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CHARTER SCHOOLS: DO THEY WORK?

By Michael McShane

Charter schools are steadily growing across the country. Since its inception in Minnesota in 1991, the charter school movement has grown to include more than 6,800 schools educating approximately 2.9 million students nationwide.[1] (See Figure 1) In the 2015–16 school year, Missouri had 54 charter schools educating 20,800 students.[2] (See Figure 2)

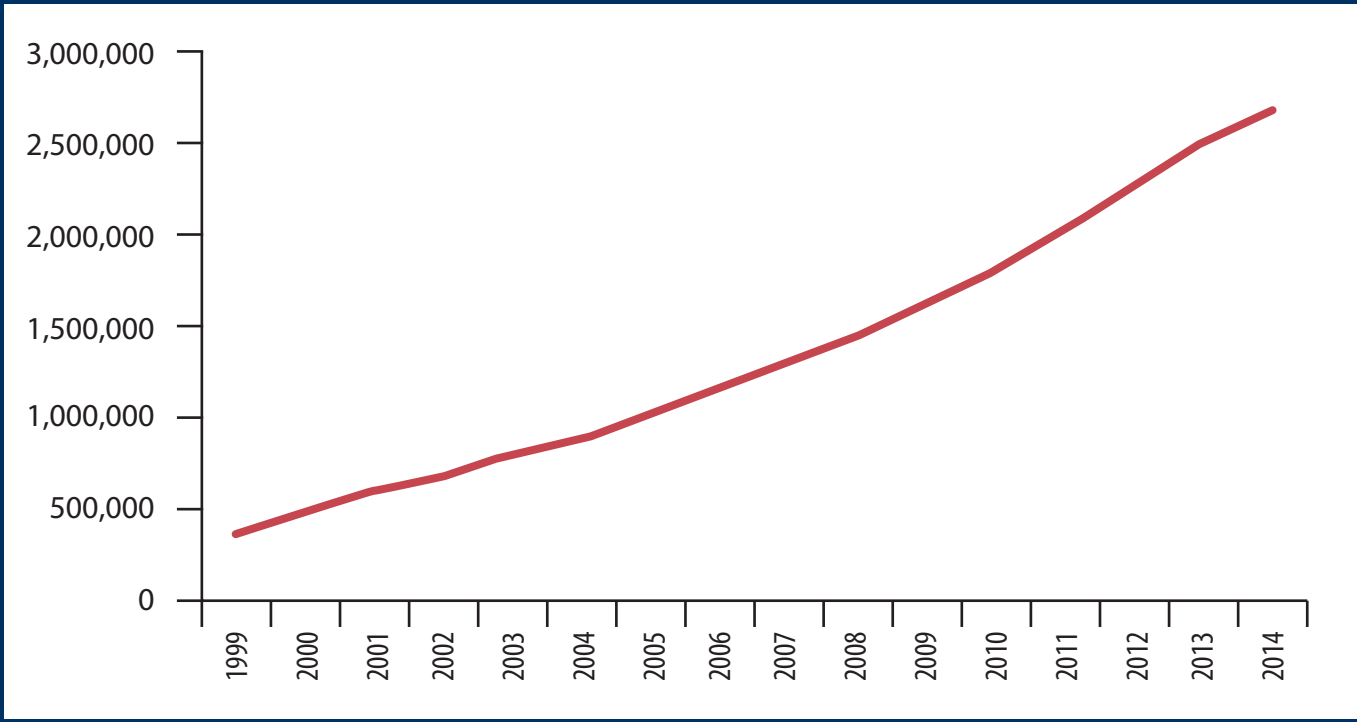
So what exactly is a charter school? There is a great deal of misinformation out there, but at their core, charter schools are public schools that make a deal with the state wherein they are granted increased autonomy, but are held accountable for their performance. Charter schools are funded by the state and are free for students to attend. In Missouri, they can be operated by nonprofit or for-profit entities.

Each charter school is overseen by an organization known an *authorizer*. Authorizers act as the conduit of state funding and hold charter schools accountable for their results. In Missouri, school districts, the Department of Elementary and Secondary Education, the Missouri Charter Public School Commission, and universities (public or private) can function as authorizers. Authorizers must apply to the state to be allowed to operate, and are held accountable by the state on a variety of indicators.

Figure 1:

Historical Enrollment In Charter Schools, Nationwide 1999–2014

Charter school enrollment has grown steadily for more than 15 years.



Source: National Alliance for Public Charter Schools (*http://dashboard2.publiccharters.org/National/*)

But whenever charter schools are discussed, they elicit a torrent of reactions. They're great! They're terrible! They only serve the best kids! They leave some kids behind!

Buried under this overheated rhetoric is a mountain of social science that has actually looked into some of these questions, and any debate about charter schools should be informed by this research. The purpose of this policy brief is to wade into that research and synthesize what it means for Missouri. But before I get into the research, a little history is in order.

A BRIEF HISTORY OF CHARTER SCHOOLS IN MISSOURI AND ACROSS THE NATION

In the early 1990s, thinkers like David Osborne and Ted Gaebler and politicians like Al Gore were talking about "reinventing government," a generally left-of-center effort to change the way states and the federal government managed programs. Rather than "row"—that is, directly fund, operate, and regulate government programs—Osbourne, Gaebler, (and to be fair, many others) urged the government to "steer" by setting expectations and regulating outcomes of public programs, but letting other non-governmental actors actually operate the programs.

Charter schools are a prime example of the thinking behind "reinventing government." The government funds the schools and regulates the outcomes, but allows outside providers like nonprofit organizations (or in some cases, for-profit companies) to oversee the day-to-day operations of schools.

Figure 2:

Historical Enrollment in Charter Schools, Kansas City and Saint Louis 2003–2016

Charter school enrollment in Missouri has increased substantially since 2003.

Source: *Missouri Department of Elementary and Secondary Education (https://dese.mo.gov/sites/default/files/qs-charter-2016-enrollment_0.pdf)*

But the origins of the charter school movement go back even further, with Massachusetts educator Ray Budde first offering the idea of autonomous public schools and coining the word "charter" to describe the arrangement. The idea got a big boost in the 1980s from an unlikely source. During a speech to the National Press Club in 1988, Al Shanker (then president of New York's largest teachers union) proposed the framework for what would become charter schools. He argued—and its worth quoting at length—that mechanisms could be created to empower small groups of teachers to start autonomous public schools:

> *How would this work? The school district and the teacher union would develop a procedure that would encourage any group of six or more teachers to submit a proposal to create a new school. Do not think of a school as a building, and you can see how it works. Consider six or seven or twelve teachers in a school who say, "We've got an idea. We've got a way of doing something very different. We've got a way of reaching the kids that are now not being reached by what the school is doing." That group of teachers could set up a school within that school which ultimately, if the procedure works and it's accepted, would be a totally autonomous school within that district.*
>
> *The district should create a panel that would be used to either approve or reject the teacher proposals that would come in. The panel could be a joint panel between the union and the board; it could include outsiders, or it might be a system in which the union and the board would separately have to ratify such proposals.*
>
> *What should the proposals look like? Obviously, I'm not going to lay down a master plan, because the whole point*

> *of this is to have people within a school develop their own proposals; so they are all going to be different. Schools all across the country now, unfortunately, look very much alike. These schools will look very different, and they should follow certain guidelines that don't tell you what the school is going to look like, but what you're going to look for in terms of approving such a proposal.*[3]

Unfortunately, union leaders who followed Shanker (who really was a visionary on a variety of school-related issues) did not share his enthusiasm for charter schools, and have often worked to block them. But the kernel of Shanker's idea lived on, even without the support of the organizations to which he devoted his life.

Charter schools got started a little later in Missouri. The first charter school law was passed in 1998 as a response to Missouri's longstanding desegregation cases in Kansas City and Saint Louis. For over a decade in Kansas City and more than two decades in Saint Louis, billions of dollars had been spent as part of court-ordered desegregation measures intended to improve student achievement, with little success.

In 1998 the Missouri legislature took a different tack. They allowed for the creation of charter schools in the Kansas City and Saint Louis school districts. More precisely, they allowed for charter schools in school districts in cities with at least 350,000 residents, which effectively limited them to Kansas City and Saint Louis. The legislation empowered both districts' school boards, Saint Louis and Kansas City community colleges, and any public four-year university with a teacher preparation program to act as authorizers for charter schools.[4]

In subsequent legislation (most notably a charter school bill in 2012) both the eligibility of authorizing organizations and the potential location of schools were broadened. Today schools are allowed to operate in unaccredited districts or those that have been provisionally accredited by the state for at least three years. In addition to the initial list of potential sponsors, private four-year colleges with teacher preparation programs, and also the newly created Missouri Charter Public School Commission, may authorize schools.[5]

It should be noted, however, that even though charter schools are technically allowed in districts outside of Kansas City and Saint Louis, the way the law is written functionally limits them to those two school districts. If an organization wants to start a charter school outside of Kansas City or Saint Louis, it must be authorized by the state board of education or the Missouri Charter Public School Commission and can only exist in an unaccredited or provisionally accredited district. Accreditation is a fluid designation, so districts that are eligible for a charter one year might not be eligible the next year. Furthermore, the due diligence and work required to set up a school in such a shifting landscape create daunting obstacles. Technically, charter schools are allowed in accredited districts as well, but, such a school would have to be authorized by the local district—and local districts have to date expressed zero interest in creating competition for themselves. What's more, many of the struggling school districts in the state are quite small, limiting the number of potential students for new charter schools. By prohibiting students from applying across district lines, the potential pool of students is kept extremely small, making it even more difficult for a potential charter operator to justify opening a school in such a district.

ARE CHARTER SCHOOLS GOOD FOR KIDS?

Now that I've dispensed with the history lesson, it's time to get to the central question concerning charter schools: Do they work?

The answer is complicated and multifaceted. Asking whether they "work" raises more questions: Work for whom? The students who attend the charter school? What about the children who remain in traditional public schools? Do charter schools only serve a select group of students? Do they push students who need special education services off on their traditional public peers?

In the next section I'll tackle these questions one at a time, first examining the available evidence on the participant effects of charter schools; that is, what is the effect that charter schools have on the students who attend them. Next I'll look at the effect that charter schools have on the public schools that surround them. Finally, I'll look at the compositional questions and present what the research says about who charter schools do, and do not, serve.

Question 1: Do children benefit from attending charter schools?

The so-called "participant effects" of charter schooling have been a hot topic of research for the past decade or so. Multiple teams of researchers have used various strategies in several different cities to determine what effect, if any, charter schools have on the children who attend them.

At first, research findings seemed to coalesce around the conclusion that charter schools performed no better and no worse than traditional public schools. The most prominent example of this research came from the Center for Research on Education Outcomes (CREDO) research team at Stanford University. In a paper released in 2009, the authors published the oft-quoted finding that only 17 percent of charter schools in the 16 states they studied provided educational opportunities for their students superior to those offered by similar traditional public schools; 37 percent delivered results that were significantly worse; and the rest performed statistically indistinguishably from traditional public schools.[6]

But the story doesn't end there. In 2013, the CREDO team updated their results and expanded their sample to 27 states around the country. They found in this report that, on average, charter school students saw larger gains in reading and comparable gains in math compared to traditional public schools. Also—and importantly—because they had access to longitudinal data, they were able to conclude that the performance trajectory of charter schools was trending upward.[7] The CREDO team's findings are compatible with those of UC San-Diego researchers Julian Betts and Y. Emily Tang in a 2014 meta-analysis (a study that tries to combine the findings of individual studies to estimate the total effect of a program) that "charter elementary and middle schools, on average, outperform their district-run counterparts in math. In fact, the effects for math achievement, for the most part, became larger and more significant with the addition of three new years' worth of research." Meanwhile, effects on reading were statistically indistinguishable from traditional public schools.[8]

A 2015 CREDO report looking specifically at charter schools located within cities found that gains were even larger, with "urban charter schools on average [achieving] significantly greater student success in both math and reading, which amounts to 40 additional days of learning growth in math and 28 days of additional growth in reading."[9]

Similarly, studies that look at individual areas in isolation have also found large positive results. A team of researchers at Harvard and MIT found "large and significant score gains for charter students in middle and high school" in Massachusetts.[10] Stanford, Penn, and National Bureau of Economic Research (NBER) researchers found similarly large positive results for students in New York City.[11] A team of researchers led by Josh Angrist of MIT studied students at Massachusetts charter high schools and found that charter schools "increase pass rates on Massachusetts' high-stakes exit exam, with large effects on the likelihood of qualifying for a state-sponsored scholarship. Charter attendance also boosts SAT scores sharply and increases the likelihood of taking an Advanced Placement (AP) exam, the number of AP exams taken, and AP scores."[12] Another group, led by Tim Sass of Florida State Universty, followed students who attended charter schools in Florida and found "that students attending charter high schools are more likely to graduate from high school and enroll in college. We then examine two longer-term outcomes not previously studied in research on charter schools—college persistence and earnings. We find that students attending charter high schools are more likely to persist in college, and that in their mid-20s they experience higher earnings."[13] Another team of researchers, led by MIT's Atila Abdulkadiroğlu found "large achievement gains from charter school attendance" in Denver.[14] Douglas Harris of Tulane and Matthew Larsen of Lafayette College found that the post- Katrina reforms of New Orleans (of which charter schooling was the largest part) "increased student achievement by a minimum of 0.2, and more likely 0.3–0.4, standard deviations."[15] That would mean the average student would improve around 15 percentile points in achievement on your average standardized test, an enormously significant finding.

If that isn't enough, there is also evidence that the charter school sector is improving. In an NBER research paper, a team of economists looked at the charter school sector in Texas and found that while initially the sector had a wide variance in the quality of schools, over time "exits from the sector, improvement of existing charter schools, and

positive selection of charter management organizations that open additional schools raised average charter school effectiveness."[16] Similarly, when CREDO researchers dug into its data and separated out findings by the number of yearly "growth periods," they found that the more recent the data, the larger the gains. This suggests that the sector as a whole is doing better.[17]

Research about how well charter schools in Saint Louis and Kansas City are performing is also available. In CREDO's 2013 analysis, researchers found that, on average, Missouri charter schools were responsible for the equivalent of an additional 22 days of learning in math and 14 days of learning in reading per school year.[18]

Recently, the Ewing Marion Kauffman charter school in Kansas City commissioned the policy research firm Mathematica to perform an in-depth study of their operations. What they found was impressive. In math, after 3 years in the school, students have learned 1.35 years more material than their peers, moving on average from the 36th percentile to the 58th percentile in achievement. To give those numbers some context, such gains are on the magnitude of 57 percent of the gap between white and black students in Kansas City. In reading, after 3 years in the school, students have learned 1.29 years more material than their peers, moving on average from the 39th percentile to the 55th percentile in achievement. Those gains are equivalent to 45 percent of the gap between white and black students in Kansas City. It is also important to note that the school is not cherry-picking some privileged subset of kids. Eighty-six percent of the students at the school qualify for free or reduced lunch (compared to a Kansas City Public Schools [KCPS] average of 92 percent). Seventy-nine percent of the students are black (compared to 59 percent in KCPS). Twenty percent had been suspended at least once by 4th grade (compared to 17 percent in KCPS).

The CREDO team also disaggregated Saint Louis's charter school performance and found that in math, 42 percent of charter schools performed worse than their traditional public counterparts, 32 percent performed the same, and 26 percent performed better. In reading, charter schools fared better, with only 17 percent performing worse, 50 percent performing the same, and 33 percent performing better.[19]

Ideally, more local evidence would be available, but looking at the national picture, it is clear that the conventional wisdom needs updating. Charter schools are improving relative to public schools, and many urban charter schools are now clearly outpacing their public school peers.

Question 2: Do charter schools hurt public schools?

Having established that, on average, students academically benefit from attending charter schools, I move on to a second important question: What about the children who stay in public schools? If those attending charter schools are a privileged few who get access to better options but leave their classmates worse off, that is a serious tradeoff worth considering. On the other hand, perhaps charter schools spark competition in public schools and give them incentive to improve or risk losing students.

Fortunately, this question has been extensively studied. In fact, Brian Gill and Kevin Booker of Mathematica Policy Research published a chapter in the latest edition of the *Handbook of Research in Education Finance and Policy* that examined all 11 studies that have been conducted on the "competitive" effects of charter schools; that is, how they affect children who remained in public schools.

What they found was encouraging. In six of the studies, researchers found positive effects: students who remained in public schools actually did better after having students leave to attend charter schools. In four studies, researchers found no impact; that is, that students who stayed in public schools were neither helped nor harmed. Only one study found any negative results, and some of the findings in that study were actually neutral. Positive results were found in places as varied as Texas, North Carolina, New York City, Florida, and Milwaukee.[20]

Question 3: Do charter schools push out English-language-learning students or students with special needs? Do they "skim" the best students?

Thus far, I have presented evidence that charter schools have shown positive effects for students who attend, and have shown positive (or at worst neutral) results for students who remain in traditional public schools. But given the alternative ways in which charters enroll students, what if this is because of some gaming on the

part of charter schools? If charter schools simply take the best and brightest students, or find ways to exclude students with special needs or English language learners, their positive effects could be because of the composition of students, not because charters do a better job educating students. Next I will present what the evidence tells us about this possibility.

First, there is little evidence that charter schools "skim" the best students from the school system. In a 2009 study, Michigan State University's Ron Zimmer (and others) examined charter schools in two states (Ohio and Texas) and five school districts (Chicago, Denver, Milwaukee, Philadelphia, and San Diego) and found no evidence that charter schools systematically skimmed the best students from their school systems.[21] Similarly, Zimmer and Cassandra Guarino studied 60 charter schools in an anonymous district and found "no evidence" that charter schools push out the lowest-performing students.[22]

With respect to students with special needs, there are two related research questions. First, do charter schools push out students with special needs? And second, how well do those students with special needs who do attend charter schools perform?

The first question has not been studied as extensively as have the academic effects of charter schools, but according to the available research, it does not appear that charter schools systematically push out students with special needs. Marcus Winters, now of Boston University, studied enrollment data from Denver and New York City and found that while, in aggregate, fewer students identified as having special needs enroll in charter schools, it appears that the variation can be explained by differences in how students are classified and differences in the natural rates at which students with special needs move between schools.[23] Charter schools are less likely to identify students as having special needs, and in particular are less likely to apply the classification "specific learning disorder," which many advocates fear has become a kind of catch-all term for struggling students.

With respect to the second question, MIT Economist Elizabeth Setren used lottery data from Boston public schools to examine how students with special needs perform in charter schools. She found that charter schools boost achievement and increase the likelihood that students with special needs graduate from high school and earn merit scholarships to college, even for the most disadvantaged students with special needs. She also found that charter schools reduce the likelihood of special needs classification and that charter schools move students with special needs into inclusive classroom settings at a higher rate than traditional public schools.[24]

CONCLUSION

Taken together, the evidence indicates that overheated rhetoric about charter schooling is out of place. If someone says that charter schools are a silver bullet to solve all of society's ills, they're over their skis. If someone else says that charter schools harm children or are a threat to the education system in America, they're wrong too. I would argue that the weight of the evidence (which is, of course, always evolving and being added to as in any important question of science or policy) is in favor of charter schools. Children, and especially urban children, appear to benefit. Traditional public schools are helped, or at least not harmed. And it doesn't appear that this performance comes at the detriment of particularly vulnerable populations, such as students with special needs.

But I would be remiss if I didn't add that most of these findings are taken at the average. Saying that, on average, charters perform better does not mean that every charter school will outperform every traditional public school. Instead, research shows that chartering as a process creates the conditions for good schools to emerge and creates a mechanism for students to attend those schools. It does not guarantee results. Therefore, the particulars of policies (the requirements for starting a school and how families are able to choose) matter.

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