversee between one to three schools), and the school district with the largest number of charter schools, Los Angeles, still oversees just 114 charters. This modest scale should enable authorizers to develop detailed information about charter school students, teachers, and operations. In some cases this information might have to be gathered through relatively low-cost surveys or case studies—which could also provide alternative outcome measures like student attendance, coursework completed, high school graduation, and college applications and attendance.

**LOTTERY RECORDS.** States could also enhance the use of admission lotteries. The lotteries form the basis for the most valid charter school assessment method, enabling researchers to compare the scores of students attending charter schools with those of students who applied to the same schools but did not get in because all the seats were

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taken. Lottery records could be improved by requiring districts or other public agencies to supervise all admissions lotteries and compile, by school, an annual list of lottery participants for each grade, along with information on which students won and lost the lotteries, and which students actually enrolled. Then it would be possible to know for sure how many schools are truly over-enrolled and to do valid lottery-style studies of them.

National and local philanthropies can also encourage good state and local studies by supporting only those research studies that: include multiple years' test results on all students; gain access to good demographic data on students—which allows simultaneous controls for factors known to affect student achievement, like native language, race, special education needs, family income, and parents' education; and include information about schools and teachers, including school age, grade levels served, and teacher attributes and turnover.

## CONCLUSION

Until recently, state and local officials faced few imperatives to judge the performance of individual schools. Tracking aggregate achievement changes in a state or district was thought to be enough, because the bureaucracies, not individual schools, were accountable for performance. Now, however, charter schools are supposed to live or die on their performance, and due to state standards-based reform initiatives and NCLB, even district-run schools are supposed to be assessed, rewarded, penalized, and even replaced on the basis of student performance.

It is not easy to assemble the right information and design a valid study to assess the performance of individual schools. An additional barrier to good studies of individual charters, as opposed to studies of large groups of charters, is that the sample size of student records available to study a single school may be so small that little can be learned with precision, at least in the first year or two of the school's operation. But the fashionable despair in many states and districts about carrying out meaningful assessments of charter schools has been overstated. Moreover, the states themselves have created the obligation to generate more compelling school-based evaluations by passing standards-based reform and charter school statutes, and by taking federal money under the conditions imposed by NCLB.

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We do not mean to suggest that better data will make it easy for localities to decide whether to support or close individual charter schools. In a locality it might be difficult to find good comparison groups against which to measure charter school student performance. Moreover, even if good data are available, local district leaders will need to consider questions that cannot be answered with student performance data, like whether new leadership is likely to turn a particular school around, and whether there are better places to send children if a school is closed. But all of these decisions will be easier if student performance data are well maintained and appropriate and their limitations well understood.

Better data and more valid analysis will cost time and money. But the alternative for state and local officials responsible for public education is to continue making policy, and taking actions that affect children's futures, in the dark.

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## CHAPTER 5

# Charter Authorizing: It's a Dirty Job, But Somebody's Got to Do It

*Katharine Destler*

*In writing this chapter, the author has drawn on the insights of an ongoing Center on Reinventing Public Education working group on authorizing that includes Bryan Hassel, Emily Hassel, Paul T. Hill, Robin J. Lake, Stephen Page, and Lydia Rainey.*

It is rare to find bureaucrats or politicians eager to divest themselves of authority, but in 2006 the D.C. Board of Education concluded that oversight of charter schools was just too hard. The school board, whose members are elected, asked to be relieved of all responsibility for approving charter school applications and monitoring performance.<sup>1</sup> The D.C. board frankly admitted that it did not know how to tell the difference between a good charter school proposal and a bad one, much less how to monitor performance of existing charter schools. The school board members and the D.C. administrators in the superintendent's office were far more comfortable with their traditional role—namely, ensuring that the K-12 system was in compliance with district and federal mandates—than with evaluating the performance of autonomous schools.

Other school boards have been less candid but have expressed much the same sentiments about charter schools. Nationwide, only 8 percent of the almost 9,000 school districts with authority to charter schools have ever done so.<sup>2</sup> And only a few large school districts, like Chicago and New York, have embraced charter schools wholeheartedly.

Over the past 15 years, charter school authorization has emerged as an underappreciated and critical determinant of school success.<sup>3</sup> This chapter explains why charter authorizing is rarely done well and offers preliminary lessons on how it might be improved.

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## THE CHALLENGES OF CHARTER SCHOOL AUTHORIZING

From the time charter school laws were first enacted, the public was promised that charter schools would be held accountable for results—based in part on government enforcement of the student achievement goals set in schools’ charter proposals. But charter school oversight has largely been thrust upon local government and school districts that neither sought nor were appropriately trained for the job. From this standpoint, the D.C. Board’s reluctance to engage in chartering is understandable.

Charter authorizing, like charter school operation, has evolved and improved over time. Some charter school authorizers have embraced their new responsibilities, and many have raised their standards. Authorizers in public universities, state departments of education, and select districts have worked hard to hold schools responsible for their performance. But good authorizing remains elusive in most places, for two primary reasons. First, there is not full consensus on the appropriate measures of charter school performance. Educators, parents, community members, and even authorizers themselves disagree about the importance of non-academic measures, such as a school’s fiscal soundness or community support. Debates also continue over “value-added” measures of student achievement and what constitutes a “good enough” school.

The reticence to assess and judge may be beginning to fade, due in part to many provisions in the *No Child Left Behind* law (NCLB) that compel district officials to hold schools accountable. However, school boards and district central offices, traditionally organized to oversee schools on the basis of compliance, face particular challenges in adopting performance oversight. For school board members and district administrators, judging the performance of individual schools—and closing down the poor performers—is an unfamiliar and thankless task. Virtually all authorizers struggle to balance the need for accountability with the political and real costs of school closures, and there is a growing consensus that charter authorization requires a specialized set of skills.

## A NEW RELATIONSHIP WITH SCHOOLS

Before the advent of charter schools, public schools were run by school districts that owned all the buildings, hired all the employees, made all the decisions about leadership, instructional methods, and materials, and listened (or not) to families’ aspirations and

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complaints. School districts tried hard to serve students well and many did a good job. But the districts held a secure monopoly—and thus were not likely to lose many students or much funding if a few schools performed poorly.

Public school districts, in other words, have long been classic examples of “vertically integrated” organizations. They are modeled, in effect, on Henry Ford’s famed River Rouge plant, where raw materials (steel, rubber, glass, cloth) went in at one end and finished cars came out the other. By contrast, chartering is a whole new approach to public education, more analogous to Toyota’s production methods. Rather than produce each component itself, Toyota relies on a group of highly qualified independent companies who supply necessary parts, which Toyota assembles into cars. Toyota oversees its suppliers carefully—choosing the most capable providers and investing in improved production and management practices at each plant. And Toyota resists the cutthroat practices of some parent companies, such as setting unreasonable production quotas or repeatedly re-bidding contracts to reduce the companies’ own costs. Yet ultimately, each supplier is responsible for meeting its own bottom line.

In some respects, charter school authorizers face problems similar to those of both private firms like Toyota and other government entities that use outsourcing and privatization. In recent decades, many government organizations, from the Department of Defense to state and city social service agencies, have learned to work through third parties. Yet chartering is a new phenomenon, and schools are much more complex than the food services and commodity items that most agencies get from third parties. The work of a charter school also goes to the heart of a school district’s mission, not its periphery. No wonder chartering makes school districts nervous.

In public schools, as in other areas of public service and private business, reliance on third parties does not absolve school board members and administrators of their responsibilities. Agencies and firms that accomplish critical work via contracts with independent parties need to identify and cultivate capable suppliers, understand their work, monitor progress, and identify improvements—all without creating confusion about who is responsible for what.

To date, the record of charter authorizers in fulfilling these roles has been decidedly mixed. While a number of competent authorizers thrive, many chartering bodies have shortcomings that tend to fit into one of several patterns. Some authorizers have been lax in their up-front review, allowing unqualified groups to start schools; others

have been overbearing, re-imposing regulatory and reporting structures that charter autonomy was supposed to eliminate. In a number of well-publicized fiascoes, charter authorizers have failed to catch egregious behavior, such as inflated enrollment numbers, mishandled funds, or shoddy teaching. And while some authorizers have closed low-performing charter schools, many with poor student achievement remain open.

In part, one can chalk up these struggles to growing pains. Fortunately, there is a growing bank of “craft knowledge” of effective authorizer practices, exchanged first informally among authorizers and now more formally through the National Association of Charter School Authorizers (NACSA) and its *Principles and Standards for Quality Charter School Authorizing*.<sup>4</sup> Yet while charter authorizers have gained some expertise through NACSA and informally through trial and error, they still have significantly less experience than other public and private sector entities that have obtained important services from independent providers for years.

## PROMISING MODELS FOR CHARTER SCHOOL OVERSIGHT

In 2005, the National Charter School Research Project (NCSRP) set out to identify lessons from other third-party providers that might be applied to charter authorizing. In addition to studying the most experienced charter school authorizers, NCSRP studied other public sector organizations that obtain essential services through contracting (such as the U.S. Armed Services and the English public school system, which now provides most of its high schools through charter-like independent provider arrangements) and private companies like Toyota that use third parties for many functions that traditional manufacturers performed internally. NCSRP researchers interviewed charter school authorizers, American school district personnel, and English officials with the Education Ministry and Specialist Schools Trust. Public and private management literature was also reviewed to glean relevant lessons. NCSRP researchers asked these questions:

- What capacities does an organization need to contract out for core services?
- Is it better for an authorizer to be picky about what groups are hired, or to establish a relatively low screen and winnow out weak providers after the fact?
- How much should authorizers engage into day-to-day oversight of schools, and how should they respond to poor performance? Does dictating what a struggling school must do to improve prevent an authorizer from withdrawing the contract if performance continues to lag?

- Must an authorizer cancel the charter of any contractor whose results are disappointing—or should it sustain a contract if alternate options are scarce?
- How can authorizers cultivate a healthy supply of providers?
- And finally, should authorizers themselves be held accountable for their own performance?

## PRELIMINARY LESSONS FOR CHARTER AUTHORIZERS

The fieldwork for NCSRP’s study of authorizing organizations began in 2006 and will eventually expand beyond the research agenda outlined above. At this stage, the research is still too preliminary to draw firm conclusions about charter schools. But several tentative, early lessons about good and bad practices among authorizers have begun to emerge. Examining some of the key questions in order, NCSRP has found:

### QUALITY AUTHORIZERS INVEST RESOURCES TO KNOW THEIR SCHOOLS WELL.

Contracting and oversight require investment—and third-party provision should therefore not be seen as a money-saving ploy. Oversight of schools requires not only knowledge about how schools work, but also access to rich academic and financial data, including both student performance measures and leading indicators like staff turnover, parent feedback, and fiscal management (which can foretell performance problems before they occur). At minimum, a school authorizer should have enough knowledgeable staff to know all its providers. Put more simply, successful authorizers invest in people and sophisticated systems. When NCSRP’s fieldwork is complete, researchers hope to be able to show how experienced agencies and firms bolster their authorizing capabilities, delineate the specific skills they require, and place a price tag on the costs of charter oversight.

**AUTHORIZERS SHOULD SET HIGH STANDARDS FOR APPLICANT SCHOOLS.** Private sector firms and the military typically set clear requirements for providers and scrutinize initial proposals and capabilities closely. Business and military leaders’ rationale for fine initial screens is straightforward: If a product or service is vital to the success of the organization, it cannot be entrusted to just anybody.

Some charter authorizers take the opposite approach, endorsing virtually any provider that shows enthusiasm, potential, or community support. Local forces, such as a school’s

*Successful authorizers*

*invest in people and*

*sophisticated systems.*

popularity among parents and constituents or its support by politicians and well-connected private citizens, may cause district leaders to overlook shortcomings in performance. Such was the case at the Bexley Business Academy in East London, touted by Prime Minister Tony Blair and the Specialist Schools Trust despite disappointing test scores and outside reviews.

Seeking to implement large-scale reform quickly can lead authorizers to reduce the rigors of screening. Arizona's history with charter schools is a case in point: the state initially sought to charter large numbers of schools with minimal application and renewal standards. The challenge of balancing quality and quantity is now keenly felt in Chicago, too, as the Renaissance 2010 Foundation seeks to open a hundred new schools in the next four years. Critics claim that the school district has lowered its expectations for incoming schools, though defenders claim the reduction in requirements will help scale up reform.

*Experienced authorizers report that better oversight at the beginning leads to better performance, while lax oversight risks poor performance and crises of legitimacy.*

NCSRP's interviews support other researchers' findings that authorizers have upped the rigor of the initial screen.<sup>5</sup> Experienced authorizers report that better oversight at the beginning leads to better performance, while lax oversight risks poor performance and crises of legitimacy. Thus, many authorizers have raised entry standards, asking prospective applicants to submit detailed educational plans and looking for sound fiscal management and governance in addition to missionary zeal. In order to facilitate better school planning and preserve access for promising yet untested models, some authorizers now provide specific application support, and many have extended the time between charter approval and opening day. These approaches can both help providers meet higher standards and compensate for what are sometimes, by necessity, less rigorous screens.

**AUTHORIZERS CAN WORK CLOSELY WITH SCHOOLS WITHOUT BECOMING BEHOLDEN TO THEM.** Many public agencies and private firms that contract for complex, mission-specific products have found arms-length relationships lead to disappointing results. When products are mission-essential, the risks of shut-down and slow-down are particularly high. Furthermore, close collaboration may be necessary to ensure high quality, especially when products or services are complex.

Yet close relationships also involve risks. An overly cozy relationship between a parent company and its provider leaves each open to exploitation by the other. And even with

the best of will, long-term partnerships risk breeding complacency and slowing innovation.<sup>6</sup>

Authorizers need to know their schools well. They cannot be afraid to point out problems, threaten consequences, and insist that changes be made when failure is imminent. As both private firms and public agencies have also discovered, authorizers may need to invest their own resources to improve schools' performance, particularly when providers are scarce. Authorizers can also carry good ideas from one school to another. Both Central Michigan University and the Specialist Schools Trust have taken a proactive approach to school improvement, encouraging their most successful schools to share lessons learned and to mentor less successful schools facing similar challenges.

Firms like Honda have learned to help struggling suppliers up to a point, and then cancel their contracts if they fail to improve. In contrast, many government agencies struggle to balance performance and fairness. Some charter authorizers have been reluctant to advise struggling schools or demand specific changes for fear that intervention might make the authorizer, rather than the school, responsible for substandard results. Recognizing this tension, England's Department for Education and Skills (DfES) has tried to know its schools well without losing the freedom to close the worst performers. DfES accomplished these dual aims in part by hiring an independent expert organization to inspect its schools. The national schools inspectorate (OFSTED) visits schools, writes reports about their strengths and weaknesses, and suggests remedies. In effect, DfES outsources some monitoring. Nonetheless, schools decide how to respond to OFSTED recommendations, and DfES can choose to implement, amend, or ignore the inspectorate's recommendations. Some of the most experienced charter authorizers (such as Massachusetts and Chicago) are experimenting with similar approaches.

Both England and Chicago have also explored the use of third parties to boost schools' performance. This gives schools needed help without implying that the authorizer is taking responsibility for the results. Each has worked closely with nonprofit partners (like Leadership for Quality Schools in Chicago) to offer technical support and professional guidance to schools as they develop. England's nonprofit Specialist Schools Trust goes one step further, offering advice and support to all schools, whether new or long established. Being independent of a larger government agency frees the Trust to act as friendly critics for the schools they serve.

*Authorizers need to know their schools well. They cannot be afraid to point out problems, threaten consequences, and insist that changes be made when failure is imminent.*

Whether on their own or through outside providers, public authorizers need to both invest in their schools and hold them accountable for results. NCSR is continuing to study how authorizers in education and other fields maintain close working relationships without compromising their ultimate responsibility for oversight.

**AUTHORIZERS MUST CONSIDER BOTH INDIVIDUAL SCHOOL AND SYSTEM PERFORMANCE WHEN DECIDING WHETHER TO CANCEL A CONTRACT.** Deciding to end a contract is a high-stakes and costly decision in the public and private sector alike.

Canceling a contract is even tougher for government than for business. Private firms, unlike charter school authorizers, can stop providing a product or service when faced with a shortage of quality providers. School districts, by contrast, are legally responsible to ensure that every child in a locality has a school to attend. That civic obligation can force districts to be more lenient with providers than they might otherwise—if, say, the best available option for a group of children is a charter school with disappointing results.

Charter school authorizers other than school districts—for example, state universities and nonprofits—face fewer constraints. Their mission is to create a portfolio of quality school providers, but they do not have to offer schooling for all the children in a locality. Such special-purpose authorizers can cancel charters that fail to meet their standards without having to arrange alternative placements for students. As a consequence, they are more likely to run demanding selection processes and close poorly performing charter schools than school districts are. At the same time, they risk closing schools prematurely.

Unlike private businesses and traditional school districts, special-purpose charter authorizers are not responsible for the final product—education of all students in a district—but for one constituent part of it. The more limited scope of special-purpose authorizers also reduces the costs of shifting providers. Unlike authorizers who need to replace or reform dozens or perhaps several hundred schools (as in large districts like Chicago or Los Angeles), specialist authorizers—particularly those such as the State University of New York (SUNY) that have reached their state-mandated cap for charters—may need to find no more than one or two new schools a year. They can afford to let a charter slot go unfilled, or to extend the incubation period to ensure that a promising school starts on a more secure footing. The closure decision is made more complex when authorizes

consider the question of whether students have a better option than the school that is being closed.

**AUTHORIZERS MUST ACTIVELY RECRUIT A DIVERSE SET OF PROVIDERS.** Authorizers have learned that the Field-of-Dreams management theory—if you build it they will come—is inadequate. Charter authorizers often must actively seek out providers and support formation of new school operators. One approach is to replicate successful programs from other cities, as Chicago has done, or to reach out to local cultural and youth organizations that have related expertise, as in Philadelphia. In each case, part of the authorizer’s job is to sell the opportunity of running a school, and convince potential providers that they will be successful. Another approach is to encourage successful schools to expand or to open up multiple branches. Building a provider base serves two important purposes for districts and school boards: it maintains diverse educational options and it enables districts to avoid having to choose between a bad provider and none at all.

Still, recruiting a robust base of charter providers is no simple task. Private executives frequently complain that government regulation is so onerous that it is not worth the price of doing business with the government—and many charter school founders voice similar sentiments about school districts. The longstanding private sector distrust of government bureaucracy is a deterrent to developing a healthy market of providers—which authorizers can counter by offering fair terms to competent and committed organizations willing to develop charters.

Any entity that establishes an uninviting or hostile environment, or that subjects providers to regulatory roadblocks and political interference, will drive away promising providers. NCSRP’s research will continue to explore how school authorizers can demand high quality yet develop a robust supply of strong school providers.

Charter school authorizers should be held accountable for their performance. Unflinching accountability for outcomes, which is a given in many private sector firms, represents a revolution in thinking for school districts. In the past, many districts have accepted effort and procedural compliance for school performance. Now the performance requirements set by NCLB, plus competition from private schools, suburban schools, and charters, are finally forcing school districts to begin adopting real performance expectations for everyone, including their central office units.

Authorizers vary considerably in their understanding of and commitment to charter school oversight and accountability. Furthermore, even the most dedicated school overseers disagree about how to maximize school effectiveness. Given the essential yet contested nature of authorizer practice, to what standards should government hold charter authorizers accountable?

In a recent white paper, NCSRP proposed several ways to hold charter authorizers accountable.<sup>7</sup> Among other reforms, it recommends greater transparency about charter authorizers' assessment process and the performance of the schools they oversee, formal state performance management reviews, and the creation of multiple competing authorizers in the same geographic area.

Greater accountability for charter school authorization can provide an incentive for authorizers to share their successes and improve on their practice. The ongoing NCSRP study will build on earlier findings and seek out new authorizer accountability measures.

## THE FUTURE OF THE CHARTER SCHOOL AUTHORIZER

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Chartering does not guarantee better educational outcomes. But it can inject new people and new ideas into the K-12 sector, and it can increase competitive pressures on local schools. And that makes authorization all the more crucial.

Even as school boards like the District of Columbia's seek to divest themselves of the burden of charter authorization, many other districts are trying to abandon traditional compliance-based modes of school oversight and address school performance. Some districts, including Chicago, Philadelphia, Denver, New York, Oakland, and the state agency responsible for most schools in New Orleans, openly characterize themselves as portfolio managers. They run some schools directly and charter others. NCLB is accelerating this groundbreaking shift, creating what British Prime Minister Tony Blair has dubbed a covenant of "contingent provision"—meaning that districts will work with schools and school providers so long as they benefit children and no longer.

The charter school New Deal—freedom of action in return for accountability—seems straightforward. But it is one thing for districts to say they will hold schools accountable for performance and quite another thing to do it. Some special-purpose authorizers and

a few school districts have successfully managed this transition. But most charter authorizers lack the resources and expertise necessary for quality oversight.

In this chapter, and in NACSA's recommendations, charter school authorizers can begin to find guideposts for the challenging task of assessing charter schools. Ultimately, the promise of the charter school New Deal—and the charter school movement itself—will not be fulfilled until charter authorizers commit to the hard work of recruiting highly capable staff, building a stable set of capable providers, and getting serious about consequences for schools that cannot demonstrate results.

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#### NOTES

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*Most charter authorizers lack the resources and expertise necessary for quality oversight.*



## CHAPTER 6

# A Better Way: Measuring Charter School Success and Failure

*Laura S. Hamilton and Brian M. Stecher*

Whether charter schools are improving achievement is a subject of much debate among researchers, yet the criteria for measuring changes in academic achievement—namely, student scores on district or state tests—are rarely debated. Since state and district standardized tests typically provide the most readily available measures of student achievement, it is hardly surprising that they have become the near-universal metric of evaluation. In the current era of standards-based accountability and the No Child Left Behind (NCLB) law, achievement tests aligned with state content standards are arguably an appropriate way to measure school effectiveness at meeting generally agreed-upon goals.

At the same time, the reliance on standardized achievement tests provides at best an incomplete understanding of how any school is affecting the students it serves. One can both recognize the utility of tracking test scores while at the same time appreciate that test scores do a poor job of reflecting some important outcomes, such as preparing students to enter college and the job market. In the case of charter schools, there is even more reason to believe that test scores are a necessary but not sufficient measure of school effectiveness. Charter schools were originally envisioned by many reformers as laboratories for innovation. They were designed, that is, not only to buttress traditional goals but also to promote broader ones, reach underserved populations, and otherwise experiment with new pedagogical approaches.

In the pages that follow, we argue that relying exclusively on test scores as metrics of success provides an incomplete understanding of school performance. Indeed, the singular reliance on tracking test scores could paradoxically create incentives that will reduce

*Standardized achievement tests provide an incomplete understanding of how a school affects the students it serves.*

the validity of those scores for evaluating school performance. We propose instead a set of measures that could be incorporated into a more comprehensive system of indicators of school effectiveness for both charter and traditional public schools.

## THE GOALS OF PUBLIC SCHOOLS

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Charter schools, like all public schools, are charged with promoting a variety of outcomes deemed important to society. Specifically, public education is supposed to produce well-informed, productive, and civic-minded adults. Broadly speaking, these three adjectives represent the key capabilities that public schools are entrusted to develop and that people use to judge schools' effectiveness.

A universal definition of our first attribute—the “well-informed” student—will always prove elusive. Yet most Americans would agree that well-informed students have learned how to read well and compute efficiently, possess basic knowledge about science, history, and government, and are informed about music and art. The term “achievement” is widely used to describe this broad class of outcomes—that is, what students know and are able to do in school subjects.

For many people, achievement is the most important outcome of charter schools, and “achievement” is often considered synonymous with “test scores.” In fact, an alternative way to measure student progress is in terms of “attainment.” As students mature, they pass various milestones that provide indirect indications of their achievement, and information about these milestones can be used as alternatives or complements to test-based data. Students who are promoted from one grade to the next on schedule, complete enough years of high school mathematics courses to fulfill the state requirements, and graduate from high school all demonstrate indirect evidence of meeting educational goals. When schools' attainment criteria for coursetaking, promotion, and graduation are combined with mastery of academic standards, measures of attainment successfully supplement test scores as indicators of achievement.

Schools are also supposed to help students become “productive” adults who can develop worthwhile careers and become contributing members of society. In addition to academic skills, productivity requires the development of career-related skills and less easy-to-measure attributes, such as the ability to communicate effectively and work in teams. There is no simple term to describe the productive student, analogous, say, to achieve-

ment for the well-informed student. But most descriptions of the broad class of productive outcomes fall under the heading of “preparation for postsecondary education and employment.”

Finally, schools are charged with enabling students to become “civic-minded” adults. Civic-minded students are familiar with the history of the United States, know and endorse the principles embodied in our founding documents, and respect public institutions. The concept of civic-mindedness is difficult to define and even harder to measure. Despite these difficulties, researchers should not overlook civic-mindedness when evaluating the impact of charter schools—indeed, promoting a sense of civic obligation in youth is one of the original justifications for public education in the United States.

The remainder of this chapter examines these three broad outcomes in greater detail and describes criteria that could be part of a more comprehensive system of indicators for charter schools as well as for traditional public schools. We close with a brief discussion of other features of charter and traditional schools that might be considered “leading indicators” of achievement, either because they provide necessary conditions for promoting achievement or because they are strongly predictive of academic performance.

## THE LIMITED UTILITY OF STANDARDIZED TESTS

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There are many advantages to using scores from national, state, and district-wide standardized tests for comparing the academic performance of large samples of students over time. Less well known are the disadvantages of relying exclusively on these tests. The disadvantages include:

**IN MOST STATES AND DISTRICTS, ONLY A SUBSET OF GRADES AND SUBJECTS ARE TESTED.** Financial, administrative, and legal constraints on testing often preclude school officials and researchers from obtaining useful information on student achievement in the earliest elementary grades or attainment in social studies or the arts. These omissions are particularly problematic for secondary schools, which emphasize a wide variety of subjects other than reading and mathematics. Another limitation associated with the range of grades tested under NCLB is that in many cases the testing fails to provide information about student growth during the entire time students are enrolled in a

school. For instance, at the elementary level, the typical NCLB testing schedule provides no information until the end of third grade.

**MOST TESTS EMPHASIZE THE LOWER-LEVEL SKILLS THAT ARE EASIER TO MEASURE USING MULTIPLE-CHOICE OR SHORT ANSWER ITEMS.**

Even when states claim that they have verified the alignment between tests and standards, these tests are capturing only a subset of the content contained in the standards.<sup>1</sup> Moreover, the match between curriculum and tests is often weak. For example, a rise in scores on a general mathematics achievement test in high school is unlikely to reflect the full extent of what was learned by students enrolled in geometry or other higher-level mathematics courses.

**HIGH-STAKES TEST SCORES CAN BECOME INFLATED OVER TIME.** A large body of research suggests that attaching high stakes to test scores can lead to a phenomenon known as “score inflation,” whereby apparent gains in test scores overstate actual improvement in achievement.<sup>2</sup> This problem occurs if teachers shift their instruction to focus only on tested material in the format used by the test rather than the full domain of knowledge the test is supposed to represent, or when teachers devote excessive time to test preparation. In addition, NCLB’s penalties for schools with significant numbers of students who test below the proficient level may encourage reallocation of teachers’ attention to students who are close to proficient to nudge them over the threshold, potentially distorting the meaning of proficiency and judgments based on it.

**TEST SCORES CANNOT EASILY BE COMPARED ACROSS JURISDICTIONS.** There is currently no measure of achievement that can provide good national estimates of charter school effectiveness. Any effort to combine information across jurisdictions using different tests will need to address differences in content, format, difficulty, stakes, and other characteristics of the tests and state and local accountability systems.

At best, relying solely on test scores to measure achievement provides an incomplete understanding of a school’s impact. At worst, the singular reliance on test scores can provide a severely distorted view of school effectiveness.

One way to address the limitations of existing standardized tests is to combine information from these tests with information from other available measures of student achievement. These might include district-administered assessments that are not part of the state or district accountability system, interim or benchmark assessments, or stu-

dent work samples that are gathered in a systematic way. Other tests, such as college admissions tests or Advanced Placement Exams, are typically taken by only a subset of the student population but might be useful for assessing some aspects of charter school achievement. However, all of these additional measures have limitations, including the selective nature of the population of students who take some of these tests, the lack of consistent measures over time for some tests, and the lack of standardized administration conditions, particularly for interim tests and work samples.

## MEASURING OUTCOMES OTHER THAN ACHIEVEMENT ON TESTS

Although the primacy of achievement test scores in most charter school studies is understandable and generally appropriate, researchers can compile a fuller picture of the educational effects of charter schools by examining other indicators. The indicators listed here do not cover the full scope of the three broad goals listed earlier, but are limited to attributes that show the most promise for being measured feasibly and accurately. The relevance of these outcomes to charter school effectiveness may vary in elementary and secondary schools, but most charter school families are likely to consider them important measures of success.<sup>3</sup> It would also be important to collect the same information from traditional public schools, both to ensure the availability of appropriate comparison data and to hold traditional schools accountable for the same broad set of outcomes that are being measured in charter schools. Alternate, supplementary measures for evaluating the effectiveness of charter schools include the following<sup>4</sup>:

### ATTAINMENT

- **Graduation rates.** The likelihood that a student will receive a high school diploma is arguably one of the most important academic outcomes to consider when examining charter school impacts. Although graduation is clearly most relevant for high school students, it might also become a long-term indicator of success in elementary and middle school.
- **Retention/promotion rates.** Examining student retention and the characteristics of students who are held back is helpful for understanding how charter schools affect educational attainment—and could be important for interpreting test-score trends. Promotion rates are likely to vary across states and districts, in part as a function of policy differences surrounding promotion criteria.
- **Transfers to other schools.** Although transfers might not be considered an outcome of interest for most schools, the numbers of students who transfer out of a

*The likelihood that a student will receive a high school diploma is one of the most important outcomes to consider when examining charter school impacts.*

school, and the types of schools into which they transfer (for example, alternative schools), are relevant for understanding how charter schools affect their students.

### PRODUCTIVITY

- *Enrollment in college-preparatory or advanced coursework.* One measure of a high school's contribution to the development of productive adults is the percentage of students who complete the courses required to qualify for college admission. High schools can accelerate students' progress through college by offering advanced coursework, such as Advanced Placement or International Baccalaureate classes. Enrollment in advanced coursework at the secondary level can also be considered a useful proxy for tracking the development of productive students by elementary and middle schools.
- *Participation in college-admissions testing programs (SAT, PSAT, ACT).* The percentage of students who take admissions tests provides additional information about the extent to which schools are producing students who expect to pursue postsecondary education.
- *College readiness.* One simple measure for evaluating if students who graduate from a particular charter school are adequately prepared for postsecondary education is to track whether those students enroll in remedial coursework in college.
- *Postsecondary educational attainment.* A critical outcome of K-12 schooling for both parents and policymakers is where students go to college after completing high school. Although the data needs are daunting, several states are developing monitoring systems that will permit some tracking and analysis of the proportion of students who attend two- and four-year colleges, the percentage who eventually receive degrees, the quality of institutions attended, and the specific degree programs pursued.
- *Employment and earnings.* Roughly one third of high school graduates choose not to attend college immediately after graduating from high school.<sup>5</sup> For these students, researchers and others would benefit from having data on the types of careers they pursue and the amount of money they earn. Employment and earnings could also be examined for students who do attend postsecondary institutions. At present, a few states are able to link school attendance records with state unemployment insurance files to track employment status and earnings.
- *Enrollment in occupational/vocational programs.* Many students benefit from taking occupational and vocational courses while in high school. For example, among students who go directly into the labor market, those who have taken vocational courses achieve higher wages.<sup>6</sup> In addition, many of the students who enroll in college have taken vocational technical courses. Vocational coursetaking provides another indicator of a school's contribution to the eventual productivity of its students.

One simple measure for evaluating if charter school graduates are adequately prepared for postsecondary education is to track whether those students enroll in remedial coursework in college.

### CIVIC-MINDEDNESS

- *Civic values.* Some critics of school choice fear that public schools like charters that depart from the neighborhood school model will produce citizens who are less civic-minded and community oriented. Civic values and attitudes such as tolerance and patriotism have been measured in a variety of school choice studies.<sup>7</sup> These measures could be used as a source of information about civic outcomes of charter schools.
- *Civic actions.* Similarly, it might be possible to measure the extent to which charter school students or graduates engage in activities that demonstrate civic participation, such as voting or volunteering.

### “LEADING INDICATORS” OF CHARTER SCHOOL PERFORMANCE

In addition to developing some alternative criteria for assessing charter school outcomes, researchers could also create a system of “leading indicators” of charter school performance that contribute significantly to the success or failure of charter schools. These leading indicators are not measures of outcomes as such, but are germane nonetheless to evaluating charter school performance. Researchers should not revert wholesale to analyzing inputs and processes in charter schools. Yet selected aspects of school structure and process can shed light on differing outcomes among charter schools or between charter and traditional public schools. Researchers, for example, could consider the following:

#### STRUCTURAL ELEMENTS<sup>8</sup>

- *Safety.* Unsafe and dangerous schools threaten students’ well-being and interfere with their learning, so it is appropriate to measure whether charter schools offer safe havens for learning. Several surveys and other data collection techniques have been developed to assess the severity of threats to student safety, including the availability of alcohol and drugs and the presence of threats, bullying, and intimidation.<sup>9</sup>
- *Teacher quality.* Researchers cannot define with certainty the characteristics of effective teachers, but they do know that good teachers are critical to student achievement. At a minimum, studies of charter schools should determine whether teachers have knowledge in the subject(s) they teach. Research evidence suggests that subject matter knowledge is an important characteristic of effective teachers, particularly at the secondary level.
- *Class size.* There is strong experimental evidence that class size matters in student learning, particularly in the early grades.<sup>10</sup> Care needs to be taken that mea-

*Selected aspects of school structure and process can shed light on differing outcomes among charter schools or between charter and traditional public schools.*

asures of class size reflect the actual number of students in each classroom rather than the overall pupil-to-teacher ratio.

- *Grade configuration.* Most public schools are divided into elementary schools (grades kindergarten through fifth), middle schools (grades six through eight), and high schools (grades nine through twelve). Alternative arrangements, such as K-8, are preferred by some educators and parents because they require students to go through fewer transitions and are thought to offer more positive environments for learning.<sup>11</sup> Different grade configurations are important distinguishing features of some charter schools.

### PROCESS MEASURES

- *Exposure to content.* Students do not learn course content that they have never seen, so tracking exposure to content can reveal telltale information about student outcomes. At the elementary level, exposure to content has been measured through teacher reports of content coverage and reviews of curriculum materials. At the secondary level, exposure can also be measured in terms of access to, and participation in, courses and course sequences that lead to mastery of advanced content.
- *Time on task.* The amount of learning time in the school day is a strong predictor of achievement. Time on task can be measured broadly in terms of the length of school day and year, but more sophisticated measures would track the time students spend engaged in learning activities.
- *Instructional support.* Learning is facilitated by a variety of supporting materials and equipment, including textbooks and supplemental learning materials, supplies and equipment for experimentation, libraries with current reference materials, access to the Internet and online resources, and supplemental staff with expertise in science, mathematics, or other complex subject matter. All these types of learning supports can be measured with relative ease.
- *Attendance.* Students who are absent from school are unlikely to learn, and sustained poor attendance is associated with poor academic performance. Large differences in attendance rates are good predictors of academic outcomes—and attendance data are easy enough to obtain from existing records.
- *Participation in athletic and arts programs.* Participation in athletic and artistic programs are considered intermediate outcomes because they may lead to higher achievement and mastery of skills that have career implications. Athletic and artistic performance opens the way to work and careers for some students; in addition, these activities foster other desirable attributes, such as perseverance, discipline, and the ability to work in teams.
- *Parent satisfaction.* Charter schools depend on parent satisfaction for their existence, and it seems sensible to include measures of satisfaction as an indicator of how well schools are meeting the needs of students and families. Monitoring the

existence and size of wait lists would provide one indication of how satisfied parents are with the school's offerings.

## DISCUSSION

It is unrealistic to expect that all or even most of the data highlighted in the preceding pages will be available at charter schools in the near future. Nonetheless, enriching and expanding the availability of high-quality data would increase educators, parents, and voters' access to indicators of charter school performance, and the promise of a better-informed future makes it worth thinking about what a comprehensive indicator system *should* include.

Policymakers confront a number of obvious obstacles to creating such a system. Perhaps the most transparent obstacle is a lack of data. Some of the outcomes and processes discussed here (like civic-mindedness) are rarely measured, and when they are measured, they may not be measured well. Other outcomes and processes might be measured—but we lack the data infrastructure to link these measures to other student information in a way that will allow us to interpret them accurately. To cite one example, developing data systems that track students from the K-12 system into college and the workplace is an especially challenging endeavor, though some states are beginning to tackle the problem.

A second concern stems from the well-known problem that performance measures are often corrupted, particularly when high stakes are attached to them. This problem was discussed earlier in the context of high-stakes tests, but it applies to other measures as well. In fact, some of the indicators proposed earlier might be even more subject to manipulation than test scores. One of the advantages of a system that uses multiple measures of school performance (as outlined here) is that it is more resistant to corruption than a system based on a single or a small set of measures.<sup>12</sup> Still, it is important to devise strategies for monitoring the validity of indicators over time—and in cases where corruption is evident or likely, to develop audit mechanisms to detect it.

A crucial advantage of assessing charter schools with more comprehensive criteria is that evaluations can also be customized to address the needs of different schools and groups active in the charter school movement. In the researcher's ideal world, parents, educators, and lawmakers assessing charter schools would review and assess all the information available about charter schools before reaching conclusions about their per-

*Performance measures are often corrupted, particularly when high stakes are attached to them.*

formance. However, the reality is that district administrators are likely to be interested in a somewhat different set of measures than, say, parents or state policymakers. In theory, it is possible to develop a comprehensive system of indicators that could meet the needs of all users. But in practice it is more likely that researchers will find themselves providing different sets of indicators to distinct interest groups to help policymakers make well-informed assessments and avoid information overload.

Similarly, even once a comprehensive set of indicators is established, policymakers are unlikely to expect the same results at all charter schools. In what instances should educators and parents accept differences in outcomes that stem from variations in curriculum, instruction, or other school characteristics? Charter schools with a thematic focus, such as business, health, or technology, may reasonably be expected to achieve different outcomes than charter schools of a more traditional scope. Charter schools are rich and varied, and the reading and mathematics test scores currently used to assess charters provide at best an incomplete picture of their effectiveness. A comprehensive set of indicators that allows for customizing analysis might be a way of addressing the fact that a core set of outcomes should be of interest to all schools, and an additional set of criteria will be of primary interest to a subset of charter schools.

The more comprehensive, high-quality data that analysts can bring to the charter school debate, the better. But researchers, parents, and educators need not feel handcuffed by imperfect data. Given the narrowness of most current charter school assessments, broadening the evaluation agenda may yet demonstrate that we still have a lot to learn about the full impact of charter schools.

*Broadening the evaluation agenda may yet demonstrate that we still have a lot to learn about the full impact of charter schools.*

## NOTES

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2. Robert L. Linn, "Assessments and Accountability," *Educational Researcher* 29, no. 2 (2000): 4–16; for a review of the research on score inflation, see Laura S. Hamilton, "Assessment as a Policy Tool," *Review of Research in Education* 27 (2003): 25–68.
3. Although we do not discuss research methodology in this chapter, it is worth pointing out that some of the approaches used to evaluate achievement outcomes cannot be used for one-time events such as high school graduation. High-quality analyses will require sophisticated longitudinal modeling approaches, e.g., survival analysis for graduation rates, or comparisons of trajectories for earnings.

4. We make a distinction between productivity and attainment to create categories and simplify the presentation, but obviously attainment affects productivity, so there is overlap between these two categories, and many of the indicators fit under both.
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7. Patrick Wolf, "School Choice and Civic Values," in *Getting Choice Right: Ensuring Equity and Efficiency in Education Policy*, ed. Julian R. Betts and Tom Loveless, 210-244 (Washington, DC: Brookings Institution Press, 2005).
8. Other structural features such as school size are likely to be of interest to some stakeholders, but we focus here on a small number of structural features that are most likely to be related to outcomes.
9. Jaana Juvonen, Vi-Nhuan Le, Tessa Kaganoff, Catherine H. Augustine, and Louay Constant, *Focus on the Wonder Years: Challenges Facing the American Middle School* (Santa Monica, CA: RAND, 2004).
10. The experimental evidence is strong. See Jeremy D. Finn and Charles M. Achilles, "Answers and Questions About Class Size: A Statewide Experiment," *American Educational Research Journal* 27, no. 3 (1990): 557-577. The real world evidence is limited because few places have done class-size reduction well. For example, in California there was a marked decline in the average preparation of teachers after implementation of a class-size reduction program, which may have reduced potential benefits.
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## CHAPTER 7

# Calculating Graduation Rates: A New Challenge for Charter Schools

*Mary Beth Celio*

Is it possible that the graduation rate for the public high schools of the city of Chicago is 82 percent? Yes, as a matter of fact, depending on the data used and the definitions applied, such a graduation rate is a possibility. Perhaps Chicago's graduation rate is only 46 percent? Well, oddly enough, depending on who is doing the calculating, that is a plausible number too. Which is correct? They are both correct, but the value judgments and methods underlying each are quite different.

Why should charter schools care about any of this? Because coming soon to a charter school near you is a huge argument about high school graduation rates. Charter schools will inevitably be caught up in the discussion, and they will be well advised to become familiar with the terms of the debate.

To date, most argumentation around charter schools has hinged on test scores earned by charter school students. Such studies continue to appear.<sup>1</sup> However, because *No Child Left Behind* (NCLB) mandates the reporting of high school graduation rates along with academic assessments for *all public high schools* (emphasis added), attention is now being focused on how such rates should be measured and reported. Clearly, charter schools will soon be judged by this emerging criterion: how well do charters do in keeping students in high school and on track to graduate?

On the whole, the expansion of charter school assessments to areas other than test scores is a development to be welcomed. But it is critical to recognize that evaluations of graduation rates at charter schools will be caught in the same methodological bind facing all public high schools: the most economical and readily available methods are

*Charter schools will soon be judged by this emerging criterion: how well do charters do in keeping students in high school and on track to graduate?*

deficient in many ways, and the method that some consider the “gold standard” is likely to produce the most negative results.

The methodological bind facing both charter and traditional public high schools arises from the following: states are free to adopt any of several approaches to establishing graduation rates that meet NCLB guidelines.<sup>2</sup> A majority (41 of the 51, which includes the District of Columbia)<sup>3</sup> are using methods for calculating and reporting graduation rates that have the effect of maximizing reported high school completion rates in individual schools and entire districts. Charter schools will likely report their own graduation rates using the methodology prescribed by their state. One benefit of this is that all schools in a state will be subject to the same errors, if any, in methods and measurement. But a major drawback is the inability to compare graduation rates across state lines, for either charter or non-charter schools. Such comparisons will be confounded by the fact that different methods and measurements produce different results, even if the same data source is used.

Charter school operators and supporters need to understand this issue. They should be aware of what the methodologies are and how their use affects the reported results. It should not need saying, but researchers and policymakers should be comparing apples and apples, not apples and oranges. They should be aware that comparison is possible only when the same definitions and bases are being used.

## THE DUST-UP OVER GRADUATION RATES

When a number of new, much-publicized graduation studies appeared in 2006, not one mentioned charter schools. This absence was due in part to the fact that the studies were looking at graduation rates only at the aggregate level: nation, state, or large city school district. Charter schools, making up only about 3 percent of all public schools and 2 percent of all public school students in 2004-2005, would hardly make a blip in that sea of districts and schools. In addition, charter schools have been operating for an average of less than five years and few of the schools that include grades 9 to 12 (25 percent of charter schools) have been in existence long enough to have graduated more than one or two classes of students.<sup>4</sup> But this lack of attention is unlikely to continue; the controversies around charter school effectiveness continue, and examining charter school graduation rates will undoubtedly become grist for the mill.

Counting high school graduates would seem to be a fairly easy task; just count those students receiving a diploma in a given year and compare that number with some earlier base. But what base should be used?

In the best of all research worlds, it would be possible to trace every student's path through school across district and state boundaries and thus to know precisely how many students were enrolled at any given time and which students ended up with a diploma at the end of 4 or 5 years, no matter where they completed their schooling. Such longitudinal or "cohort" approaches are considered the gold standard in the field, since they promise to give the most accurate picture of the number of graduates and are able to take account of students who transfer (in or out), move out of district, obtain GEDs, suffer incapacitating long-term illnesses, wind up in jail or juvenile facilities, or take longer than the traditional four years to graduate. The cohort approach tracks individuals, rather than projecting their graduation rates based on age- or grade-group demographics. However, only about ten states (and an unknown number of districts) have adopted this approach.

As a result, most researchers currently use school-, district-, or state-level data collected by one or another government agency to *estimate or project* graduation rates. It is important to understand this. Some "graduation rates" are little more than educated guesses.

A few researchers use U.S. Census data, including data from the American Community and Current Population Surveys (ACCPS), to provide what they claim to be the most accurate picture of high school graduation trends. Most researchers, however, use data collected by the National Center for Education Statistics, available in the Common Core of Data (CCD). Some of these analysts compare the number of graduates to the number of ninth graders reported in the CCD four years earlier; others adjust this base for immigration or by averaging a number of grades. Another method uses only two years of data from the CCD to calculate the probability that a student now in the ninth grade will graduate four years later. What all of these methods have in common is reliance on static "snapshots" of the school population; counts taken at particular points in time. The summary numbers obscure much of what actually goes on in American high schools.

Each of the major data sets (and how they have been employed in graduation rate analyses) is described below.

- ***U.S. Census data:*** Mishel and Roy set off the current controversy about graduation rates in early 2006 with the publication of *Rethinking High School Graduation Rates and Trends*.<sup>5</sup> To counter what they felt to be inaccurately low graduation rates, they used IPUMS,<sup>6</sup> an integrated database combining 1 percent and 5 percent samples from the decennial U.S. Census, and yearly Current Population and American Community Surveys for areas with 100,000 or more population. The two analysts concluded that the national high school completion rate (diploma or GED) is currently between 87 and 91 percent, indicating that graduation rates are fairly high and rising. The database and methodology used by Mishel and Roy can be used to project graduation rates for the country as a whole, for states, and for large cities/metropolitan areas.
- ***The CCD Averaged Freshman Graduation Rate:*** Most of the data published on graduation rates comes from the Common Core of Data maintained by the National Center for Education Statistics (NCES). NCES itself recently published a report on what it calls “averaged freshman graduation rates” that simply calculates the on-time graduation rate as the number of students graduating with a regular diploma in a given year, divided by an average of the eighth, ninth, and tenth grade enrollment for that hypothetical cohort.<sup>7</sup> NCES reports that the averaging is intended to account for prior year retentions in the ninth grade that can sometimes inflate the reported number of ninth graders by 15 percent or more, a problem facing all uses of ninth grade enrollment as a base for calculating graduation rates. The NCES analysis concluded that the national graduation rate for 2003-2004 is 75 percent.
- ***Greene and Winters (of the Manhattan Institute for Policy Research):*** Greene and Winters recently described their methodology and conclusions in *Leaving Boys Behind: Public High School Graduation Rates*.<sup>8</sup> Greene’s method for calculating graduation rates has evolved over the years. The latest iteration has the graduation rate equaling regular diplomas in spring of a given year, divided by the averaged freshman number (using the same approach NCES used), adjusted for population change at the appropriate level (that is, district, state or nation). Greene and Winters estimate the 2003 national graduation rate to be 70 percent for the nation overall, with major differences among states and districts and between students by race and gender within states and districts.
- ***Cumulative Promotion Index (CPI):*** Swanson, formerly of the Urban Institute’s Education Policy Center and now with Editorial Projects in Education Research Center, took another approach in a 2006 Gates Foundation-supported study.<sup>9</sup> Swanson compares promotion rates across all four high school classes over a two-year period to yield a national graduation probability of 69.6 percent, which, he explains, is the likelihood that, under current conditions within the country as a whole, a given ninth grader will graduate with a regular diploma in four years. The same method can be used at state, district or individual school levels.

- *Tracking of individual students (the cohort method)*: Almost all researchers dealing with graduation rates recommend that schools, districts, and/or states develop data systems that can track all students as they move through the schools. A recent white paper is very specific about the need for such a system and recommends both longitudinal databases and indicators derived from them.<sup>10</sup> It is expressly assumed by those recommending longitudinal tracking systems that this approach will assure that dropouts are really counted as dropouts, transfers as transfers, and graduates as graduates. With rigorous recordkeeping and follow-up, and with tracking systems spanning district, state, and even national boundaries, those aims could potentially be realized. The burden of all this counting falls on the lowest administrative units, schools (charter or traditional), whose responsibility it is to keep track of individual students as they enter, move through, and leave the school. Schools then report this information to the next higher level (for example, district or authorizing agency), which aggregates the data to be reported to the next level (for example, region or state), where it is again aggregated. The data at any given level are only as good as the data from the level below and as useable as the system that aggregates the data.

A comparison of the results of these different methods reveals quite remarkable differences in results. It also illustrates the gap between what really goes on in American high schools today and the data and mental models employed by researchers.

Although it scarcely stands up to reflection or common sense, the commonly held image of the high school experience assumes a stable cohort of teenagers progressing year-by-year through four years of schooling in the same district. In practice, many students transfer schools within a district, many more are retained in grade (especially at the end of the ninth grade), and students move into and out of the district and even the state at rates that cannot be tracked except by fully developed longitudinal systems. Yet all of the graduation rate methods discussed above, with the exception of the U.S. Census and longitudinal analyses, assume a largely constant (static) base of students, counting students at the starting gate (ninth grade or some combination or average of grades) and then at the finish line. The longitudinal databases have the advantage of tracking movement into and out of a cohort over a 4- or 5-year period but (as will be discussed below) this apparent advantage applies only when the data are accurate and easily useable (conclusions that cannot be reached with the data on hand).<sup>11</sup> Indeed the apparent advantage can readily turn into a disadvantage when the longitudinal graduation rates that are now possible with existing data systems are compared with rates assuming a static population.

*Almost all researchers dealing with graduation rates recommend that schools, districts, and/or states develop data systems that can track all students as they move through the school.*

## TWO URBAN CASE STUDIES

Large-city analyses of the consequences of employing different approaches illustrate just what remarkable differences can be produced. This author has analyzed results in one major Western city, and the Consortium on Chicago School Research has examined the results in the Windy City.<sup>12</sup>

In the Western district studied by the author, the CCD records that 2,640 students obtained high school diplomas in 2004, compared to the 4,355 students (a number of whom had been retained from the prior year) enrolled in ninth grade four years earlier. The graduation rate seems to be 61 percent for the Class of 2004. However, if the CCD and Greene approach is used and the eighth, ninth, and tenth grade enrollments for the class of 2004 are averaged, the count at the starting gate becomes 4,125. This lower denominator leads to a somewhat better graduation rate of 64 percent.

What happens if Greene's adjustments are used in this city? Adjusting for migration yields an even higher graduation rate of almost 71 percent. However, it turns out that a total of 5,737 students were part of the Class of 2004 at one time or another between 1999-2000 and 2003-2004: 3,900 were first-time ninth graders at the beginning of the 2000-2001 school year and 1,837 joined the class later, at some time before the beginning of the twelfth grade. Thus, the longitudinal graduation rate might be as low as 52 percent. The same general pattern is seen in the Chicago data.

A summary of graduation rates (according to the different methodologies) for the nation as a whole and for both the Western district and Chicago is displayed below.

**TABLE 1: GRADUATION RATES**

DISTRICT	CENSUS/CPS <sup>1</sup>	CCD AVERAGED FRESHMAN <sup>2</sup>	METROPOLITAN/GREENE GRAD RATE <sup>3</sup>	CUMULATIVE PROMOTION INDEX <sup>4</sup>	COHORT TRACKING <sup>5</sup>
	2000-2005 19-24 YR OLDS	CLASS OF 2004	CLASS OF 2004	CLASS OF 2004	CLASS OF 2004
NATIONAL	87.8%	75.0%	70.0%	69.6%	N.A.
CHICAGO	81.8%	52.8%	48.6%	52.2%	46.0%
WESTERN DISTRICT	86.0%	64.0%	70.7%	53.5%	51.7%

1. National figure is reported in Mischel and Roy, *Rethinking High School Graduation Rates*, p. 40. Chicago and Western district figures were computed by the author averaging across ages 19-24 from CPS data for 2000-2005, IPUMS-CPS, for the given metropolitan area, not including immigrants after 1995 or people living in another city/state/country the year before.

2. National estimate is reported in IES/NCES/CCD, *The Averaged Freshman Graduation Rate*, June 2006. To compute Chicago and Western district estimate, author used CCD method with corrected district-level CCD data.

3. National, Chicago, and Western district estimates found in Table 5 ("Districts Ranked by Overall High School Graduation Rate") in Greene and Winters, *Leaving Boys Behind*.

4. EPE/RC Research Center, *Diplomas Count: An Essential Guide to Graduation Policy and Rates*, The Graduation Project 2006, with support from the Bill & Melinda Gates Foundation, June 2006.

5. Chicago data are published in Allensworth, *Graduation and Dropout Trends in Chicago*. The Chicago study looked at students who started in the district's schools as 9th graders in 1999-2000 or joined the class in a regular school later. The other study also used only those students who entered regular schools. Neither study adjusted for transfers (i.e., the base is all students who were ever in the cohort).

The five different approaches currently used to calculate graduation rates yield strikingly different results nationally and in these two districts. The most positive graduation rates overall are based on U.S. Census data; the most sobering rates for the two districts come from longitudinal cohort tracking; and the others follow no apparent pattern. It is impossible to know whether these two districts are typical of most urban school districts, but it would be logical to assume that they are not radically different.

Which is the best measure? The author believes that rates generated from longitudinal tracking studies promise to be the most reliable, and in that sense the best. However, it is clear that the current longitudinal tracking systems can track only those students who fall within their grasp. A student who moves to another district that does not share the tracking system or to another state without a system may eventually drop out or graduate but is “lost” to his or her original district in either case. After all, students are constantly in motion; they come and go; they stay for one month or four years. Each student, no matter how long his or her tenure, is a student who is “at risk” for leaving a particular school or district with or without a diploma and should hypothetically be a part of the base count. However, there is no way right now to track most students beyond district/state boundaries. The graduation rates calculated from these longitudinal systems are likely, then, to produce biased and possibly low graduation rates.

As discussed above, the actual base count derived from current individual student tracking systems is inevitably going to be larger than the count at the starting point, and this more realistic, and larger, base count means a smaller success rate. Thus, calculating graduation rates using a total cohort (rather than only those starting the ninth grade together) is likely to result in a less politically palatable outcome, especially in urban schools and districts where there is high mobility and in those schools that are designed to serve the needs of students who are not succeeding in traditional schools or along the expected pathway.

### WHAT DOES THIS MEAN FOR CHARTER SCHOOLS?

Regardless of which approach is adopted at the state or district level, charter school operators and authorizers need to be on the alert. School districts and individual public schools, whether traditional or charter, will probably not have the luxury of selecting which approach they will use for purposes of federal or state accountability about high school graduation. If the data are accurate at all levels and from all sources, then com-

*Regardless of which approach is adopted at the state or district level, charter school operators and authorizers need to be on the alert.*

parisons between states, districts, and individual schools can be made, assuming the methodology and data sources are the same.

Assume that charter schools, which are smaller on average than traditional public schools, are able to track their students with some accuracy and thus know whether a given student has dropped out, received a diploma at that school, or enrolled elsewhere. To what would these dropout, graduation, and transfer rates be compared? Given the woeful condition of most state and district data systems for tracking students during the high school years (and the fact that the CCD does not contain information on graduates from individual schools), it is probable that the comparison group would either be a district-wide graduation rate based on static data or a school-specific rate using school-level, but also static, data. In either case, the charter school is likely to be put at a disadvantage, since the non-charter rate is almost guaranteed to be significantly higher than the longitudinal cohort rate calculated for the charter school.

*Without a basis for meaningful comparison, it is impossible to know whether the very low graduation rate from Texas charter schools indicates a resounding failure for charter schools or a major achievement.*

A good example of the potential dangers ahead is provided by one of the first available assessments of charter school graduation rates. A researcher at the Texas Center for Educational Research tracked students in charter high schools in Texas from tenth grade until the time they would be expected to graduate.<sup>13</sup> The author found that 30 percent of the charter students received a regular diploma in the three years of the study. The longitudinal data source was Texas's Public Education Information System (PEIM), which the author reported to have significant problems with missing and inconsistent and non-existent data, typical of most longitudinal tracking systems.

How consequential were these data gaps in affecting the results? It is impossible to tell what the precise effects bad and missing data might have, and, in addition, there is no way to assess the importance of a graduation rate that seems shockingly low. The only comparisons available are from the recent studies discussed in this report for Texas as a whole. The EPE Research Center (Swanson's CPI) estimates the graduation rate for the state at 66.8 percent; the NCES averaged freshman graduation rate for Texas is 76.7 percent; Greene and Winters report a state-wide graduation rate of 69 percent. In other words, the charter school graduation rate could conceivably be reported to be less than half the graduation rate for the state as a whole. But these are the apples-to-oranges comparisons. More legitimate approaches would ask about the cohort graduation rates for similar schools and/or similar students. None of these comparisons are currently available.

It goes without saying that, without a basis for meaningful comparison, it is impossible to know whether the very low graduation rate from Texas charter schools indicates a resounding failure for charter schools or a major achievement. Is it possible that almost none of these Texas charter students would have graduated with a regular diploma if they had remained in their original schools? Or, rather, are existing alternative schools and regular public high schools doing a far better job with this difficult population? It is essential that such questions be posed and answered to provide a meaningful assessment of charter school graduation rates. At the moment, those questions cannot be answered in most districts with existing data.

In their 2006 review of charter school research, Betts and Hill note that researchers will not be able to document that charter schools caused a difference in students' outcomes unless they know how students fared in charter schools, and how the same students would have fared had they instead attended regular public schools.<sup>14</sup> Reporting only one of the two outcomes (how the students fared) may be detrimental to the fortunes of charter schools. Researchers and school officials need to address this dilemma, not only for charter schools, but for all public schools and school districts. The graduation rates now available in most districts may be politically appealing because they paint a relatively positive picture of high school success. But that optimistic picture will not improve high schools for teenagers, especially in large urban school districts.

What can be done? At the moment, there is little research available to assess the success of charter high schools in enabling their students to graduate. That makes it all the more important that policymakers and foundations that fund charter school research commit to investments that create an even analytic playing field. They can do so by either sponsoring apples-to-apples comparisons between charter and non-charter graduation rates, or by investing in accurate student-tracking systems in both charter schools and public school districts. More careful research will not preclude some of the misunderstandings and misuses of graduation data that are almost inevitable in the future. But avoiding the pitfalls of previous studies is critical to developing a fair assessment of how high schools, both charter and traditional, succeed or fail.

*The graduation rates now available in most districts may be politically appealing because they paint a relatively positive picture of high school success. But that optimistic picture will not improve high schools for teenagers, especially in large urban school districts.*

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**NOTES**

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## CONCLUSION

# Lessons Learned—and Tomorrow's Battles

*Robin J. Lake and Paul T. Hill*

Americans are understandably impatient with the lack of definitive information about charter schools. As the preceding chapters illustrate, we now know much more about important questions such as how charter schools are performing academically, whether low-income parents are able to make informed choices about charter schools, and how (and whether) charter schools can be held accountable for providing effective instruction. Yet even well-publicized studies of charter schools often fail to prove the findings that various interest groups attribute to them. Throughout this volume, the reader is frequently reminded that new data and better research can raise additional questions—without entirely resolving old ones. With respect to charter schools, as in other fields, readers should be skeptical of those who assert that a single research report presents the final word on anything.

The chapters in this volume illustrate the importance of carefully sifting evidence—and the even-greater limitations of relying on anecdotal claims. Fortunately, the preceding chapters also provide new evidence that bears on some of the most controversial issues in the battles over charter schools. This new research debunks several widely held perceptions about charter schools—for example, that poor parents choose charter schools for bad reasons, or that the explosive growth of charter schools in some locales inevitably harms neighboring public schools. The chapters in this report also suggest how charter schools and teachers unions might coexist despite deep conflicts, and illuminate how school districts can respond to stiff competition from charter schools. Some of the most surprising findings are that:

- Low-income parents do care about school quality and make good use of information in choosing schools—creating opportunities for public school officials to do a better job of providing information about educational options and local schools.

- School districts under competitive pressure from an onslaught of charter schools have win-win options for improving their own schools—and typically do not suffer serious funding declines due to charter competition.
- If charter and teacher union leaders want to moderate their conflicts, they have a number of confidence-building measures to take that will improve their chances of developing collaborative charter-union partnerships.
- States can attain good assessments of school performance—both for district-run schools and charters—if they test all children annually, and merge test data with information about student and school characteristics and courses taken and passed.
- School boards and districts now reluctant to authorize and assess charter schools can successfully take charge of their missions by developing a capacity to oversee schools on the basis of performance.

While quality and accountability have been the focus of much of this volume, these same issues have very much been at the forefront of public concerns over charter schools. To take one example, a May 2006 *New York Times* editorial came down hard on the charter school movement for tolerating too much uneven quality and loose oversight.<sup>1</sup> While the *Times* flagged legitimate concerns about charters, the editorial board proposed a draconian solution, calling for charter schools to be “reigned in”—as if they were expanding without regard to quality and threatening to take over public education.

Ironically, this call to curtail charter schools comes at a time when virtually every meeting of charter school leaders is dominated by discussion of boosting quality and ensuring accountability. The *Times* assumed that the charter school movement had not considered issues that had in fact become its main preoccupation. Of course, it is easier—as even charter movement leaders would concede—to exchange ideas about performance standards, public accountability, authorizer performance, and replicating successful schools than to put such reforms into practice. But as the forgoing chapters demonstrate, the difficulty of ensuring quality and holding schools accountable need not become an excuse for calling for a halt to the charter school movement itself.

Without question, many of the major problems now confronting the charter movement are complex and perennial. An annual review written five years hence might reflect new understanding and progress on all these issues, but it almost certainly will not report that they have been resolved. Yet some problems that we now know relatively little about are likely to become much bigger concerns in the next five years. Here are three emerging issues to look for:

1. As the number of charter schools grows, they will need large numbers of capable principals and teachers. Will charter schools be able to successfully recruit, hire, and train the administrators and staff that they will require?
2. As charter schools come to compete more directly with district-run and private schools, how will they differentiate themselves? What sorts of course offerings, instructional methods, online services, and ancillary services will they develop, and what will be the results for students?
3. As the number of charter schools grows, will the current practice of requiring a separate nonprofit board for every school be re-thought? Will charter authorizers and policymakers conclude that too many amateur boards disrupt schools—and what other governance and oversight mechanisms might develop?

Many of these emerging questions are being addressed in new NCSRP research projects. Future annual reports will summarize evidence available on the new and old issues relevant to charter school policy and practice. For now, policymakers and educators can use the evidence presented here to improve opportunities for students. Children who attend charter schools should learn more as a result of their participation, and unproductive charter schools should be closed or reformed while productive charters may be expanded. The essays in this volume can help parents, elected officials, district administrators, and leaders of the charter school movement understand how to:

- promote multiple sources of better information for parents who are actively choosing schools;
- find ways to help school districts recognize that they are in competitive environments with or without charters, and ensure that state bureaucratic requirements do not hinder districts' ability to respond to that competition;
- consider whether students might benefit from charter school-union partnerships. If the answer is yes, find ways to promote evidence and common interests in place of rhetoric;
- promote better state and local charter school evaluations and advocate for whatever funding and attention it takes;
- be clear about the role authorizers should play in making charter schools successful, and invest in high-quality oversight of all schools; and
- supplement test scores with longer-term outcome measures that better reflect the links between charter school attendance and students' future educational and economic success.

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**NOTES**

1. "Reining in Charter Schools," *New York Times* editorial, May 10, 2006.

## APPENDIX

# About the Authors

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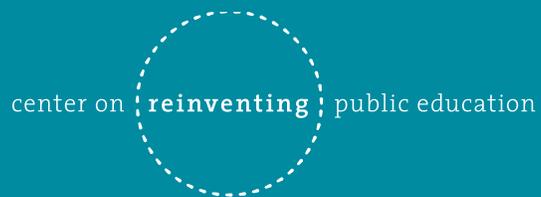
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