

Charter Schools in Action: Renewing Public Education

Former U.S. Assistant Secretary of Education Chester E. Finn, Jr. spoke February 17, 2000, on "Charter Schools in Action: Renewing Public Education" at a Forum co-sponsored by Pioneer Institute and Harvard Graduate School of Education. Finn, President of the [Thomas B. Fordham Foundation](#) and John M. Olin Fellow at the [Manhattan Institute](#), surveyed the nationwide charter school movement, based on an exhaustive [study](#) of the same title he recently published with co-authors Bruno V. Manno and Gregg Vanouerk.

The following is an edited transcript of Finn's remarks.

Charter schools are probably the most visible and widespread example of the "marketplace paradigm" of education reform, which basically seeks to "bust up" the current K-12 system and create alternatives, options, and competition that people can access through the marketplace. The assumption is that marketplace forces will lead to improvement as "fussy consumers" demand better education and as schools find themselves losing customers and realize they must change. To a lesser degree, charters are also part of a "standards, assessment, and accountability" approach to educational reform, since their very existence also depends on the degree to which they persuade the public bodies sponsoring them that they are producing satisfactory results. While charter schools are mostly creatures of the marketplace reform strategy, they are far from being the same thing as privatization. In several key respects they remain public schools: they are open to the public, paid for by the public, accountable to some duly-constituted public authority for their performance, and can be closed down by that authority if they fail to perform. But charter schools differ from traditional public schools in their independence of operation and in that nearly all of them are schools of choice— not schools to which children are compulsorily assigned. The best definition for a charter school, then, is that it is "an independent public school of choice," which not so many years ago we would have thought was an oxymoron. But such schools are "alive and kicking" and indeed proliferating around the United States. There are currently almost 1,700 of them in over 31 states, enrolling about 300,000 students. There were about 1,250 schools last year, so we have added over 400 schools in just the past 12 months.

Thirty-seven states have authorizing legislation, but these laws vary greatly, so the answer to every question about charter schools is, "it depends on the state." Currently, 60 percent of all charter schools are in five states: Arizona, California, Florida, Michigan, and Texas. Massachusetts is regarded as having a fairly strong charter law, yet Massachusetts doesn't even make the top dozen states in terms of number of charter schools. On the other hand, lots of states have fewer than ten charter schools apiece, and half-a-dozen states have charter laws but no schools because the law makes creating a charter school very difficult.

Speaking of small, most charter schools are little, with the median enrollment being 137 students. Many are elementary schools only but a lot are K-12 schools, which few regular public schools are. Seventy percent of all charter schools are new or start-up schools, while the rest are conversions of pre-existing public or private

schools.

Surveying the Charter School Landscape

The vast majority of charter schools are in their first, second, or third year of operation, while the oldest ones are now seven or eight years old. What conclusions can be drawn about their operation and impact thus far?

Regarding student achievement, the "jury is still out." There is no aggregate national data, and state-by-state data are mixed. In some states charters are doing a little better than the regular schools, in some places it's the same, and in some places worse.

As to the concern many people have about charter schools– "are they going to cream the ablest and most fortunate students, leaving the least fortunate behind?"– this doesn't seem to be a problem, at least with respect to demographics. According to the latest federal study,

White students made up about 48 percent of charter enrollment in 1998 compared to about 59 percent of regular public school enrollment. Nearly seven of ten charter schools have a student racial ethnic composition that is similar to their surrounding district. About 17 percent surveyed had a higher percentage of students of color while about 14 percent had a lower percentage. Charter schools enroll a slightly higher percentage of students eligible for free or reduced lunch than do all public schools in those states. The Limited English Proficiency percentage is similar, too. The fraction of students with disabilities, however, is slightly lower than in conventional public schools in those same states.

So charter schools have a very similar demographic profile to the regular public schools, and many have found themselves inundated not with the "best and the brightest" but with the most troubled kids in their community. This stands to reason. Who is going to send their kids to a school with no track record that's operating in a warehouse? Not the upper-middle class whose kids are thriving. In most cases, the people sending their kids to charter schools could be described as close to desperate for finding a better option for their kids.

Client satisfaction is very high and demand is very strong. There are waiting lists at about three-quarters of charter schools. Parents like charter schools; kids like them; teachers like them.

Getting a charter school going is very hard. There are a thousand obstacles and start-up problems that charter schools encounter, the most obvious being facilities. Charter schools have to "beg, borrow, or steal" a building in which to operate; they don't get capital funding from the states. They have all kinds of governance difficulties that are characteristic of new institutions. Other obstacles are regulatory, political, or pedagogical. You have to be a very persevering and determined person to make this happen.

There is strong demand to create more schools. Just about every state has put a cap on the number of charter schools there can be, and in nearly every case the cap either has been reached or soon will be. There is demand

everywhere to loosen the caps and plenty of evidence that if the caps were loosened there would be more charter schools coming into existence.

Charter schools are very diverse and in some cases are being used to meet needs that I don't think the authors of the laws ever dreamed of. For example, a large number of charter schools exist specifically to serve kids with disabilities of one kind or another whose needs weren't being satisfactorily met in other schools.

With regard to educational innovation, charter schools mostly are not inventing brand new wheels, educationally speaking. The "innovativeness" of charter schools turns out to be largely situational; they are offering something different than was otherwise available in their communities but not within the whole universe of schools.

Are they saving money or producing more with less? They are indeed getting less; the average revenues of charter schools are about 80 percent of conventional public schools' revenues. So to the extent that they are producing similar results, you could say that they are more efficient.

Finally, not all charter schools succeed. More than 50– about four percent of all that have ever existed– have closed. These closures occur for a wide variety of reasons, but keep in mind that charter schools are accountable in two directions at once. They are accountable to their clients, who don't have to attend unless they like what they are getting, and they are accountable to the authority that issued the charter, which can close them if it thinks that they are engaging in inappropriate behavior or are not delivering the desired results. So some have been closed for malfeasance– educational or otherwise– and some due to lack of demand.

Let me turn to three aspects of charter schools that may break some new ground. The first relates to the nature of charter school accountability, the second has to do with the relationship of charter schools in their communities, and the third has to do with where the charter movement in the country is headed.

Accountability

The chief aim of accountability, of course, is to produce and sustain good schools while weeding out or repairing bad ones. Today's normal form of school accountability depends on bureaucratic regulation and compliance. This is the only approach that many people think about for charter school accountability as well. But it will only serve to make charter schools more and more conventional and like the schools they were meant to be alternatives to.

I envision a different approach to accountability– "accountability via transparency," a regimen in which so much is known about each school that its various watchers– parents, staff, board members, sponsors, the press, rival schools, everybody in its environment– can and routinely do regulate it through market mechanisms rather than command-and-control structures. If flaky people are operating a dubious school with a weird curriculum, if classrooms are out of control, if money is being squandered or pocketed by the principal, or if test scores are sagging, the school's

community will know it. Either the school will change its ways or find itself without students or its charter won't be renewed. Conversely, a school that works well will find people beating a path to its door.

The virtue of this approach is that it drives accountability from the bottom-up through information disclosure instead of top-down via regulatory compliance. If vital information is made available about individual schools in formats that are clear and useful to multiple constituencies and comparable from one school to the next and from one year to the next, genuine accountability becomes possible. Accountability via transparency is in fact a systematic approach to providing everybody with information that shows whether or not the charter approach is working.

It is not just the responsibility of individual schools but also the responsibility of charter authorizers, sponsors, and monitors, in their capacities as stewards, to amass, distill, and report such information to the public— voluntarily, energetically, and by regular newspaper notices and website postings— so that anyone can easily learn everything that he or she could possibly want to know. The implication of this approach is that if pumping out information about educational achievement and fiscal and organizational matters is such a good idea for charter schools, how about for all the other schools?

Charter Schools and Communities

Charter schools are not just educational institutions; they are also examples of civil society in action and wellsprings of community rebirth. If Tocqueville were to return for a visit he would surely regard charter schools as vibrant contemporary examples of America's enduring zest to form new organizations to meet changing human needs and to replenish the supply of social capital. Charter schools bring people together to solve a common problem, to strive towards shared objectives, and indeed to create a moral order in which to live and raise their children. They restore or reinvent local control and restore individual schools to their place as cherished elements of coherent communities. We talk about local control a lot in American education policy, but the phrase often masks a system of bureaucratic and interest group politics that is often walled off from the needs and priorities of those whose interests are nominally being served.

In recent years Americans have grown concerned about civil society and about our civil institutions. We don't want government to do everything, but we don't want to be totally isolated either. Charter schools are the halfway point between government on the one hand and the isolated individual on the other. They are the mediating institutions that forge healthy communities.

A charter school is a voluntary, self-governing, mission-driven institution. People choose to create them because they perceive a need or opportunity. Nobody is forced to start one, work in one, or attend one. Although they are public entities, they are not government-run institutions. Control is vested in parents and citizens, often including poor and previously disempowered people. Folks who once thought themselves victims of the system suddenly become owners of their school.

Charter schools are also intimate; with this small scale comes a degree of familiarity that is often missing from the larger and more anonymous institutions of American public education. In such an environment the school can tailor instruction to the needs of individual children rather than "batch-processing."

Charter schools are communities for educators as well. Since they confront less red tape, teachers can deploy their own judgment, set their own instructional priorities, pick their materials, and engage students in projects and activities that inspire them. All of this has the effect of creating a professional community in which staff feel a sense of collective responsibility for the school.

Finally, in thinking about charter schools vis-a-vis communities, note that they interact with the places where they operate and play roles in civic efforts to transform those communities. In short, charter schools are learning communities in their own right but also become expressions of larger communities.

Charter Schools' Impact on the System

Most of the research on this point has been on the effects of charter-induced competition on the regular public school system. There are, broadly speaking, four levels of response by public school systems to the emergence of charter schools: first, stop them cold; if not, keep them regulated; if we don't manage to do that, let's compete with them to get those kids back to our schools. The fourth response is a level of consciousness that's only been attained in a handful of places so far: let's use the charter mechanism on behalf of the system to do things we can't otherwise do.

In most parts of the country the threat posed by charter competition is still very small and on the margin. The 1,700 charter schools need to be seen alongside 87,000 regular public schools and enroll less than one percent of all public school students. But something very interesting has begun to happen: people are beginning to ask whether charters might be a complete replacement model for the whole system.

An all-charter system is not completely fantastical. Ten percent of all the kids in the District of Columbia are attending charter schools today. These are still small numbers but they are not nothing and one begins to wonder what would happen if it was 30 percent.

Charters can indeed be an example of reinventing and renewing public education—not abolishing public education, not surrendering the community's obligation to see that the next generation gets educated, not turning it over to a purely private marketplace, but not leaving this vital function in the hands of a government monopoly, either. Charter schools point in a very promising direction. Pioneer Institute Policy Dialogues are a series of publications that offer perspectives on specific policy issues. Dialogues are the reproduced remarks of speakers and participants at Pioneer conferences, forums, and roundtables, and are published with their permission. Nothing written here is to be construed as necessarily reflecting the views of Pioneer Institute or as an attempt on its behalf to aid or hinder the passage of any legislation.