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Public Charter Schools Program

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Evaluation of the Public Charter Schools Program: Final Report

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2004

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Executive Summary

Introduction

Charter schools are public schools that operate under a contract (or "charter"). The expectation is that these schools meet the terms of their charter or face closure by their authorizing bodies. As public schools, charter schools must also meet the accountability requirements of the federal Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001 (NCLB).[1]

Since 1991 when Minnesota passed the first state charter school law, the charter school sector of public education has grown rapidly. By the 2002-03 school year, 39 states and the District of Columbia had charter school laws in place, and more than 2,700 charter schools were operating nationally, serving hundreds of thousands of students from every socioeconomic and demographic segment of the U.S. population.

Federal support for charter schools began in 1995 with the authorization of the Public Charter Schools Program (PCSP), administered by the U.S. Department of Education (ED).[2] The PCSP funds the state grant program discussed in this report, supports charter school research and demonstration programs and underwrites national charter school conferences.

This report has a dual purpose: (1) to provide the public and education policymakers with findings from a descriptive examination of how the PCSP operates and (2) to continue documentation of the evolution of the charter school movement that began in 1995 under another federally funded study.[3]

Context

The charter school sector includes a diverse array of schools categorized as newly created or converted from previous status as public or private schools. Although these schools are subject to the terms of an individual state's charter school legislation, all charter school laws require that a designated body—the charter school authorizer—hold a school accountable for particular outcomes through the school's individualized contract. Further, flexibility (freedom from many policies and regulations affecting traditional public schools) and autonomy (control over decisions) are central to this educational reform. This is the basic context in which the charter school movement has evolved and in which the PCSP operates.

[1] The data presented in this study covers a period of time (1999-2002) prior to the enactment of NCLB.

[2] The name of the Public Charter Schools Program (PCSP) changed to the Charter Schools Program (CSP) when the U.S. Department of Education issued nonregulatory guidance in August 2003.

[3] RPP International conducted the first federally funded charter school study. In part, the study reported in this document extended the RPP study to provide a longitudinal portrait of charter schools.

Highlights

Based on three years of data (collected in school years 1999-2000, 2000-01 and 2001-02), the national evaluation of the PCSP found that:

- PCSP money is the most prevalent source of start-up funding available to charter schools. Nearly two-thirds have received federal PCSP funds during their start-up phase. Charter schools primarily use PCSP funds to purchase technology and curricular and instructional materials, as well as to fund professional development activities.

- Charter schools are more likely to serve minority and low-income students than traditional public schools but less likely to serve students in special education.

- Charter schools, by design, have greater autonomy over their curriculums, budgets, educational philosophies, and teaching staff than do traditional public schools. Because some state charter school laws allow schools flexibility in hiring practices, charter schools as an overall group are less likely than traditional public schools to employ teachers meeting state certification standards.

- In five case study states, charter schools are less likely to meet state performance standards than traditional public schools. It is impossible to know from this study whether that is because of the performance of the schools, the prior achievement of the students, or some other factor. The study design does not allow us to determine whether or not traditional public schools are more effective than charter schools.

- Charter schools rarely face formal sanctions (revocation or nonrenewal). Furthermore, authorizing bodies impose sanctions on charter schools because of problems related to *compliance with regulations* and *school finances* rather than *student performance*. Authorizers have difficulty closing schools that are having problems.

- During the time period examined by this study, little difference exists between the accountability requirements for charter schools and traditional public schools.

Evaluation Questions

The primary questions guiding this evaluation can be grouped into four overarching topic areas:

The Public Charter Schools Program

(1) How does the PCSP work and how do this federal grant program and its state grantees encourage the development of charter schools?

(2) How do federally funded charter schools and school planners use their PCSP subgrants?

Profile of the Charter School Sector

(3) What are the characteristics of charter schools and the students and families who are involved with them?

(4) What flexibility provisions are charter schools granted?

Student Performance in Charter Schools

(5) To what extent are charter schools meeting state standards for student performance and how do charter schools and traditional public schools compare in meeting these standards?

Charter School Authorizers

(6) What are the characteristics and roles of authorizing bodies?

(7) What types of accountability relationships do authorizers have with their schools?

Several data sources inform answers to these questions: survey data from state charter school coordinators, charter school authorizers, and charter school directors; data from the federal Schools and Staffing Survey (SASS); and data from state departments of education. The evaluation team also conducted multiple site visits to 12 charter schools in the following six states: Arizona, California, Massachusetts, Michigan, North Carolina, and Texas.

Key Findings

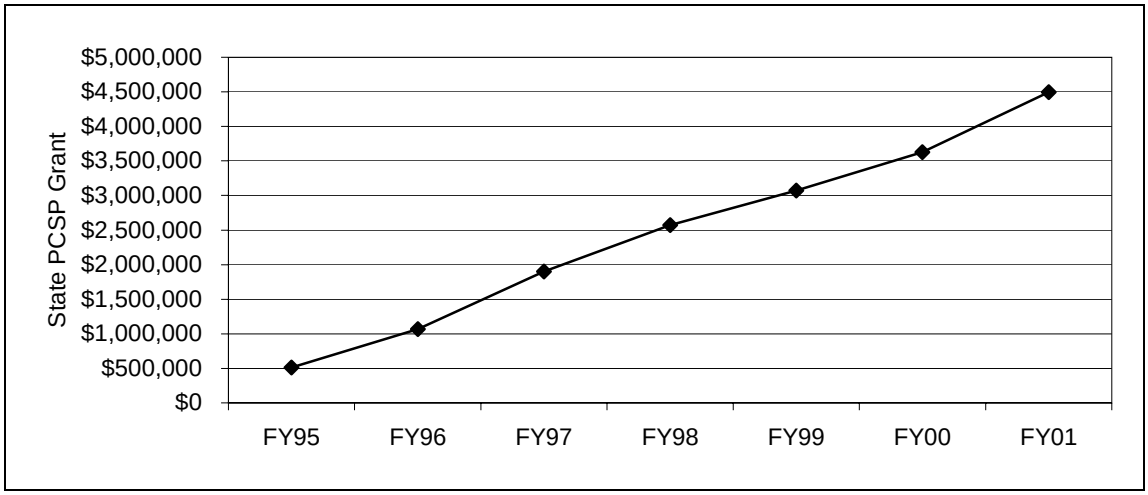
- *The PCSP is a targeted federal grant program that awards grants to states with charter school legislation. States, in turn, award subgrants to charter schools and charter school planning groups. At least 95 percent of the state grants currently reach charter schools, as required by the legislation.*

In FY 2001, 90 percent of the 37 states and the District of Columbia with charter school legislation received PCSP grants. The U.S. Department of Education (ED) competitively awards these grants to states on a three-year cycle, based on projected estimates of the level of chartering activity. Within the grant cycle, ED makes annual adjustments, as necessary. States withhold up to 5 percent of these PCSP grants for administration costs, and distribute the remaining 95 percent to schools in the form of PCSP subgrants.

If a state with charter school legislation does not receive a PCSP award, individual charter schools within the state may apply directly to ED for a school grant. Charter schools in four states received grants through this provision in 2001-02.

- *From FY 1995 through 2001, growth in the charter school sector kept pace with growth in federal appropriations for the PCSP program. During this period, the number of charter schools increased tenfold, as did the size of the average three-year state grant.*

Exhibit ES-1
Mean State Public Charter Schools Program Grant Amount, by Fiscal Year



Sources: SRI 1999-2000 and 2001-02 state coordinator surveys.
Exhibit reads: In FY 2001, the mean state grant was $4.5 million.

State charter school coordinators and charter school directors confirmed the importance of the PCSP as a federal investment in charter school development. States may award two types of subgrants: (1) start-up subgrants to support planning and early implementation of charter schools and (2) dissemination subgrants to support charter schools in sharing their ideas and practices. Based on the 2001-02 survey of charter school directors, 61 percent reported that they had received a PCSP start-up subgrant and 19 percent had received a dissemination subgrant at some point in time.[4]

Federal appropriations for the PCSP grew steadily from $6 million in FY 1995 to $190 million in FY 2001 (increasing to $218.7 million in FY 2004). During the same period, the number of charter schools grew from approximately 250 to 2,700. PCSP awards to states have increased in size, from a mean state grant of $512,900 in FY 1995 to nearly $4.5 million in FY 2001 (see Exhibit ES-1). This increase in state grant awards reflects growth in the PCSP annual appropriation coupled with a leveling off of the number of states with charter legislation.

While the number of charter schools has continued to grow nationally, the growth is most substantial in a limited number of states. These states (for example, California and Florida) currently receive the largest PCSP grants.

- *PCSP start-up and dissemination subgrants support professional development activities and technology-related purchases. In addition, schools used start-up subgrants to purchase curricular or instructional materials.*

Each state with a PCSP grant creates its own process and selection criteria for distributing the funds as subgrants to charter schools or planning groups.[5] In general, start-up subgrants are more easily obtained than dissemination subgrants. The size of subgrants to charter schools or planning groups varies by state. The average school subgrant in FY 2001-02 ranged from $20,000 in one state to $263,000 in another—with most state averages tallying between $80,000 and $150,000. Most charter schools used PCSP start-up subgrants to purchase instructional materials (87 percent), fund professional development (79 percent), and purchase technology (78 percent).

- *In comparison with traditional public schools, charter schools are smaller and employ fewer certified teachers than traditional public schools because of provisions in some state laws.[6] These schools are also more likely to serve more grade levels (e.g., K-12) than the typical public school.*

[4] These statistics derive from separate survey items and are not intended to be summed. These data may underestimate the percentage of schools with start-up subgrants because of school-level confusion about the funding source—the state versus ED.

[5] The federal PCSP legislation places relatively few restrictions on the use of these funds. One prohibition is the use of PCSP funds to purchase a facility.

[6] By law, some states afford charter schools more flexibility with respect to teacher certification provisions.

Exhibit ES-2
Characteristics of Students Attending Charter Schools and Traditional Public Schools, 1999-2000

Student Characteristic	Percentage of Students	
	Charter Schools (n=870)	Traditional Public Schools (n=8,432)
African American***	27	17
Hispanic***	21	15
White***	46	63
Free or reduced-price lunch***	43	38
Special education students with Individualized Education Programs (IEP)***	9	12

***p<.01 (Indicates significant difference between charter schools and traditional public schools in the percentage of students with various characteristics.)
Source: 1999-2000 public charter school SASS survey and public school SASS survey.
Exhibit reads: Of all students enrolled in charter schools in 1999-2000, 27 percent were African American, compared with 17 percent in traditional public schools. This difference is statistically significant.

Although the median enrollment in charter schools has been steadily rising (e.g., from 137 students in 1998-99 to 190 students in 2001-02), these schools remain considerably smaller than traditional public schools serving similar grade ranges. For example, according to data from the federal Schools and Staffing Survey (SASS), the median enrollment in charter high schools in 1999-2000 (the most recent year of the Schools and Staffing Survey data) was 132 compared with 675 in traditional public high schools.

In addition, states provide flexibility to charter schools over many areas including hiring practices and the certification and licensure of their teachers. While charter schools must meet the accountability requirements of NCLB, they retain any flexibility provided to them in individual state chartering laws, especially in the area of teacher qualifications. One result of this flexibility may be that charter schools employ fewer traditionally certified teachers. According to the 1999-2000 SASS, 79 percent of teachers in charter schools held certification, compared with 92 percent of teachers in traditional public schools.

In contrast to the typical configuration of elementary, middle, and high schools, charter schools are more likely to contain either grades K-8 or grades K-12. More than one-third (35 percent) of charter schools are K-8 or K-12 schools, compared with 8 percent of other public schools. Interviews with charter school staff and parents indicated that the K-8 and K-12 configurations might be in response to the desire for students to avoid the difficult transitions between school-levels.[7]

- *Charter schools disproportionately attract students and families who are poor and who are from African American backgrounds.*

[7] Some research has found an association between grade level configuration and student academic and nonacademic performance (see Renchler, 2002, and Franklin et al., 1996).

The profile of students who attend charter schools differs from traditional public schools, as illustrated in Exhibit ES-2. In 1999-2000, charter schools served fewer white students and more minority students (including African American and Hispanic) than traditional public schools. Charter schools also served more students from low-income families but fewer special education students with Individualized Education Plans (IEPs).

Furthermore, the overall proportion of minority students attending charter schools has been increasing—in 2001-02, approximately two-thirds of students in charter schools were from minority backgrounds. As Exhibit ES-3 demonstrates, virtually all of the growth in minority enrollments is the result of increases in the percentage of African American students. Over the same period, the proportion of white students decreased and the proportion of Hispanic students remained fairly constant.

- *Case studies of Texas, Colorado, Illinois, Massachusetts, and North Carolina show that more than half of the charter schools in these states were already meeting state performance standards in 2001-02, although charter schools were somewhat less likely than traditional public schools to meet standards.[8] These findings are not indicative of the impact of charter schools on student achievement. Furthermore, it is not possible to determine from this study whether or not traditional public schools are more effective than charter schools.*

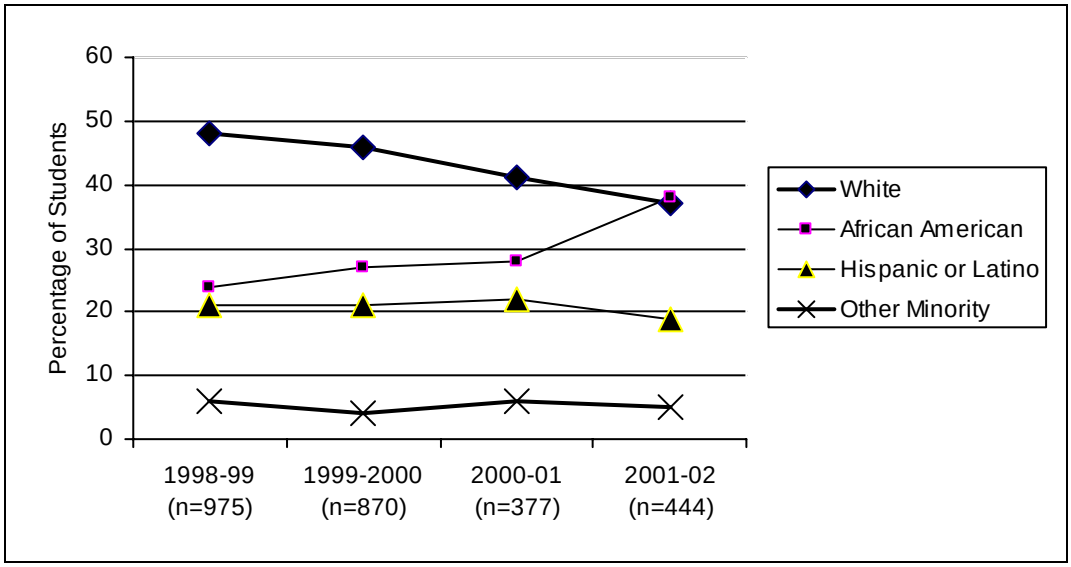
Although the No Child Left Behind Act of 2001 (NCLB) subjects charter schools to the same performance standards as traditional public schools, this study conducted case studies[9] of five states during the period prior to NCLB and found that more than half of charter schools in each state were meeting state performance standards in 2001-02 (with as many as 90 percent meeting performance standards in Colorado). However, because many charter schools tend to target students with educational disadvantages, some studies have shown that charter school students typically do not perform as well in school as students in other public schools. Charter schools in all five case study states were less likely than traditional public schools to meet performance standards even after controlling for several school characteristics. This finding, which does not imply a lack of charter school impact on student achievement, may be linked to the prior achievement of students or some other factor. The design of this study did not allow us to determine whether charter schools are more or less effective than traditional public schools.

The purpose of this study's student performance component was to determine whether charter schools met state performance standards and to determine how charter schools compared to traditional public schools in meeting these standards. The study originally intended to use student-level data, but in 2001-02, policy interpretations of the Family Educational Rights and Privacy Act (FERPA) precluded this. As a result, the study shifted its emphasis to school-level data, conducting an analysis in the states with adequate data.

[8] While the data analyzed predate the requirements of NCLB, these five states already had set school-level standards, perhaps in response to the Improving America's Schools Act of 1994.

[9] Because these state analyses are not representative of the charter school universe, this evaluation refers to them as "case studies."

Exhibit ES-3
Student Racial and Ethnic Composition in Charter Schools, 1998-99 to 2001-02



Note: Racial and ethnic categories are based on current census categories and differ somewhat from RPP and SASS categories. Other Minority includes Asian, American Indian or Alaska Native and, in 2000-01 and 2001-02 only, Native Hawaiian or other Pacific Islander.
Sources: 1998-99 data: Nelson et al. (2000); 1999-2000 data: Public Charter School SASS survey; 2000-01 and 2001-02 data: SRI 2000-01 and 2001-02 charter school surveys.
Exhibit reads: In 1998-99, 48 percent of students in charter schools were white, compared with 46 percent in 1999-2000, 41 percent in 2000-01, and 37 percent in 2001-02.

The results of these analyses suggest that charter schools may have difficulty in meeting the high-stakes performance standards recently adopted by states under NCLB. Future studies should examine the extent to which charter schools serving high proportions of educationally disadvantaged students exhibit improved performance over time.

- *Charter school authorizers monitor their schools for accountability purposes and provide direct services (often on a fee-for-service basis). Authorizing bodies that charter many schools are likely to have an infrastructure for monitoring but are not likely to provide services.*

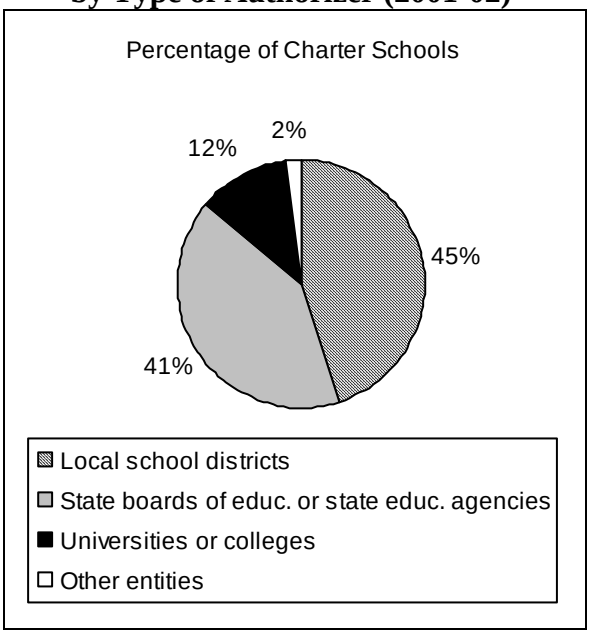
Authorizing bodies are a critical component of the charter school movement and include a variety of entities. In 2001-02, local school districts authorized 45 percent of charter schools, while state departments of education authorized 41 percent, and institutions of higher education authorized 12 percent. (See Exhibit ES-4.) (In addition, other entities, such as independent charter boards, authorized 2 percent of charter schools.) It is interesting to note that although they authorize 45 percent of all charter schools, local education agencies represent 91 percent of the population of authorizers. State education agencies on the other hand, authorize 41 percent of all charters but represent just 3 percent of all authorizers.

There is a general expectation in the charter school sector that authorizers have a responsibility to regularly oversee charter school operations and progress toward meeting the goals in the charter. The reality is that only 36 percent of authorizers had a charter school office or staff in 2001-02,

suggesting limited capacity to address charter school oversight. However, this finding varies by type of authorizer. For example, 85 percent of states that are authorizers have an office or staff dedicated to charter school work. Because states are more likely to authorize a large number of schools, they may require an infrastructure to provide adequate oversight.

Some authorizers, particularly local school districts, report that they provide a number of services to charter schools, the most common being administrative oversight, assistance in meeting state or federal regulations and special education services. Increasingly, authorizers report that schools must pay for these services.

Exhibit ES-4
Percentage of Charter Schools, by Type of Authorizer (2001-02)



Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, local school districts authorized 45 percent of charter schools.

- *Charter schools do not automatically have flexibility with respect to complying with state and federal regulations and often share authority over key decisions with their authorizers. Only 37 percent of charter school states automatically allow waivers of state regulations for charter schools. More commonly, charter schools must request specific waivers from the state. Few states (less than five) exempted charter schools from student assessment requirements in 2001-02.*

In theory, charter schools enjoy flexibility or school-level control over key decisions not available to the typical school in exchange for accountability for specified outcomes. In reality, the autonomy of charter schools is limited by state policies, as well as by relationships with authorizers, education management organizations (EMOs) and community-based organizations (CBOs). Only 37 percent of states with charter schools granted them automatic waivers from state policies and regulations in 2001-02, but 54 percent waived regulations on selected policies or allowed charter schools to request waivers on a case-by-case basis. Nine percent did not permit any waivers to charter schools.

Furthermore, charter schools frequently share their school-level authority with one or more other entities. Schools were most likely to report sharing control with their authorizers. Some school directors reported sharing authority with EMOs or CBOs.

- *Authorizers determine which schools to charter, monitor progress and performance and decide whether or not to renew the charter at the end of its term. However, more than half of all authorizers reported difficulty in closing a school that is having problems. In addition, the charter contract, with its tailored outcomes, may have diminished importance in the current high-stakes accountability environment.*

The charter school accountability process involves three phases: the application process, the monitoring process and the implementation of sanctions (if needed).

During the *application* process, authorizing bodies screen applications, denying charters because of problems relating to, for example, proposed instructional strategies, governance procedures, accountability provisions, and business plans.

The *monitoring process* occurs after authorizers have awarded charters to planning groups. Authorizers and states reserve legal authority to monitor charter schools, but other entities are also involved, resulting in a complex system of accountability. Charter schools reported being monitored by their authorizers, governing boards, states and, in some cases, EMOs or CBOs. They reported that they are most accountable to their own governing boards.

Authorizers have developed monitoring procedures and determined criteria for applying interventions or sanctions with little specific guidance from state charter school legislation. Authorizers reported monitoring nearly all of their schools on: compliance with federal or state regulations; student achievement results; enrollment numbers; financial record keeping and viability; and special education services.

Finally, authorizing bodies have the authority to implement formal or informal *sanctions* against a school that fails to meet the terms of its charter. Results from the survey of authorizers show that few authorizers had implemented formal sanctions: only four percent of authorizers had not renewed a school's charter and six percent had revoked a charter as of 2001-02. (We are unable to compare these rates with the proportion of traditional public schools that have been sanctioned through closure or reconstitution.) Informal and less severe sanctions, such as written notification of concerns, were more common. Formal and informal sanctions were usually associated with problems relating to compliance with state and federal regulations and school finances.

Authorizers report facing a wide range of challenges in sponsoring and providing support to charter schools, including inadequate financial or human resources.

More important, more than half of authorizers report difficulty closing a school that is having problems—a key responsibility of authorizers in this educational reform.

In the early years of the charter school movement's development, charter schools—at least theoretically—were more accountable for outcomes than other schools, by virtue of the terms of a charter contract. More recently, however, states have implemented reporting systems to track school inputs in addition to outcomes for all public schools. As Exhibit ES-5 indicates, little difference now exists between state reporting requirements for charter schools and those for traditional public schools.

Exhibit ES-5
State Reporting Requirements for Charter Schools and Traditional Public Schools

Reporting Requirement	Percentage of States	
	Required for Charter Schools	Required for Traditional Public Schools
Reporting student achievement results on required statewide assessments (n=35)	100	97
Reporting on other student performance indicators, e.g., attendance rates (n=34)	97	97
Reporting on enrollment numbers (n=32)	100	94
Aligning of curriculum to state standards (n=31)	90	94
Reporting on student demographics (n=31)	94	100
Reporting on teacher qualifications (n=26)	100	96
Reporting on teacher demographics (n=19)	89	100
Reporting on school waiting list (n=11)	91	27

Note: The number of respondents varies by accountability requirement because some states reported that these requirements were "not applicable" in their states.
Note: The actual survey used the term "accountability requirements" to encompass both inputs and outputs. To avoid confusion with the current narrower definition of accountability in NCLB, we have used the term "reporting requirements" in this exhibit and accompanying text.
Source: SRI 2001-02 state coordinator survey.
Exhibit reads: All states (n=35) required that schools report student achievement results as part of their state accountability system. Of these, all required this for charter schools and 97 percent required this for traditional public schools.

Chapter 1
Introduction and Overview

The charter school movement is one of the fastest growing education reforms in the country and has strong appeal at all levels of the education system, from local communities to the U.S. Congress. The charter school movement also has bipartisan support nationally and in the states that have enacted charter school laws. The federal government encourages the development and implementation of charter schools through the Public Charter Schools Program, a major grant program administered by the U.S. Department of Education.

Since Minnesota passed the first charter school law in 1991, the number of charter schools across the nation has increased steadily.[10] As the movement has grown, however, it has struggled. Stories quickly emerged about the difficulties that charter schools faced in their first months and years (RPP International and University of Minnesota, 1997). In many cases, charter school founders underwrote the planning and early development of their schools out of their own pockets or by incurring debt. Finding, renting or buying, and renovating space were particular barriers. The Public Charter Schools Program (PCSP) was enacted in 1995 to improve the financial circumstances of charter schools in these planning and early implementation stages; in later years the program extended its scope to successful charter schools that have been open for three or more years to assist them in disseminating their best practices to other public schools.

This document is the final report of the first national evaluation of the PCSP. The evaluation began in October 1998 with two purposes: (1) to evaluate the PCSP and (2) to document the evolution of the charter school movement.[11] The dual purposes of this evaluation are evident in the evaluation questions that guided the data collection and analysis activities. As illustrated in Exhibit 1-1, some questions focused specifically on the PCSP, while others addressed the general evolution of the charter school movement.

Exhibit 1-1
Primary Evaluation Questions

- How does the PCSP work and how do this federal grant program and its state grantees encourage the development of charter schools?
- How do federally funded charter schools or school planners use their PCSP subgrants?
- What are the characteristics of charter schools and the students and families who are involved with them?
- What flexibility provisions are charter schools granted?
- To what extent are charter schools meeting state standards for student performance, and how do charter schools and traditional public schools compare in meeting these standards?
- What are the characteristics and roles of authorizing bodies?
- What types of accountability relationships do authorizers have with their schools?

[10] As of spring 2004 when Washington passed its new law, 40 states have charter school legislation.

[11] The documentation of this movement began with RPP International's National Study of Charter Schools, which tracked the development of charter schools nationwide from 1995 to 1999 (see Nelson et al., 2000).

Exhibit 1-2
Data Collection Activities, by School Year

Data Collection Activity	1998-1999	1999-2000	2000-2001	2001-2002
Telephone survey of state charter school coordinators		X		X
Telephone survey of charter school authorizers		X	X	X
Telephone survey of charter schools			X	X
Site visits to charter schools and authorizers			X	X
Parent survey				X‡
Focus groups with charter school planners, operators and authorizers		X		
Charter school state student performance data				X
Federal file extraction		X	X	
Federal interviews		X		
Data from the National Study of Charter Schools (RPP International)	X			
Data from the Schools and Staffing Survey (SASS)		X		

‡These data are not reported because of low response rates.
Exhibit reads: Telephone surveys of state charter school coordinators were administered in school years 1999-2000 and 2001-2002.

The evaluation involved data collection from multiple respondents at the national, state, and local levels to provide a comprehensive picture of both PCSP funding and the charter school movement generally. Exhibit 1-2 provides details of the data collection activities by school year. While this report draws on findings from each year of data collection, it primarily focuses on the analysis of three surveys: (1) a survey of state charter school coordinators; (2) a survey of charter school authorizers; and, (3) a survey of charter school directors. The report also draws upon data collected by RPP International and the federal Schools and Staffing Survey (SASS), which included a charter school supplement in 1999-2000. For chapter 5, the study team acquired data on student performance from a number of states. The report focuses on findings from data gathered in 2001-02, the evaluation's third year of data collection.[12] Although this evaluation has reported previously on findings from earlier rounds of data collection, they are included in this report, as appropriate, to indicate data trends.[13]

Overview of the Charter School Movement

Public education in the United States is a multifaceted, multilayered system of institutions organizations, decision-makers, educators, parents and students. Every school, school district and state exists in—and is affected by—a complex web of laws, policies and conflicting demands from different stakeholders. Charter schools are a relatively new arrival on this scene and have matured within the same milieu of highly diverse school missions, accountability expectations, state laws, and federal policies that affect the rest of public schooling.

[12] Refer to Appendix A-1 for detailed information on the data collection and analysis procedures.

[13] For the Year 1 (1999-2000) report, see U.S. Department of Education (2000). For the Year 2 (2000-01) report, see Anderson et al. (2002). The reference list provides URLs.

Charter schools have widespread political support because this educational reform has come to symbolize different things to diverse groups with contradictory agendas (Wells et al., 1999). Because charter school policies are a vehicle for change, rather than a particular approach or design, they can be considered "an opportunity, not a blueprint" (Nathan, 1996). Although state charter laws vary, all share a common set of assumptions: (1) that accountability for outcomes will improve school performance and (2) that high levels of autonomy will allow schools to better meet student needs and, as a result, improve performance. Beyond these common assumptions, charter schools vary, by design, in a number of ways. For example, they may be either new schools or public or private conversions;[14] they may be authorized by local districts or other agencies (e.g., universities); and they may target special populations of students or highlight particular curricular or instructional philosophies.[15] Charter schools have five key features, according to Finn, Manno and Vanourek (2000, p.15):

- They can be created by almost anyone.
- They are exempt from most state and local regulations, essentially autonomous in their operations.
- They are attended by youngsters whose parents choose them.
- They are staffed by educators who are also there by choice.
- They are liable to be closed for not producing satisfactory results.

In general, those who wish to operate a charter school submit a proposal outlining the components of the school's plan, including the instructional approach, the governance and financial arrangements, the specific educational outcomes, and the way in which the charter school will measure these outcomes (Geske, Davis et al., 1997). A legally designated authorizing body then determines whether it will "charter" the school and, as part of the bargain, hold it accountable to the terms of its charter. While charter schools may be similar to some specialty or magnet schools, they differ in the existence of performance agreements developed with their individual authorizers (Hill, Lake and Celio, 2002).

Charter schools open for a variety of reasons. Some of these reasons, according to Nelson et al. (2000), included realizing an alternative vision of schooling (75 percent) and serving a special population of students (28 percent).[16] Furthermore, charter school founders focus on more than test scores, including "how kids should be raised, the cultural content of the curriculum, the democratic or authoritative ways in which teachers relate to parents" (Finn et al., 2000, p.7).

The phrase "charter school movement" is often used but is somewhat misleading because this reform comprises a variety of actors and institutions across the country. Since state charter school laws do not require a particular program or instructional approach, the missions and educational philosophies of charter schools vary, as do the types of students and communities they serve, the accountability requirements they face and the degree of flexibility they enjoy. For example, some charter schools deliver instruction through independent study, distance learning, and home schooling

[14] Note that private school conversions are not recognized under Federal definition and non-regulatory guidance.

[15] Several national studies provide information on these descriptive characteristics. See Nelson, et al., 2000; Anderson, et al., 2002; and Hill, et al., 2001.

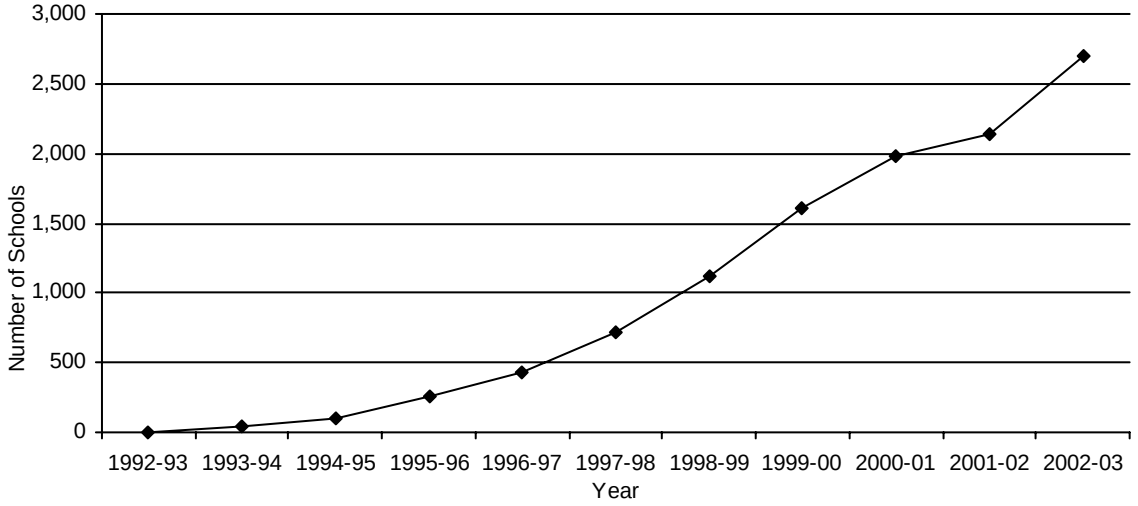
[16] The survey allowed respondents to provide multiple responses.

programs.[17] Many of the differences are due to differences in state laws and regulations. One should keep in mind this high degree of variation when comparing charter schools with traditional public schools.[18]

Within this context of high variability, the charter school movement, taken as a whole, has grown exponentially since the first two charter schools opened in Minnesota in 1992. During the 2002-03 school year, 2,695 schools were in operation in 36 states and the District of Columbia. The largest increases occurred between school years 1998-99 and 1999-2000 and between 2001-02 and 2002-03—about 500 schools opened in each of these time periods (see Exhibit 1-3).

The number of charter schools in operation varies widely by state. As Exhibit 1-4 illustrates, the numbers range from zero charter schools in both Indiana and New Hampshire to 349 schools in California. The average number of charter schools per state has increased from 47 in 1999-2000 to 58 in 2001-02; this increase is largely due to growth in the number of schools in only a handful of states. Since fall 1999, just five states have had the total number of charter schools in their states increase by more than 30 schools—California,[19] Florida, Ohio, Pennsylvania, and Wisconsin. Many states experienced less dramatic increases during this time period (i.e., an increase of less than 10 schools).

Exhibit 1-3
Number of Operating Charter Schools, by School Year



Sources: 1992-93 through 1998-99 data: Nelson et al. (2000); 1999-2000 through 2001-02 data: SRI International. 2002-03 data: Center for Education Reform (www.edreform.com)
Exhibit reads: In 1992-93, the number of operating charter schools was two.

[17] While these schools are included in the study, they are not a focus of this report.

[18] "Traditional public schools" refers to all schools in the public school system that are not designated as charter schools.

[19] California, in particular, increased by nearly 50 percent, from 238 to 349 schools.

Exhibit 1-4
Total Number of Charter Schools in Operation, by State (as of January 1, 2002)

State	Number of Schools	State	Number of Schools
California	349	Louisiana	20
Arizona	287	New Mexico	20
Michigan	188	Oregon	17
Florida	185	Alaska	15
Texas	180	Connecticut	14
Wisconsin	108	Delaware	10
North Carolina	93	Idaho	10
Ohio	92	Nevada	10
Colorado	87	Utah	9
Pennsylvania	77	South Carolina	8
Minnesota	68	Arkansas	6
New Jersey	50	Hawaii	6[a]
Massachusetts	42	Virginia	6
Georgia	38	Oklahoma	5[a]
District of Columbia	36	Rhode Island	3[a]
Kansas	28	Mississippi	1
New York	24	Wyoming	1
Illinois	23	Indiana	0
Missouri	21	New Hampshire	0
Total number of states: 37 and the District of Columbia[b]		Total number of schools: 2,137	

[a]The number of charter schools is based on SRI's charter school sampling database for the 2001-02 charter school survey (and includes schools in operation as of summer 2001) because these states did not complete the 2001-02 state survey.
[b]Iowa, Tennessee and Maryland passed charter school laws after data were collected for this report. Puerto Rico passed a charter school law in 1993 but was not included in data collection.
Source: SRI 2001-02 state charter school coordinator survey.
Exhibit reads: As of January 1, 2002, there were 349 charter schools in operation in California.

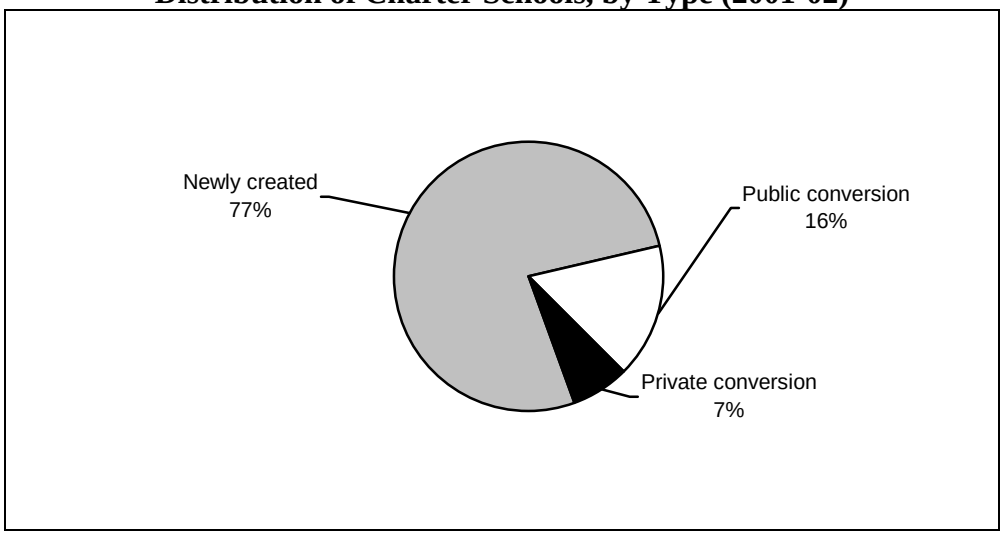
No relationship exists between the age of a state's charter school law and its number of operational charter schools, although some of the states with the largest numbers of charter schools have had legislation in place for many years. (See Appendix A-2 for the year each state's charter school law passed.) More important factors affect the number of schools in operation, including the state's regulations regarding authorizing bodies, processes for charter approval and caps on the number of charter schools permitted in the state. For example, in New Hampshire the local level must approve a charter before it can move ahead to the state board of education for approval. This two-tiered process has hindered the development of charter schools in the state. (At the time of data collection, the New Hampshire state legislature was considering a bill that would bypass the role of the local level but this bill was later defeated.)

In general, charter legislation allows two types of charter schools: those that are new and those that convert from an existing public or private school. A state's charter school law

determines the types of schools that may operate but the most common type is the newly created charter school. In 2001-02, newly created charter schools accounted for 77 percent of charter schools, public conversions for 16 percent and private schools for 7 percent, as illustrated in Exhibit 1-5.[20] Some states limit the types of schools that may operate. For example, New York has a cap of 100 on the total number of newly created schools but has no limit on the number of public school conversions.[21] For more details regarding state caps please refer to this evaluation's Year 1 report (U.S. Department of Education, 2000).

State laws also stipulate which organizations can legally grant charters or authorize charter schools. Examples of authorizing bodies include local school districts, state education agencies, institutions of higher education, municipal governments, and special chartering boards. The accountability relationship between a charter school and its authorizing body is a distinguishing characteristic of this reform. This evaluation report examined three categories of authorizing bodies: local school districts, state departments of education, and universities.[22]

Exhibit 1-5
Distribution of Charter Schools, by Type (2001-02)



Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, newly created schools accounted for 77 percent of charter schools.

[20] In order to receive funds under the PCSP, a private school must close and reconstitute itself as a newly created charter school.

[21] New York does not allow private school conversions.

[22] Schools authorized by independent or special boards are a fourth category. However, this group was not included in these analyses because of the small number across the country and the low percentage of schools they sponsor.

In 2001-02, most charter schools had local school districts or state departments of education as their authorizers (with 45 and 41 percent of charter schools authorized by these groups, respectively) (see Exhibit 1-6).[23] Because the role of authorizers has received relatively little attention in the charter school literature, this study surveyed a sample of authorizing bodies in each of the three rounds of data collection (see Chapter 4 for more details).

Like all public schools, charter schools cannot discriminate on the basis of race, ethnicity, or other student characteristics and may not charge tuition. State charter school laws usually specify allowable admission criteria. In 2001-02, charter schools frequently used sibling preference, applications and residence requirements as admission criteria (see Appendix A-3 for details on the admission criteria used by charter schools). During the 2001-02 school year, 66 percent of charter schools reported that they had more applicants for admission than they had the capacity to serve.[24]

Exhibit 1-6
Percentage of Charter Schools, by Type of Authorizer (2001-02)

Type of Authorizer	Percentage of Charter Schools (n=477)
Local school boards or districts, county boards or offices, intermediate school districts	45
State boards of education, state education agencies, chief state school officers	41
Universities, colleges, community colleges	12
Other entities, including independent or special charter school boards	2

Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, local school boards or districts, county boards or offices or intermediate school districts authorized 45 percent of charter schools.

[23] Note that the proportion of schools authorized by different authorizer types is not the same as the proportion of the different types of authorizers. For example, a large proportion of schools were authorized at the state level but these state authorizing bodies represented a small proportion of the authorizer universe. Chapter 4 provides more details about the authorizer universe.

[24] To be eligible for PCSP funds, charter schools that have more applicants for admission than they have the capacity to serve must select students using a lottery process. However, only 66 percent of the oversubscribed schools reported using a random selection process or lottery, and 38 percent reported using waiting lists or first-come, first-served procedures (multiple responses were allowed).

Organization of the Report

This chapter provided an overview of the evaluation and charter schools. The remainder of this report addresses seven key evaluation questions, organized by chapter as follows:

Chapter 2: Public Charter Schools Program Operations

- How does the PCSP work and how do this federal grant program and its state grantees encourage the development of charter schools?
- How do federally funded charter schools and school planners use their PCSP subgrants?

Chapter 3: Characteristics of Charter Schools, Students, and Staff

- What are the characteristics of charter schools and the students and families who are involved with them?
- What flexibility provisions are charter schools granted?

Chapter 4: Charter School Accountability and the Role of Authorizers

- What are the characteristics and roles of authorizing bodies?
- What types of accountability relationships do authorizers have with their schools?

Chapter 5: Charter Schools and State Performance Standards

- To what extent are charter schools meeting state performance standards for student performance, and how do charter schools and traditional public schools compare in meeting these standards?

In addition to these five chapters, the Appendices contain details about the data sources and methods, as well as supporting data for each chapter. Finally, Chapter 6 outlines possible directions for future studies that are suggested by this multi-method study.

Chapter 2
Public Charter Schools Program Operations

Federal support for schools has a long history and takes many forms, from providing land for public schools and colleges in the 19th and early 20th centuries, to providing categorical program aid for many purposes today (vocational education, special education, etc.). The federal government also supports myriad school reform initiatives, including charter schools. By offering financial support to charter schools, the Congress and the U.S. Department of Education have given a national identity to an otherwise decentralized charter school movement.

Federal interest in supporting the development of the charter school movement began in 1993 when the Public Charter Schools Program and Public Schools Redefinition Act were proposed. No action was taken, however, until the reauthorization of the Elementary and Secondary Education Act (ESEA) in 1994. The PCSP was enacted in 1995 as Title X, Part C, of ESEA.

The PCSP is a competitive grant program currently administered by the Office of Innovation and Improvement in the U.S. Department of Education (ED). The aim of the original legislation was to support the planning, development, and initial implementation of charter schools during their first three years of existence. The 1998 reauthorization, the Charter School Expansion Act (P.L. 105-278), broadened the scope of the PCSP by allowing states to award dissemination subgrants to older charter schools that had "demonstrated overall success"[25] to enable them to share their promising practices with, and form bridges to, the larger public school system. Congress again reauthorized the PCSP as part of the No Child Left Behind Act of 2001 (P.L. 107-110), resulting in two important changes: (1) local education agencies may not deduct funds from a school's subgrant without prior agreement by the charter school; and, (2) charter school developers may receive planning subgrants prior to the award of a charter even if no authorizing body has been identified.

This chapter addresses the following evaluation questions:

- How does the PCSP work and how do this federal grant program and its state grantees encourage the development of charter schools?
- How do federally funded charter schools and school planners use their PCSP subgrants?

As prescribed by law, PCSP ***state grants*** are awarded to state education agencies for a period of up to three years;[26] these funds, in

[25] According to the statute, schools have demonstrated success if they have made "substantial progress in improving student achievement," have "high levels of parent satisfaction," and have "the management and leadership necessary to overcome initial start-up problems and establish a thriving, financially viable charter school." (For more details see the law: www.uscharterschools.org/pdf/fr/expansion_act.pdf.)

[26] PCSP funds are awarded to states for a period of up to three years. ED requires a full application only at the beginning of the three-year period and an annual progress report in subsequent years. Because federal regulations allow grantees to carry over funds from year to year, proposed figures may differ from actual amounts received.

turn, are given to charter schools and charter school planners as ***school subgrants*** according to criteria for allowable activities specified in federal law and other criteria added at the state level.[27]

In fiscal year (FY) 2001, 37 states[28] and the District of Columbia had charter school legislation. Of these, 90 percent (33 states plus the District of Columbia) received PCSP funds.[29] Charter schools or charter school planners in four states (Arizona,[30] Mississippi, New Hampshire, and Wyoming) applied to ED directly for funds.

Charter schools have been part of the public education system for more than a decade, and the PCSP has been in existence for almost as long. During this period, the national charter school movement has evolved, and the PCSP has continued to grow—in terms of the program's total funding, the mean state grant amount and the total number of state education agencies that have received PCSP grants.

The PCSP is a key source of start-up support for charter schools across the country. Through the PCSP, states and the federal government have created an infrastructure for supporting the ongoing development of charter schools. Within this context, this chapter discusses findings related to growth in PCSP federal funding parameters and state criteria for awarding PCSP funds; the average amounts and the uses of PCSP funds at the school level; and the role and capacity of state charter school offices.

The Growth of the Public Charter Schools Program

Finding: While growth in the number of states with charter legislation has tapered off, the amount of PCSP awards to states has increased and the number of charter schools has continued to grow.

The PCSP has been a major source of funding for charter schools. Since the program's initial $6 million appropriation in FY 1995, the total appropriation for the PCSP has substantially increased with an appropriation of $200 million for FY 2002. The most recent appropriation since data collection ended for this study was $218.7 million in FY 2004. Exhibit 2-1 displays the substantial increase in PCSP appropriations over time.

Although the PCSP appropriations have grown exponentially, the number of states passing charter school laws has stabilized. In fact, since this evaluation's first year of data collection in 1999-2000, only four states have passed charter legislation (Indiana in 2001, Iowa and Tennessee in 2002 and Maryland in 2003). (Appendix B-1 illustrates these trends.) As a result of the program's total appropriation growing faster than the number of states receiving PCSP grants, the mean state grant has increased every year since the beginning of the program from $512,900 in FY 1995 to nearly $4.5 million in FY 2001. Exhibit 2-2 illustrates the increase in PCSP grants to states by fiscal year.

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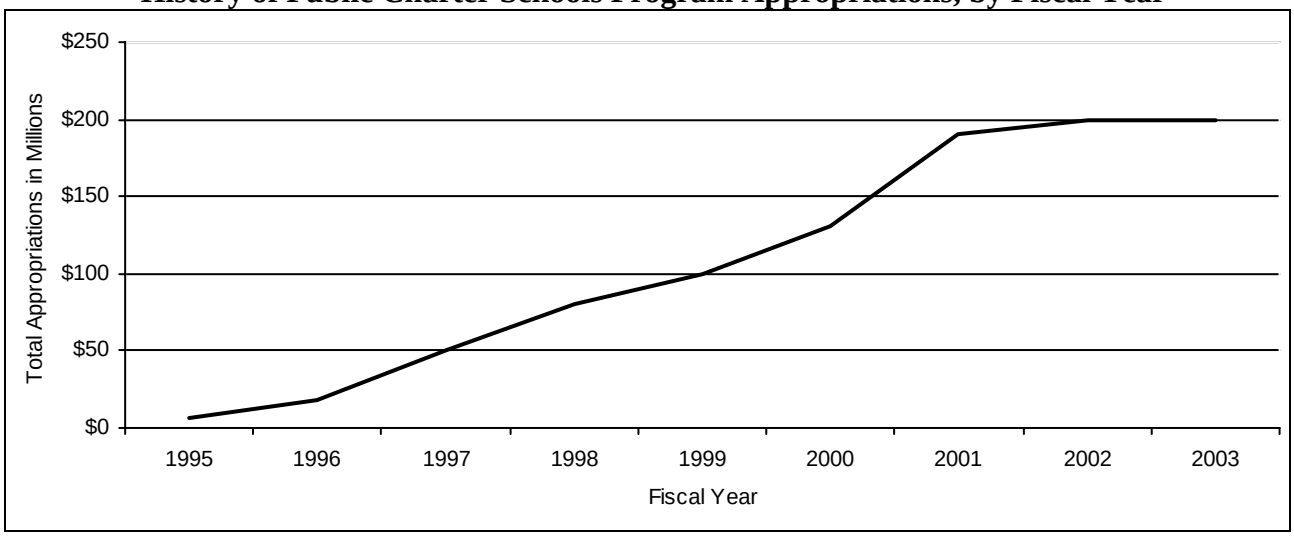
[27] Allowable activities include planning and design of the education program; professional development of staff and acquisition of equipment, materials and supplies. PCSP funds may not be used to support a private school conversion or for construction costs.

[28] New Hampshire passed a charter school law in 1995 but had no charter schools at the time of data collection.

[29] The number of states receiving PCSP funds is not equal to the number of states responding to the survey. See Appendix A-1 for more details.

[30] Arizona received a state PCSP grant from FY 1995 to FY 1997 but was determined ineligible for a state PCSP grant in 1997. In subsequent years, charter schools in Arizona have applied directly to ED.

Exhibit 2-1
History of Public Charter Schools Program Appropriations, by Fiscal Year



Sources: Press releases and grant award information from ED's Web site.
Exhibit reads: In FY 1995, the total appropriation for the PCSP was $6 million.

Some states have received particularly large increases in their PCSP grants. An example is Massachusetts—the PCSP grant increased from $2.2 million in FY 2000 to $4.1 million in FY 2001. However, not every state has had an increase and, in fact, reductions in PCSP grants are also possible. ED regulations permit grantees to carry over funds from one fiscal year to the next, but the amount carried over by each grantee "gives the Department discretion to consider those funds in determining whether to reduce the amount of new funds made available to the grant for the next budget period" (U.S. Department of Education, 1997). In states that have not realized the level of charter school growth projected in their original PCSP application, carryover funds may lead to reductions in future allocations.

In addition to variation in the rate of charter school growth across states, other reasons relating to the funding eligibility of schools have led to state-level differences in PCSP awards. In some states, for example, operational charter schools have "aged out" and are no longer eligible for PCSP start-up funding, which is for schools to use in their first three years. Other states have reached caps on the number of charter schools allowed under state law. For these reasons, the gap between the maximum and minimum PCSP state grants has also increased. For example, in FY 2001, Florida—with high growth in its total number of charter schools—received nearly $24 million, compared with $200,000 awarded to Virginia where school districts have been slower to embrace their authority to approve charters. (Appendix B-2 illustrates the differences between the minimum and maximum state grants by fiscal year.)

State Criteria for Awarding Public Charter Schools Program Funds

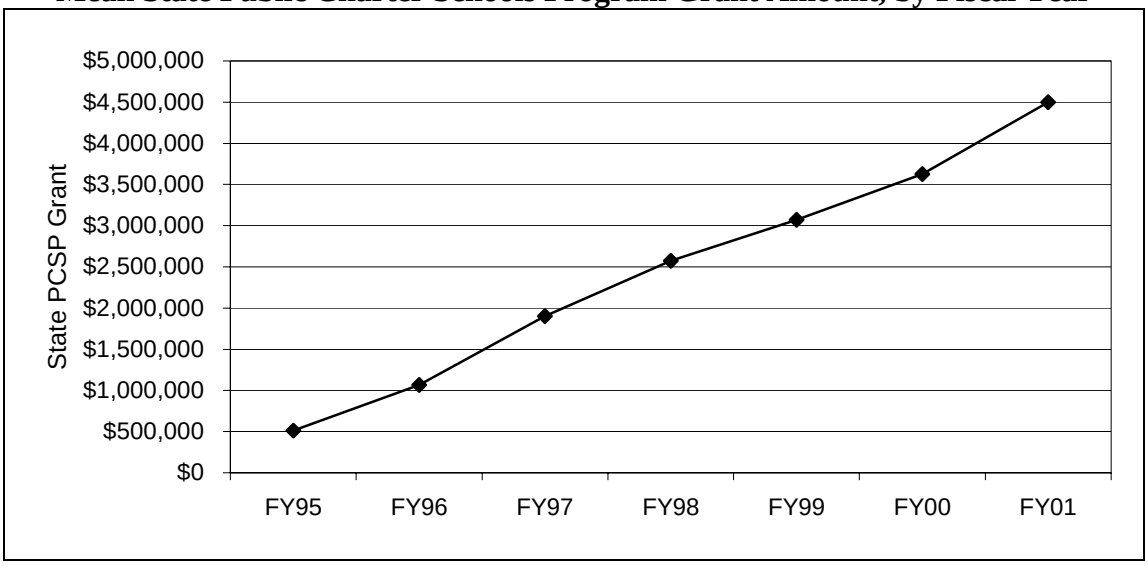
Finding: Within federal funding parameters, states award subgrants to schools based on state-determined criteria. In general, dissemination subgrants and start-up subgrants have different criteria.

The U.S. Department of Education awards PCSP funds to state education agencies and, in turn, to charter schools as subgrants. All PCSP states award start-up subgrants but the states have different eligibility requirements (within federal guidelines). Two-thirds of the states award start-up subgrants only *after* the school has a charter in place (but before the school begins operating). The remaining states[31] allow charter school planners to receive these subgrants, even before a school has a charter in place.

Seventy-one percent of those states with PCSP grants that responded to the state coordinator survey[32] reported that they allowed schools to receive PCSP funds at the dissemination stage.[33] As prescribed by federal law, states may not spend more than 10 percent of their *total* PCSP grant on dissemination activities. (The secretary of education may waive this requirement, however, under certain circumstances.)

Asked what percentage of their FY 2001 funds states reserved for dissemination purposes, states reported a range from 0 to 25 percent of their 2001-02 allocations. The mean amount reserved for dissemination grants, however, was 9 percent and only three states reported reserving more than 10 percent for FY 2001. In addition, three states did not reserve any of their FY 2001 grant for dissemination activities but reported that they permitted schools to receive these funds. This

Exhibit 2-2
Mean State Public Charter Schools Program Grant Amount, by Fiscal Year



Sources: SRI 1999-2000 and 2001-02 state coordinator surveys.
Exhibit reads: In FY 2001, the mean state grant was $512,900.

[31] These include Alaska, Arkansas, California, District of Columbia, Louisiana, Nevada, New York, Ohio, Oregon, South Carolina, and Wisconsin.

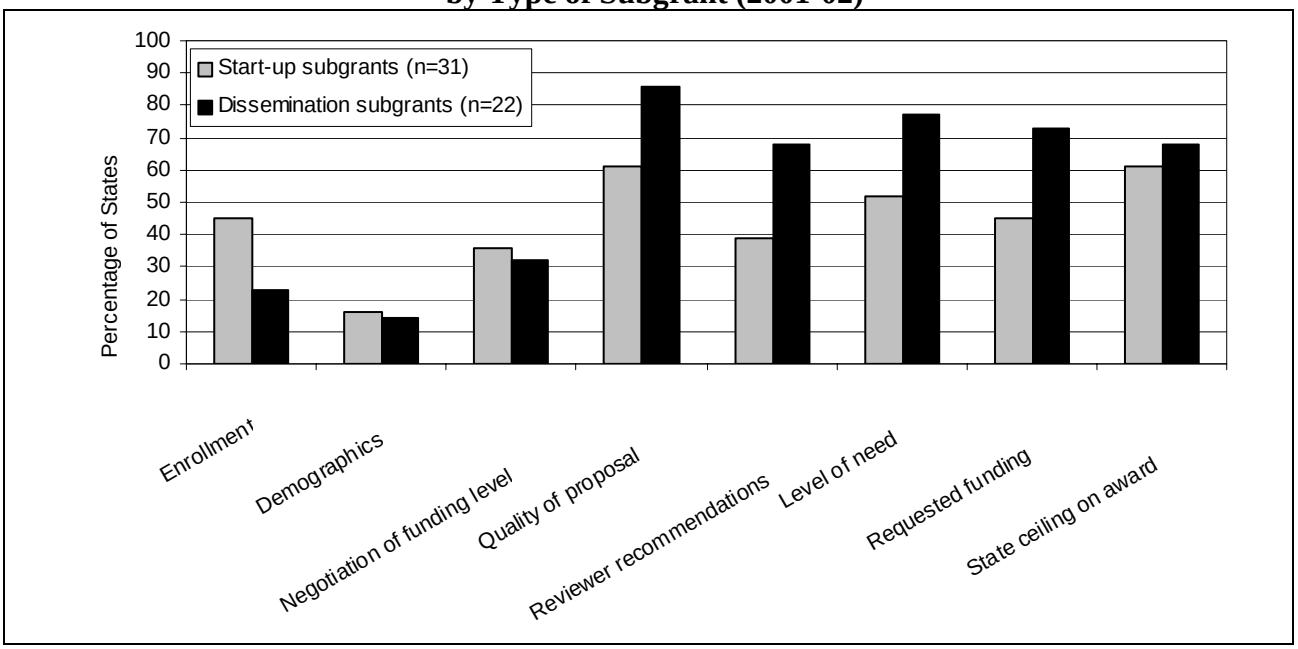
[32] State coordinator survey data from three states are not included in these analyses because they did not respond to the survey.

[33] The award of dissemination grants is a state option.

was the case for one of two reasons: (1) the state did not have charter schools in existence long enough or (2) the state did not have schools during that fiscal year that met the funding criteria (having "demonstrated overall success").

States design their own criteria for awarding PCSP funds and determining subgrant amounts within guidelines from the federal government. As illustrated in Exhibit 2-3, the criteria states use depends on the type of subgrant (i.e., start-up or dissemination). More than half of all states reported two criteria for funding decisions regarding both types of subgrants: a state ceiling on the total amount a school can receive and the quality of the proposal.[34] However, despite these similarities, state coordinators reported differences in the process for awarding dissemination subgrants and the process for awarding start-up subgrants. For example, 86 percent of states reported that the quality of a subgrant proposal was a criterion for dissemination subgrants, compared with 61 percent for start-up subgrants. In addition, 68 percent of states reported taking into account the recommendations of reviewers for dissemination subgrants, compared with 39 percent for start-up subgrants. Finally, states were more likely to consider additional factors, such as level of need, in awarding dissemination subgrants.

Exhibit 2-3
State Reporting of Public Charter Schools Program Subgrant Criteria, by Type of Subgrant (2001-02)



Source: SRI 2001-02 state coordinator survey.
Exhibit reads: In 2001-02, 45 percent of states reported that they took into account enrollment for start-up subgrants, compared with 23 percent that did so for dissemination subgrants.

[34] This evaluation did not probe the definition of proposal "quality"; therefore, additional studies would be required to better understand state criteria.

Beyond the general criteria, states may give priority to charter schools that serve particular populations of students. The data collected in 2001-02 may indicate a shift in states' priorities from the data collected in 1999-2000. For example, the percentage of states that reported giving priority to charter schools that served a "special population of students"[35] decreased from 36 percent in 1999-2000 to 26 percent in 2001-02. At the same time, however, the proportion of states targeting low-income communities[36] increased from 14 percent in 1999-2000 to 23 percent in 2001-02.

Public Charter Schools Program Subgrants: Awards to Schools

Finding: Subgrant award amounts vary by state. The average school subgrant in 2001-02 ranged from $20,000 in Rhode Island to $263,000 in Oklahoma.

An important—but elusive—part of this study has been an ongoing effort to understand the prevalence and range of subgrant awards within states. The study team intended to analyze data from several sources to determine (1) the proportion of charter schools nationally and by state that have received PCSP subgrants and (2) the average subgrant awards nationally and by state. Unfortunately, uneven data quality from the states that provided information[37] led to difficulty in compiling a comprehensive subgrant database.[38] For example, some states submitted district-level award information or other aggregations, such as the cumulative amounts awarded to individual charter schools across multiple years. The mixed data quality is likely due to the fact that states are not required to provide subgrant information to ED as part of their reporting requirements. Two additional difficulties in determining the proportion of schools receiving funds per year are the changing numbers of operating charter schools in any given year and the fact that some states allow subgrants to be awarded to planners for schools that may never open. Overall, these data collection efforts did not result in clear-cut answers.

As a result of these issues, the question regarding the proportion of charter schools that have received PCSP subgrants is based on the surveys of charter school directors. *In 2001-02, 61 percent of charter school directors reported receiving PCSP start-up subgrants at some point in time, and 19 percent reported receiving dissemination subgrants.*[39] PCSP subgrants may be even more widespread than these data indicate since charter school directors in case study sites often had difficulty recognizing this funding source by name.

[35] States reporting this priority in 2001-02 include California, Florida, Michigan, New Mexico, Ohio, Oregon, Virginia, and Wisconsin. States did not clarify the type of population.

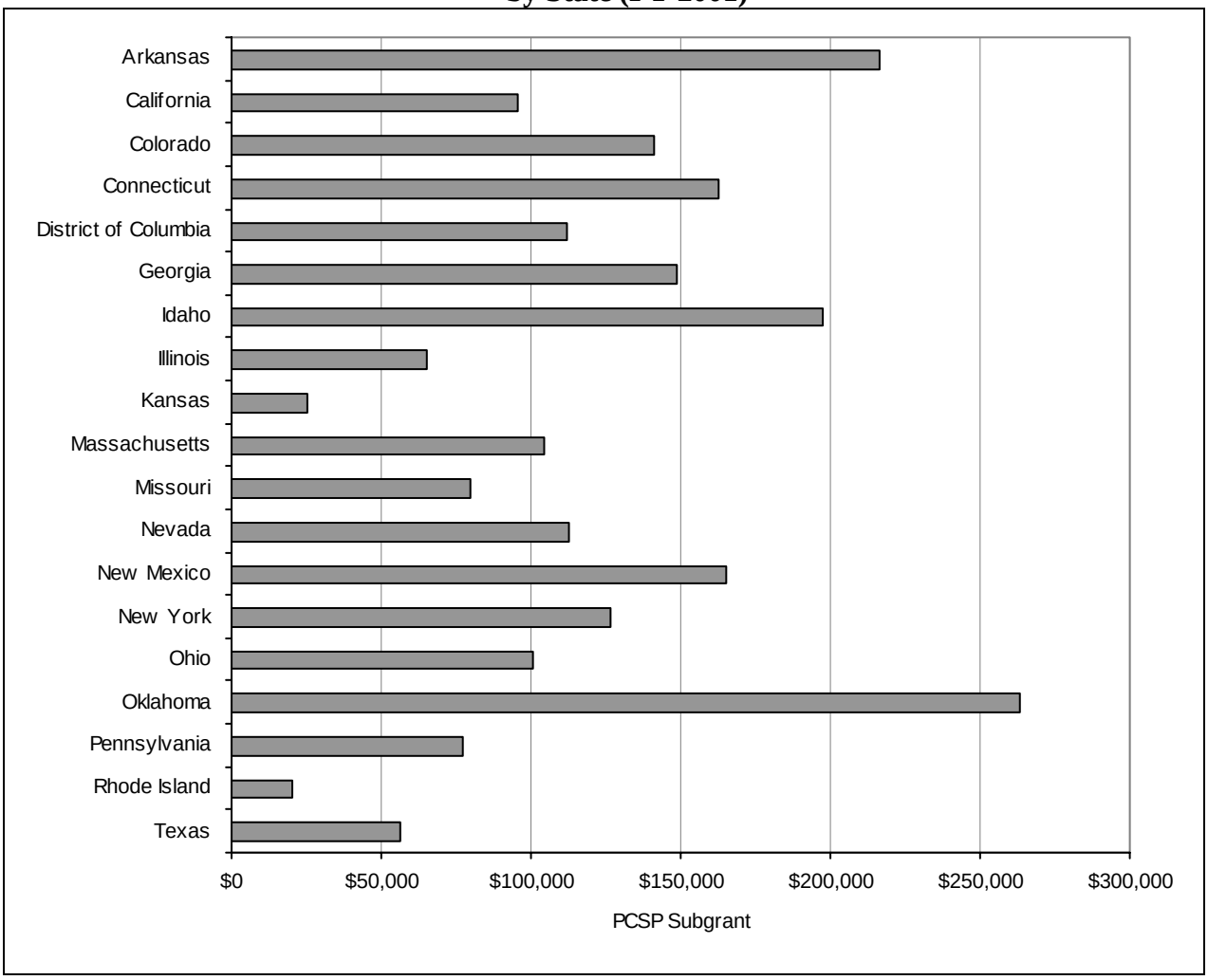
[36] States that reported targeting schools in low-income communities in 2001-02 include Florida, Michigan, New Mexico, Oregon, South Carolina, Virginia, and Wisconsin.

[37] Only 24 of the 35 states receiving PCSP grants provided school subgrant data.

[38] The efforts to determine award amounts included: (1) acquisition of a database compiled by another researcher with details regarding PCSP funding from 1995 to 1997 for some states; (2) extraction of information from PCSP program files, which contained annual reports but did not have systematic information on subgrants; (3) data collection from state charter school coordinators in 1999-2000; (4) a follow-up request in 2000-01 because not all states provided the information previously; and (5) a third and final round of data collection from states in 2001-02.

[39] Note that these statistics derive from separate survey items and are not intended to be summed.

Exhibit 2-4
Average Public Charter Schools Program Subgrant Amount, by State (FY 2001)



Source: SRI 2001-02 PCSP subgrant database.
Exhibit reads: In FY 2001, the average PCSP subgrant amount given to charter schools in Arkansas was $216,667.

Average school subgrants vary widely across states. PCSP has recommended that states award schools a maximum of $450,000 over the course of three years, with the assumption that schools will receive up to $150,000 each year. However, most of the subgrants in a state, on average, are lower than this amount, as illustrated in Exhibit 2-4. Although one state's average subgrant was only $20,000, the averages in a majority of states fell between $80,000 and $150,000 per school. (Appendix B-3 provides details about average state subgrants over time, while Appendix B-4 includes the minimum, maximum and average state subgrant in 2001-02.)

An additional source of information on subgrant awards was ED's conference for state charter school coordinators held in April 2002. During this conference, ED estimated that the average subgrant was approximately $100,000—an amount consistent with the study's findings. State reports of their average subgrant amounts, which most likely included a mix of FY 2001 and FY 2002 funds from ED, are included in Appendix B-5.

PCSP funds are the most prevalent source of start-up funds available to charter schools across states (Exhibit 2-5). In other words, PCSP funds are widely accessible—all schools in states with charter legislation are able to apply for start-up funds from the PCSP program either through their state or by applying directly to the U.S. Department of Education.

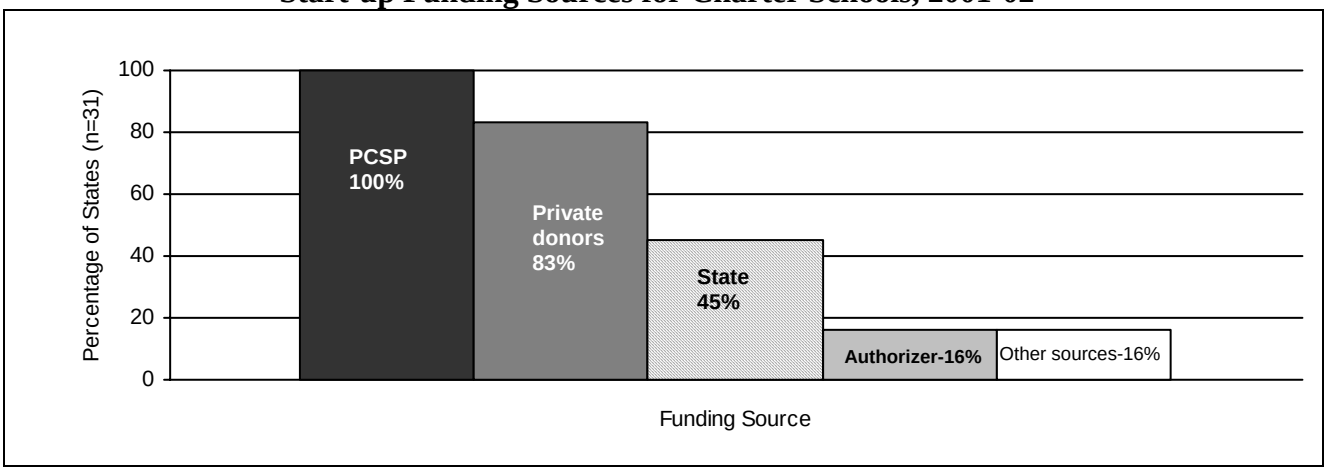
Besides PCSP funds, 84 percent of states reported private donors (e.g. Walton Family Foundation, Ford Foundation) as sources of start-up funds for charter schools. Moreover, nearly half (45 percent) of state coordinators reported the availability of state start-up funds.

Uses of Public Charter Schools Program Subgrants at the School-level

Finding: PCSP start-up and dissemination subgrants primarily fund professional development and technology. In addition, charter schools use start-up subgrants to purchase curricular and instructional materials.

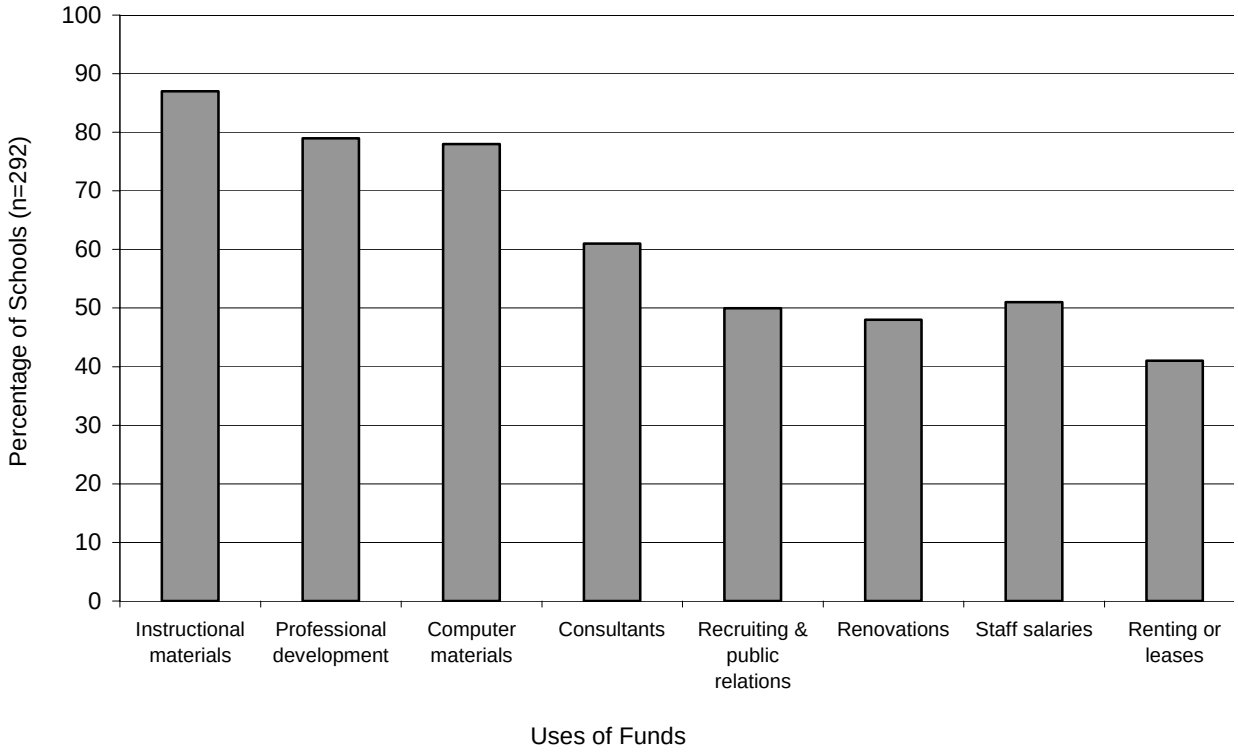
By design, start-up and dissemination subgrants serve different purposes. While the purpose of start-up subgrants is to allow the school to open and operate successfully during its first few years, the intent of dissemination subgrants is to facilitate the sharing of practices between charter schools and other public schools. According to federal law, to receive a dissemination grant, charter schools must be in existence for three consecutive years and must have demonstrated "overall success," including academic achievement, high level of parental satisfaction, and strong management and leadership. As illustrated in Exhibit 2-6, charter schools used start-up funds to purchase curricular and instructional materials (88 percent), support professional

Exhibit 2-5
Start-up Funding Sources for Charter Schools, 2001-02



Note: The number of states (n) is equal to 31 because three states (Hawaii, Oklahoma, and Rhode Island) did not complete the survey. Five states named "Other" sources that provided start-up funds to charter schools, including parents, the USDA Rural Development program and education management organizations.
Source: SRI 2001-02 state coordinator survey.
Exhibit reads: In 2001-02, 100 percent of states reported that the PCSP was a source of charter school start-up funds.

Exhibit 2-6
Charter School Reports of Uses of Public Charter Schools Program Start-up Subgrants, 2001-02



development and training (80 percent), and purchase computer hardware and software (79 percent).

As with start-up subgrants, charter schools report that dissemination subgrants support professional development and technology. In addition, schools target these funds toward slightly different activities, including travel and networking. The uses of dissemination funds at the school-level are included in Appendix B-6.

Capacity of State Education Agencies and Technical Assistance Provided by States

Finding: State charter school offices have responsibilities relating to the development, operation and monitoring of charter schools but most states have limited staff to perform these functions.

According to federal charter law, states may retain up to 5 percent of PCSP funds for administrative expenses, and the data indicate that these funds play an important role in supporting state charter school activity. In 2001-02, all states reported setting aside some portion of the 5 percent for administrative costs. According to state coordinators, these funds were primarily allocated toward salaries and benefits, travel, conferences, supplies, and training.

State charter school offices play an important role in the charter school movement, carrying out a variety of charter school responsibilities. Asked to name their four primary responsibilities, state coordinators reported the following:

- Providing information and policy clarification to charter schools (74 percent);
- Overseeing the application and charter approval process (71 percent);
- Providing in-person technical assistance and professional development to charter schools (57 percent); and,
- Monitoring student performance (43 percent).

Regarding whether or not state charter school offices have the capacity to perform these tasks, nearly all state education agencies (97 percent) reported having an office or staff dedicated to charter schools in 2001-02, although capacity varied greatly. According to reports by state coordinators, charter school offices had, on average, three full-time equivalent professional and administrative staff members (FTEs) dedicated to charter work, although the most common (modal) response was to have one FTE.[40] These data suggest that state charter school offices have very limited staff capacity to perform the many responsibilities related to charter school development, operation, and monitoring. For example, Arizona had 287 charter schools but only two FTEs dedicated to charter work in 2001-02. Similarly, Wisconsin had 108 charter schools but only 1.85 FTEs.

Since its creation eight years ago, the PCSP has become a centerpiece in the continuing growth of the charter school sector nationwide. During the PCSP's lifetime, the number of charter schools nationwide has continued to grow rapidly, and additional states have passed charter laws. Moreover, the PCSP's total appropriation has increased significantly, as has the average state grant and the total number of states that have received support through the program. While it is not clear whether this pattern of growth will continue, the emphasis on a strong role for charter schools in the No Child Left Behind Act of 2001 may mean that the PCSP and its grantees will play an even more prominent role in the educational reform agenda over the coming decade.

[40] The data for FTE were as follows: mean=3, median=2, mode=1, maximum=12.5 (Ohio) and minimum=0.1 (Mississippi). State coordinators were asked: "Including yourself, how many full-time equivalent professional and administrative staff are dedicated to charter schools in your state?" Some states may have collaborative team approaches to working with charter schools; as a result, some states (e.g., Ohio) may report the involvement of a variety of staff members who do not solely focus on charter school activities. Typically, however, states have a small number of positions *dedicated* to charter school business.

Chapter 3
Characteristics of Charter Schools, Students, and Staff

One cannot understand the importance of charter schools as an educational reform without first examining the characteristics of these schools, as well as the types of students and teachers who choose them. Furthermore, it is important to consider how charter schools compare with traditional public schools on key characteristics. This study uses data from multiple sources, including the study's charter school surveys administered in 2000-01 and 2001-02; 1998-99 data from the National Study of Charter Schools conducted by RPP International; and data from the 1999-2000 Schools and Staffing Survey (SASS),[41] which included surveys of a nationally representative sample of schools and teachers, as well as a supplemental study of the universe of charter schools.

In addition to providing descriptive details about charter schools, students and teachers, the second section of this chapter addresses the issues of flexibility, autonomy, and control—central aspects of charter school theory.

This section of Chapter 3 focuses on the following evaluation question:

- What are the characteristics of charter schools and the students and families who are involved with them?

[41] The SASS data allow comparisons between charter schools and traditional public schools. From this point forward, comparisons of charter schools and traditional public schools do not mention the source (SASS) and year (1999-2000) in the text for simplification purposes, but this information is included in every exhibit.

Characteristics of Charter Schools

Finding: The national profile of charter schools is changing, with increasing student enrollments and changing demographics. However, charter schools are distinct from traditional public schools because of lower total student enrollments, unique grade level configurations and a variety of instructional approaches.

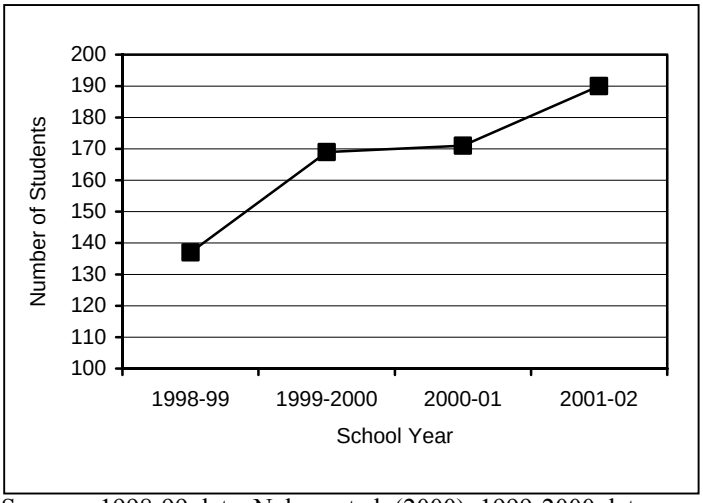
Student Enrollment. In the earliest years of the charter school movement, profiles of the charter school universe showed that the schools were generally very small—often well under 100 students (see, for example, the four reports produced by the National Study of Charter Schools covering the years 1996-97, 1997-98, 1998-99 and 1999-2000). To a large extent, extreme smallness in a school's first years has been an artifact of the common charter school implementation strategy of beginning with a limited number of grade levels and "growing" the school upward, downward or both.

Charter schools are becoming larger. As the data presented in Exhibit 3-1 demonstrate, the median student enrollment for charter schools has steadily increased over the last few years, from 137 in 1998-99 to 190 in 2001-02.[42] Some slight shifts have occurred in student enrollment by schools with different grade-level configurations. K-8 charter schools have shown the greatest increase in median student enrollment since 1999-2000 (see Appendix C-1). Middle schools, on the other

[42] The longitudinal comparisons included in this report do not include tests of significance because the data are derived from different sources.

hand, have shown a pattern of decline in median enrollment, most likely related to the growth in the overall proportion of K-8 and K-12 charter schools, as the middle grades have become embedded in the larger grade-level configurations.

Exhibit 3-1
Median Student Enrollment in Charter Schools, 1998-1999 to 2001-2002

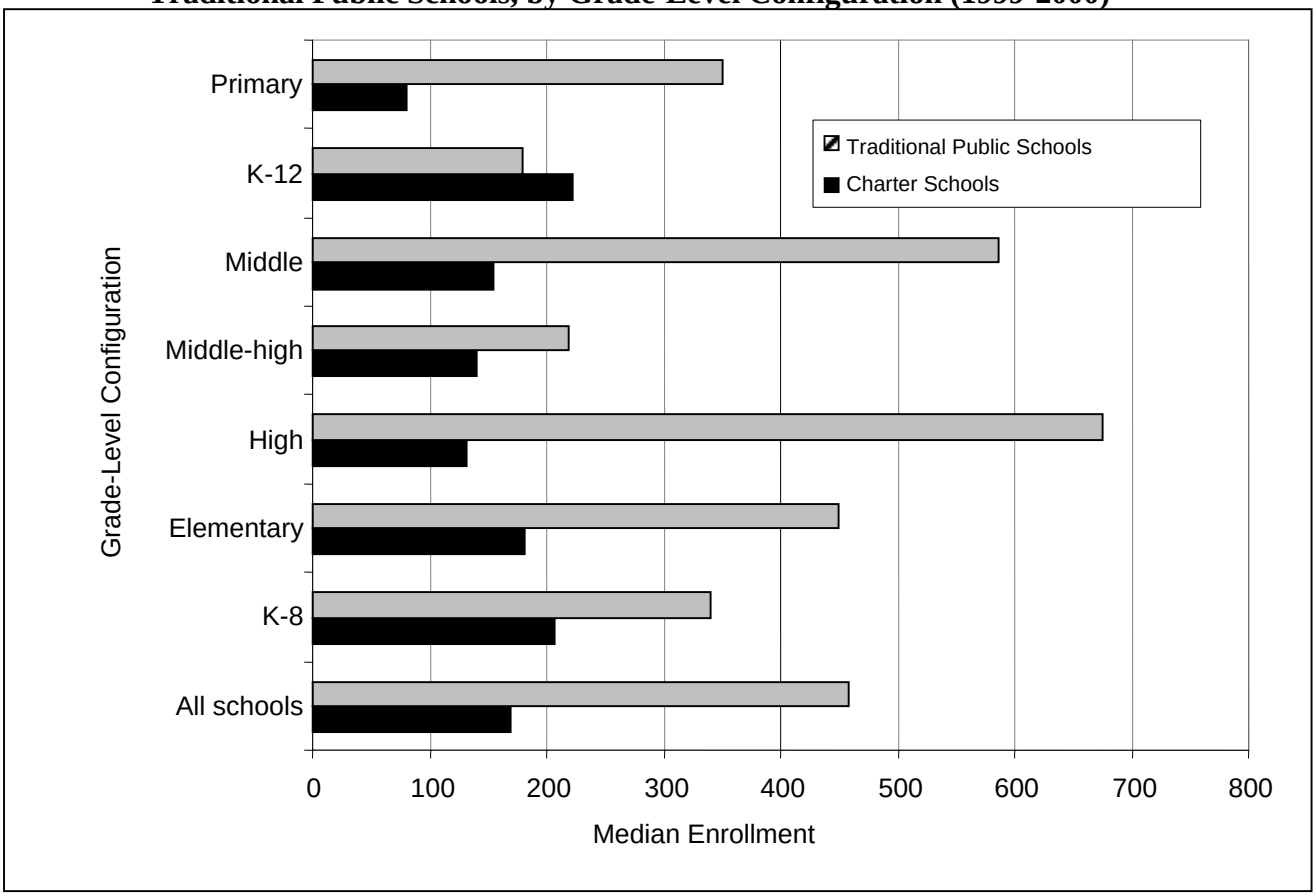


Sources: 1998-99 data: Nelson et al. (2000); 1999-2000 data: Public Charter School SASS survey; 2000-01 and 2001-02 data: SRI 2000-01 and 2001-02 charter school surveys.
Exhibit reads: In 1998-99, the median charter school enrollment was 137.

Although the median enrollment in charter schools has increased over time, charter schools remain considerably smaller than traditional public schools (see Exhibit 3-2). In fact, traditional public schools were nearly three times as large as charter schools in 1999-2000—458 students in traditional public schools compared with 169 students in charter schools. Across the different grade-level configurations, charter school median student enrollment ranged from 80 in primary schools (serving grades K-3) to 240 in schools with a K-12 configuration. Median enrollment in traditional public schools ranged from 180 in K-12 schools to 675 in high schools. Overall, the median student enrollment was highest in traditional public high schools. In contrast, charter high schools were among the smallest charter schools, perhaps because many were deliberately founded as alternatives to large, comprehensive high schools and frequently serve small numbers of students who have dropped out of traditional public schools.

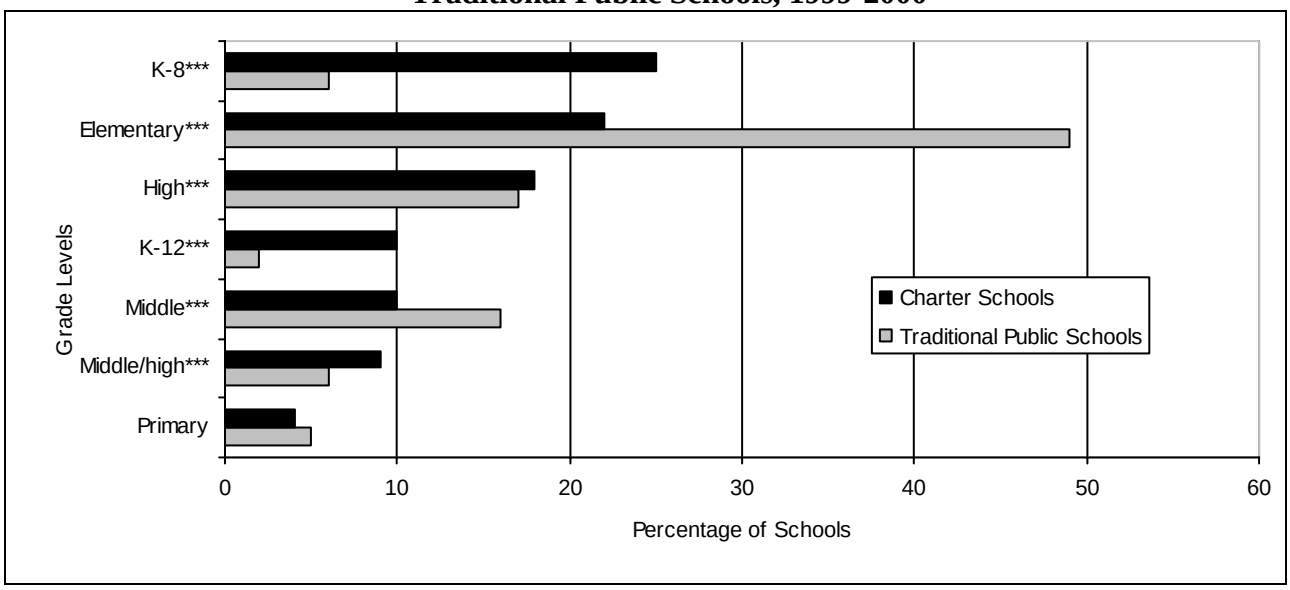
Grade-level Configuration. Charter school founders have the flexibility to choose their school's grade level configuration based on a mission, philosophy of teaching, or child development approach. As a result of this flexibility, charter schools have implemented a variety of configurations, including non-traditional configurations, such as K-8 and K-12 schools. As Exhibit 3-3 indicates, charter schools were more likely to serve students in grades K-8 or K-12 than traditional public schools. Traditional public schools, on the other hand, were more likely to operate as standard elementary schools (i.e., serving grades K-6) than charter schools (49 compared with 22 percent, respectively).

Exhibit 3-2
Median Student Enrollment in Charter Schools and Traditional Public Schools, by Grade-Level Configuration (1999-2000)



Note: Grade levels configurations follow conventions established by RPP and are defined as follows: Primary includes only grades K-3; Elementary begins with K and goes no higher than grade 6; Middle ranges from grade 5 to grade 9; Middle-high includes any of grades 6-8 and any of grades 9-12 and no grades K-5; High ranges from grade 9 to grade 12; K-8 includes any of grades K-3, any of grades 4-6 and any of grades 7-8; K-12 includes any of grades K-3, 4-6, any of grades 7-8 and any of grades 9-12.
Sources: 1999-2000 public charter school SASS survey and public school SASS survey.
Exhibit reads: In 1999-2000, the median student enrollment in the primary level configuration was 80 for charter schools, compared with 350 for traditional public schools.

Exhibit 3-3
Grade-Level Configurations of Charter Schools and Traditional Public Schools, 1999-2000



***p<.01 (Indicates significant difference between charter schools and traditional public schools in the percentage of schools serving particular grade level configurations.)
Note: Grade level configurations follow conventions established by RPP and are defined as follows: Primary includes only grades K-3; Elementary begins with K and goes no higher than grade 6; Middle ranges from grade 5 to grade 9; Middle-high includes any of grades 6-8 and any of grades 9-12 and no grades K-5; High ranges from grade 9 to grade 12; K-8 includes any of grades K-3, any of grades 4-6 and any of grades 7-8;
K-12 includes any of grades K-3, 4-6, any of grades 7-8 and any of grades 9-12.
Sources: 1999-2000 public charter school SASS survey and public school SASS survey.
Exhibit reads: In 1999-2000, 25 percent of charter schools served grades K-8, compared with 6 percent of traditional public schools. This difference is statistically significant.

Instructional Strategies. While charter schools have the opportunity to use alternative instructional strategies (e.g., distance learning), 91 percent of the charter schools surveyed in 2001-02 used classroom-based instruction as their primary instructional delivery method as illustrated in Exhibit 3-4.[43] A small proportion of charter schools delivered instruction in non-traditional ways in 2001-02, including independent study (9 percent), instruction via Internet or satellite (6 percent), and home-based instruction (sometimes referred to as "home schooling") (2 percent).

Beyond delivering classroom-based instruction, charter schools were implementing a number of recent educational reforms. For example, charter schools were more likely than traditional public schools to use block scheduling (58 percent versus 43 percent); interdisciplinary teaching (59 percent versus 48 percent); and "looping"[44] (48 percent versus 26 percent). These differences were statistically significant (p<.01). This evidence suggests that charter schools were able to experiment with different instructional and organizational strategies.

[43] Exhibit 3-4 also indicates that a small proportion of charter schools combine multiple approaches (since the percentage of schools using the various instructional methods in one school year does not equal 100 percent).

[44] An approach in which teachers remain with students for two or more years.

Exhibit 3-4
Primary Methods of Delivering Instruction in Charter Schools (2001-02)

Method of Instruction	Percentage of Schools (n=477)
Classroom-based instruction	91
Work- or community-based learning on a regular basis	6
Instruction via Internet or satellite	6
Distance learning	1
Home-based instruction	2
Independent study	9

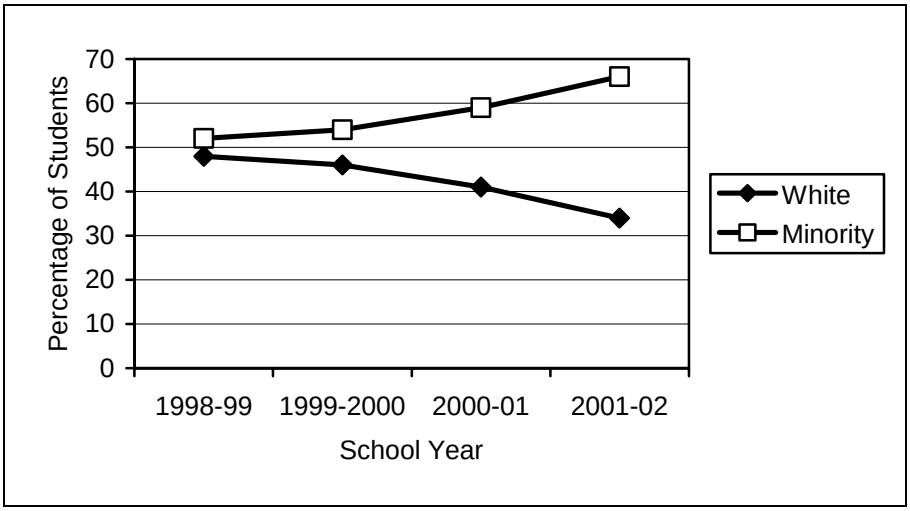
Note: Respondents could select more than one instructional delivery method.
Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 91 percent of charter schools used classroom-based instruction.

Characteristics of Charter School Students

Finding: Compared with traditional public schools, charter schools enroll more African American students, fewer whites, and slightly higher proportions of students eligible for free and reduced-price lunches. Charter schools also attract high proportions of low performing students.

The demographic characteristics of students in charter schools have been a topic of great interest to observers of this educational reform. Key questions center on the differences between the student populations of charter schools and traditional public schools, as well as the extent to which charter schools are targeting and enrolling specific student populations.

Exhibit 3-5
Proportions of White and Minority Students in Charter Schools, 1998-99 to 2001-02



Sources: 1998-99 data: Nelson et al. (2000); 1999-2000 data: Public Charter School SASS survey; 2000-01 and 2001-02 data: SRI 2000-01 and 2001-02 charter school surveys.
Exhibit reads: In 1998-99, 52 percent of students in charter schools were minority, compared with 48 percent of white students.

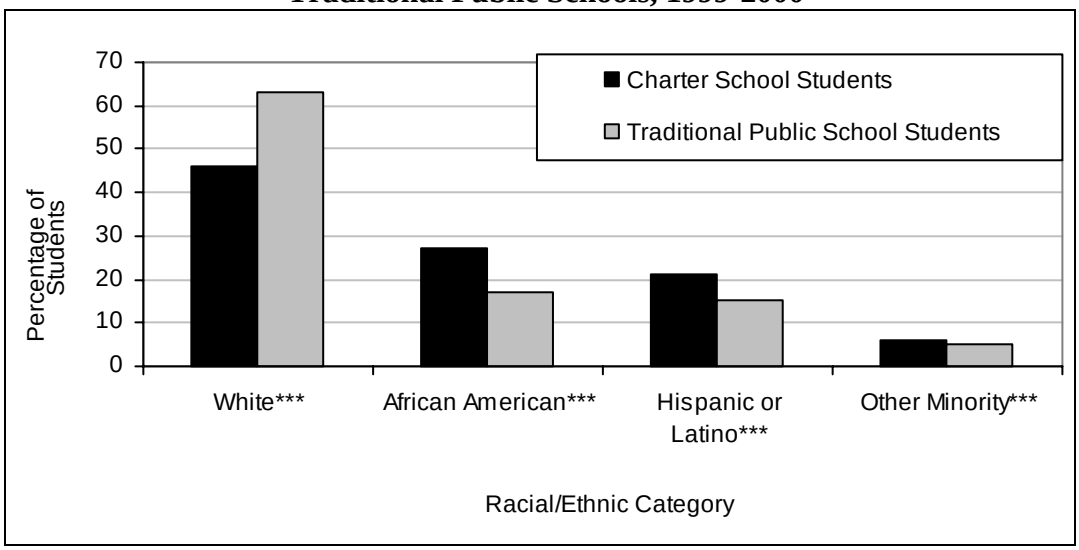
Student Race and Ethnicity. The charter school student population during the 2001-02 school year was 38 percent African American, 37 percent white, and 19 percent Hispanic (these data are included in Appendix C-2). Over time, there have been slight shifts in the charter school student population. The two most significant trends are the 11-percentage-point decrease in the proportion of white students and the 14-percentage-point increase in the proportion of African American students between 1998-99 and 2001-02.

Exhibit 3-5 on the previous page illustrates the change in the proportion of all minority students compared with the proportion of white students. As this figure indicates, the charter school population of minority and white students was nearly evenly divided in 1998-99 but by 2001-02 had shifted to approximately one-third white and two-thirds minority. This is an important change in the national profile of charter schools, one that future studies should examine more closely.

A comparison of the racial and ethnic composition of student populations in charter schools and traditional public schools in the 1999-2000 school year indicates that traditional public schools enrolled higher proportions of white students. In fact, traditional public schools enrolled 17 percent more white students than charter schools (Exhibit 3-6). Conversely, charter schools enrolled greater percentages of African American and Hispanic students than traditional public schools.

Other Student Characteristics. Over time, a greater proportion of students enrolled in charter schools were eligible for free and reduced-price lunches, rising from 39 percent in 1998-99 to 53 percent in 2001-02, as illustrated in Exhibit 3-7. This increase may

Exhibit 3-6
Student Race and Ethnicity in Charter Schools and Traditional Public Schools, 1999-2000



***p<.01 (Indicates significant difference between charter schools and traditional public schools in the percentage of students by race and ethnicity.)
Sources: 1999-2000 public charter school SASS survey and public school SASS survey.
Exhibit reads: In 1999-2000, 46 percent of charter school students were white, compared with 63 percent of students in traditional public schools. This difference is statistically significant.

Exhibit 3-7
Changes in Selected Characteristics of Students in Charter Schools, 1998-99 to 2001-02

Student Characteristic	Percentage of Charter School Students			
	1998-99	1999-2000	2000-01	2001-02
Free or reduced-price lunch	39	43	46	53
Individualized Education Program (IEP)	8	9	8	10
Limited English proficient (LEP)	10	8	8	9

Sources: 1998-99 data: Nelson et al. (2000); 1999-2000 data: Public Charter School SASS survey; 2000-01 and 2001-02 data: SRI 2000-01 and 2001-02 charter school surveys.
Exhibit reads: In 1998-99, 39 percent of charter school students were eligible for free or reduced-price lunches compared to 43 percent in 1999-2000, 46 percent in 2000-01 and 53 percent in 2001-02.

be associated with the growth in minority populations discussed above or with a higher proportion of charter schools electing to participate in the National School Lunch Program. The proportion of limited English proficient (LEP) students enrolled in charter schools and the proportion with Individualized Education Programs (IEPs)[45] have remained stable over time.

Charter schools also had higher proportions of students eligible for free and reduced-price lunches and lower proportions of special education students with IEPs than traditional public schools. These differences were statistically significant. The difference in the proportion of LEP students in charter and traditional public schools was not statistically significant. Exhibit 3-8 compares charter schools and traditional public schools on these additional student characteristics.

Exhibit 3-8
Comparisons of Selected Characteristics of Students in Charter Schools and Traditional Public Schools, 1999-2000

Student Characteristic	Percentage of Students	
	Charter schools	Traditional public schools
Free or reduced-price lunch***	43	38
Individualized Education Program (IEP)***	9	12
Limited English proficient (LEP)	8	7

***p<.01 (Indicates significant difference between charter schools and traditional public schools in the percentage of students on various characteristics, e.g,. free or reduced-price lunch.)
Sources: 1999-2000 public charter school SASS survey and public school SASS survey.
Exhibit reads: In 1999-2000, 43 percent of charter school students were eligible for free or reduced-price lunches, compared with 38 percent of students in traditional public schools. This difference is statistically significant.

[45] Each public school child who receives special education and related services must have an IEP.

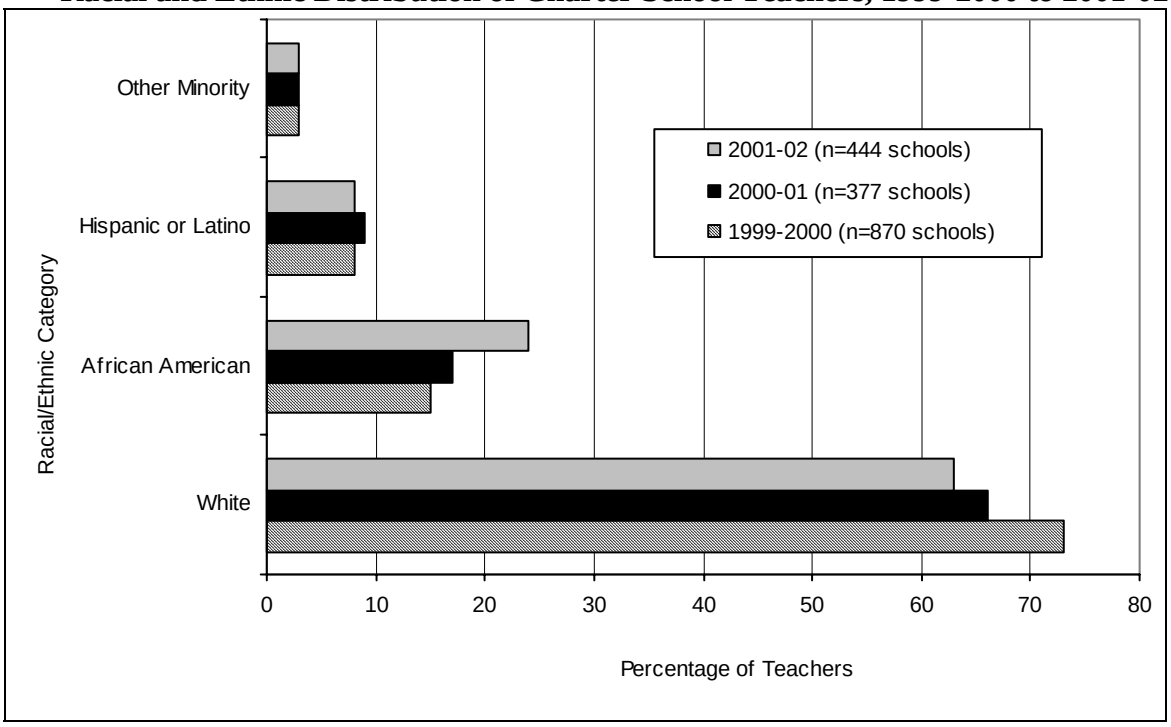
Some charter schools actually seek out specific populations of students because of the school's educational mission or program design. More than one quarter of charter schools targeted low-performing students, dropouts or potential dropouts, or students from low-income communities. However, many student populations were attracted to charter schools regardless of the school's mission or design. While 28 percent of schools report targeting low-income and low-performing students, 74 percent reported attracting these groups of students. Similarly, less than one-quarter of charter schools targeted gifted and talented or special education students, but more than half of the schools attracted these students. (See Appendix C-3 for more details on attracted and targeted student populations in charter schools.)

Charter School Teachers

Finding: Compared with traditional public school teachers, charter school teachers are more likely to be African American and less likely to have full state certification in the subject they teach. Teachers in charter schools participate in a variety of professional development activities in slightly higher proportions than traditional public school teachers.

Teacher Race and Ethnicity. In 2001-02, whites accounted for 63 percent of charter school teaching staff. As Exhibit 3-9 illustrates, there has been a slight decrease in the proportion of white teachers and an increase in the proportion of African American teachers over time. This trend is similar to the trend in the proportion of

Exhibit 3-9
Racial and Ethnic Distribution of Charter School Teachers, 1999-2000 to 2001-02



Note: Charter school directors provided data on the race and ethnicity of teachers. Calculations were made by dividing the number of charter school teachers in each racial category by the total number of charter school teachers. "Other Minority" includes Asian, American Indian or Alaska Native and, in 2000-01 and 2001-02, Native Hawaiian or other Pacific Islander.
Sources: 1999-2000 data: Public Charter School SASS survey; 2000-01 and 2001-02 data: SRI 2000-01 and 2001-02 charter school surveys.
Exhibit reads: In 1999-2000, 73 percent of charter school teachers were white, compared with 66 percent in 2000-01 and 63 percent in 2001-02.

African American charter school students, though not as pronounced. The proportions of teachers from most other ethnic minority groups have remained constant.

As indicated in Exhibit 3-10, the majority of teachers in both charter schools and traditional public schools were white; however, charter schools had lower proportion of white teachers (73 percent) than traditional public schools (84 percent). Furthermore, charter schools had more African American teachers (16 percent) than did traditional public schools (9 percent). Future studies should examine these data more closely to determine why charter schools have greater proportions of African American teachers on staff.

Certification. According to charter directors, nearly two-thirds of charter school teachers have full state certification for the subjects they teach (64 percent in 2001-02). Furthermore, 10 percent of charter school teachers had special education credentials and 5 percent had bilingual credentials in 2001-02 (in addition to full state certification). It is important to examine these data by state because frequently there is a relationship between differences in the proportion of teachers with certification and state policies governing teacher certification in charter schools. Flexibility over teacher hiring and certification practices is one of the important areas of autonomy that some charter schools enjoy. (For more details about state policies regarding teacher certification see Appendix C-4). Data from the 1999-2000 SASS survey revealed that charter school teachers were less likely to have full certification and more likely to have emergency credentials, including temporary, provisional, and probationary certifications, than their traditional public school peers.[46] Overall, 92 percent of traditional public school teachers had full certification in 1999-2000, compared with 79 percent of teachers in charter schools. Teachers in charter schools were nearly three times more likely to have emergency credentials compared with teachers in traditional public schools (21 percent versus 8 percent). These differences between the proportion of teachers

Exhibit 3-10
Racial and Ethnic Distribution of Teachers in Charter Schools and Traditional Public Schools, 1999-2000

Racial and Ethnic Category	Percentage of Teachers	
	Charter schools	Traditional public schools
White***	73	84
African American***	16	9
Hispanic or Latino***	8	5
Other Minority	3	2

***p<.01 (Indicates significant difference between charter schools and traditional public schools in the percentage of teachers by race and ethnicity.)
Sources: 1999-2000 public charter school SASS survey and public school SASS survey.
Exhibit reads: In 1999-2000, 73 percent of charter school teachers were white, compared with 84 percent of teachers in traditional public schools. This difference is statistically significant.

[46] Note: These data are from the SASS survey administered to *teachers*, not schools.

with full certification and emergency credentials in traditional public schools and charter schools are statistically significant ($p<.01$).

Future studies should examine charter schools and teacher certification in more depth, since the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001 (NCLB) requirements for "highly qualified teachers" were not in place at the time of data collection.

Professional Development Opportunities. The availability of professional development opportunities is an important indicator of teacher professionalism in schools. According to charter school directors, teachers had opportunities to develop their knowledge and skills beyond the traditionally ineffective one-shot workshops. Sixty two percent of charter school teachers received release time to work collaboratively with other instructional staff, and more than half were able to participate in peer observation and critiques. Approximately one-third of teachers were allowed release time for independent professional development activities. (See Appendix C-5 for more data on charter school teachers' professional development opportunities.)

Based on data from the 1999-2000 SASS, which asked teachers about their participation in a variety of professional development activities over the last year, participation in professional development was high in both charter and traditional public schools. Teachers in both types of schools reported that they had regularly-scheduled collaboration with other teachers on instructional issues (74 percent in each case). Teachers in traditional public schools were more likely than teachers in charter schools to attend workshops, conferences, or training (95 percent of teachers in traditional public schools versus 90 percent of teachers in charter schools). In all other areas, including making observational visits to other schools, charter school teachers participated at higher rates than traditional public school teachers. In most cases, these differences in participation rates were statistically significant. (These data are included in Appendix C-6.)

Parent Involvement

Finding: Charter schools are more likely than traditional public schools to have high levels of parent involvement in the areas of budget decisions, governance, instructional issues, parent education workshops, and volunteering.

A central tenet of the charter school movement is to provide "opportunities for educators and *parents* [emphasis added] to create the kinds of schools they believe make the most sense" (Nathan, 1996, p.1). Moreover, respondents in the charter schools visited for this evaluation typically referred to high levels of parent involvement and multiple avenues for parents to become involved. The survey data reinforced this finding. Overall, charter school directors reported that parents were involved with the schools in various capacities. More than half of charter school directors reported that parents played wide-ranging roles from performing clerical tasks for the school to serving on advisory boards. (See Appendix C-7.) The majority of school directors reported that parents were involved in a variety of activities including serving on school advisory committees (87 percent of schools reported parents playing this role), serving on school governing boards (82 percent of schools), and supervising lunch or field trips (81 percent of schools).

When asked to identify specific areas in which parents were *required* to participate, most charter school directors reported that parents were voluntarily involved in school activities.[47] (Refer to Appendix C-8 for details on required and voluntary parent involvement activities.) This finding suggests that schools either did little to enforce parent contracts or that such written agreements with parents were not directly linked with specific activities but more general in nature. Data from the 2001-02 site visits support the notion that charter schools did little to enforce contracts, thus making any involvement essentially voluntary.

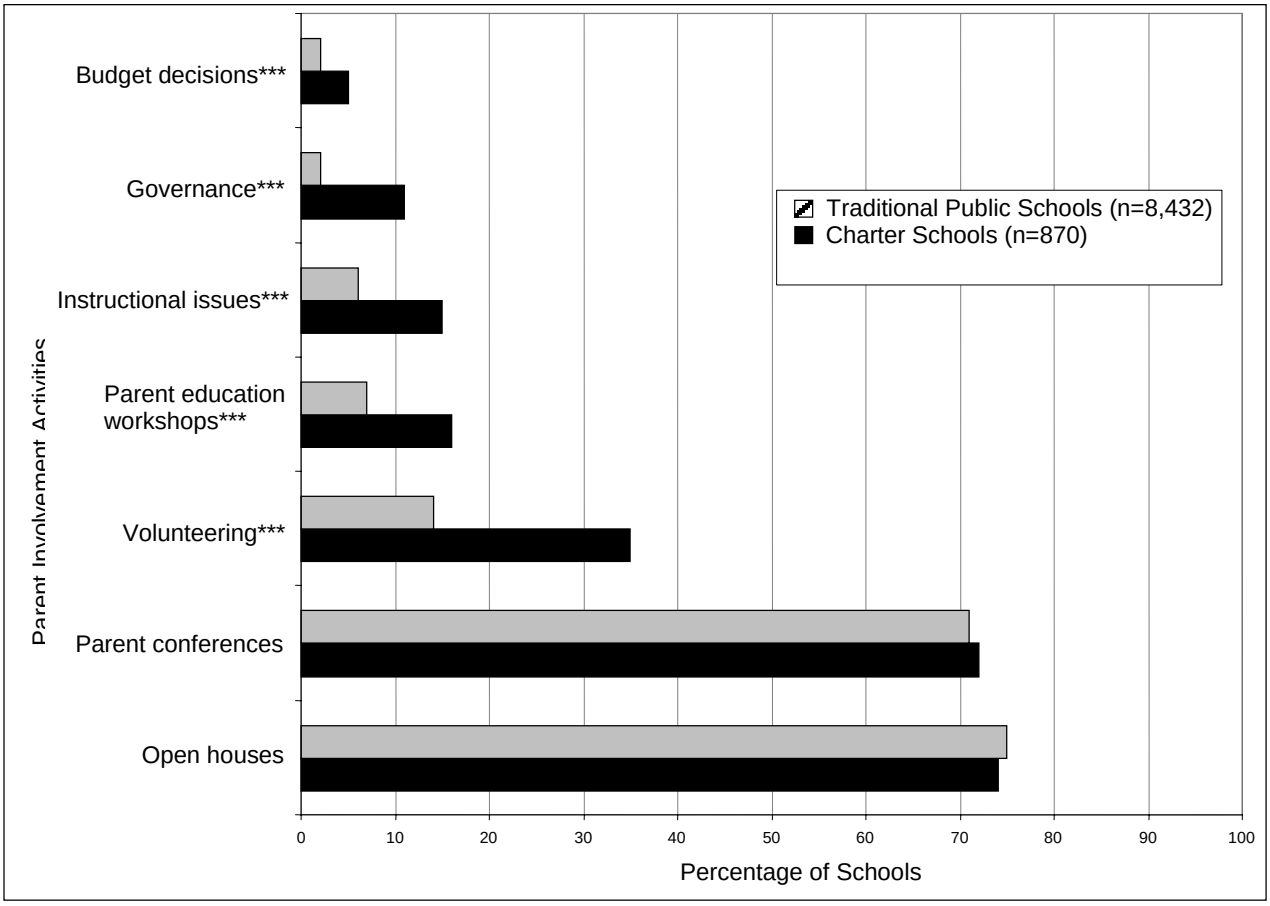
According to SASS data, charter schools were more likely than traditional public schools to report high levels of parent involvement in several areas (see Exhibit 3-11). Schools reported activities in which at least 50 percent of parents participated, with the most frequent areas of involvement for both charter schools and traditional public schools being attendance at open houses and attendance at schoolwide parent-teacher conferences.

These data indicate that charter schools and traditional public schools have similar levels of involvement in traditional parent involvement activities.

There are indications, however, that charter schools may have higher degrees of parent involvement. For example, compared with traditional public schools, more than twice as many charter schools had high degrees of parent involvement in five areas: budget decisions, governance, instructional issues, parent education workshops, and volunteering. Nevertheless, the overall proportion of charter schools reporting parent involvement in these more intensive activities remains fairly low—less than 20 percent of charter schools reported high levels of involvement in nearly all of the areas (with the exception of volunteering).

[47] A parent-volunteer requirement would normally be specified in a school's charter and made known to parents at the time of application. Some researchers argue that these requirements serve as admission criterion that may exclude some families (Garcia and Garcia, 1996; Lopez, Wells, and Holme, 2002), while others argue that the requirements are an indication of the strong relationship that charter schools forge with parents (Nathan, 1996).

Exhibit 3-11
Parental Involvement in Charter Schools and Traditional Public Schools, 1999-2000
(Percentage of schools in which parental involvement was at least 50 percent)



***p<.01 (Indicates significant difference between charter schools and traditional public schools in the percentage of schools reporting high levels of parental involvement, i.e., more than 50 percent of parents involved.)
Sources: 1999-2000 public charter school SASS survey and public school SASS survey.
Exhibit reads: 74 percent of charter schools and 75 percent of traditional public schools reported that at least 50 percent of parents attend school open houses. This difference is not statistically significant.

Charter School Autonomy

In theory, a charter specifies areas in which a school will have more autonomy than traditional public schools in exchange for particular accountability requirements. This section of Chapter 3 focuses on the extent to which charter schools enjoy additional flexibility from rules and regulations governing public schools and increased autonomy (or control) over school decisions.

Charter school theory posits that these schools will be exempted from bureaucratic requirements and will enjoy considerably more control over core operational elements such as the school year, daily schedules, curriculum and instruction, hiring of personnel and budgets than do traditional public schools. However, the actual flexibility and autonomy that charter schools have is dictated by the state legislation that allows their creation. As a result, there is considerable variation in the charter school flexibility story.

Flexibility

Finding: Only one-third of charter schools automatically receive waivers from state policies and regulations but many schools receive waivers on a case-by-case basis. Most state charter school policies do not allow exemptions from student assessment requirements.

An assumption of charter school theory is that schools will receive waivers from the codes and regulations that apply to traditional public schools. Surveys with state directors indicate that the reality is different—only 37 percent of states granted automatic waivers to charter schools in 2001-02 (automatic waivers do not include health, safety, and due process provisions). Nine percent[48] did not permit any waivers of state laws, rules or regulations. The remaining 54 percent of states allow some (but not all) regulations to be waived automatically or on a case-by-case basis.

These findings indicate that a charter school's degree of flexibility is closely associated with the state policy environment in which it is located.[49] The majority of states reported that charter schools were exempt from requirements about the length of the school day or year (68 percent), staff hiring and firing policies (65 percent), and other teacher policies, such as teacher contract year and tenure requirements (61 percent). (See Appendix C-9 for more details about state exemptions.)

Charter school directors reported using waivers in varying degrees. While more than half of charter schools received waivers from teacher certification requirements, staff hiring and firing policies, tenure and contract requirements, policies regarding teacher salaries and pay schedules and policies regarding the control of finances, many charter schools did not report these and other waivers (see Exhibit 3-12). Very few charter

Exhibit 3-12
Charter School Reports of Waivers, 2001-02

Type of Waiver	Percentage of Schools (n=229)
Teacher policies (contract year and tenure requirements)	61
Teacher/staff hiring/firing policies	56
Control of finances	56
Teacher salary/pay schedule	56
Teacher certification requirements	53
Curriculum requirements	48
Length of school day or year	43
District student assessment policies	35
Student admission policies	33
Student attendance policies	21
State student assessment policies	5

Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 61 percent of charter schools reported receiving waivers on teacher policies.

[48] Two states (Massachusetts and Utah) and Washington, D.C., were in this category.

[49] The school data support this finding. In 2001-02, only 49 percent of all charter school respondents reported that their charters enabled them to depart from or waive state laws or local policies that applied to other schools.

schools (5 percent) reported that they could waive state student assessment policies.

Control

Finding: Charter schools have control over many key decisions but frequently their school-level authority is shared with one or more other entities, including the school's authorizing body or education management organization.

Asked whether charter schools had full authority, shared authority, or no authority over a variety of school matters, more than half of all charter schools nationally reported that they had a full authority over key aspects of their own operations—with the exception of teacher certification requirements (see Exhibit 3-13). Schools were least likely to have authority over teacher certification policies. Authorizing bodies corroborated the degree of authority reported by schools.

A little known fact illustrated in the exhibit that follows is that many charter schools report that they share authority over key decisions with another entity, e.g., the state or authorizer. The schools that shared authority with other groups were most likely to report sharing this control with their authorizers, except in the case of curriculum and teacher certification, for which authority was shared with the state. Schools associated with education management organizations (EMO) also reported sharing authority with these partners, as discussed in the following pages.

The Role of Education Management Organizations and Community-Based Organizations

Finding: For the nearly 20 percent of charter schools that partner with an education management organization or community-based organization, these entities have extensive roles in the development and ongoing operation of charter schools, from hiring staff to managing the school and ensuring compliance with state and federal regulations.

Most states and authorizing bodies do not prohibit charter school relationships with EMOs,[50] such as Edison Schools, and community-based organizations (CBO), such as Boys and Girls Clubs of America.[51] However, the frequency of these relationships remains low: in 2001-02, 19 percent of charter schools had arrangements with EMOs and 16 percent had partnerships with CBOs. EMOs and CBOs, sometimes referred to as for-profits and nonprofits respectively, have emerged as prominent components of the charter school movement. In fact, within these relatively small percentages lies an important story.

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[50] Education management organization, or EMO, are defined as, "A firm dedicated to operating schools or districts, usually on a for-profit basis" (Brown Carter, 2003).

[51] Although state laws frequently require nonprofit organizations—usually the schools themselves—to hold the charter, charter schools in most states were free to establish *relationships* with EMOs and CBOs.

Exhibit 3-13
Charter School Reports of Level of Authority, 2001-02

Type of Authority	Percentage of Schools (n=477)		
	Full authority	Shared authority	No authority
Daily schedule	84	16	<1
Purchasing of supplies and equipment	79	21	<1
Staff hiring, discipline and dismissal	72	26	1
Other budgetary expenses, not including salaries and benefits	67	31	2
Student disciplinary policies	64	36	<1
Student assessment policies	63	33	4
School calendar	59	37	5
Curriculum	59	39	2
Teacher certification requirements	45	45	9

Sources: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 84 percent of charter schools reported having full authority over the school's daily schedule, compared with 16 percent who reported sharing this authority and less than 1 percent who reported having no authority.

Charter schools that had relationships with EMOs were more likely to have universities as their authorizers than other authorizing bodies. This finding was influenced by Michigan, which has large numbers of charter schools chartered by universities and also has a large proportion of charter schools managed by EMOs (such as National Heritage Academies).[52] Schools chartered by state agencies were more likely to have arrangements with CBOs than schools chartered by other types of authorizers.

According to charter school directors, EMOs play a variety of roles. In most of their schools, EMOs ensured compliance with state and federal regulations; provided technical assistance; administered personnel and benefits; administered the school's budget; and provided, leased, or located facilities (see Exhibit 3-14). On average, CBOs tended to play similar roles to EMOs (although slightly lower proportions of charter schools reported these roles for CBOs). However, a few differences stand out: charter schools with CBOs were much less likely to report involvement of CBOs in curriculum and instruction decisions or the hiring of staff. (Chapter 4 provides more detail on accountability roles played by EMOs and CBOs.)

[52] In Michigan, 74 percent of charter schools contract out services to EMOs (Miron and Nelson, 2002). Of the schools with university authorizers that reported EMO arrangements, all but one were in Michigan.

Exhibit 3-14
Roles Played by Education Management Organizations and Community-Based Organizations, According to Charter School Directors (2001-02)

Role	Percentage of Schools	
	Charter schools with EMOs (n=83)	Charter schools with CBOs (n=74)
Ensuring compliance with state and federal regulations	94	78
Providing technical assistance and professional development	91	65
Administering personnel and benefits	89	62
Administering budget	87	70
Providing, leasing, locating capital equipment or facilities	84	70
Monitoring progress toward and compliance with terms of our charter	80	72
Monitoring student performance	72	58
Managing the overall operation or administration of this school	71	59
Providing or brokering student services (e.g., special education or LEP)	68	49
Representing school in negotiations with the charter school authorizer	65	69
Directing the curriculum and instruction	64	38
Providing seed or start-up funds	64	55
Hiring staff	60	43

Sources: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 94 percent of charter schools with EMOs reported that the EMO assisted their school in ensuring compliance with state and federal regulations, compared with 78 percent of charter schools with CBOs reporting that their CBO played this role.

Chapter 4
Charter School Accountability and the Role of Authorizers

Authorizers play an important role in the charter movement, serving as "intermediaries" between charter schools and the state policymakers who created charter school legislation (Bulkley, 1999). In fact, these bodies are key partners in charter school accountability relationships, holding sponsored charter schools accountable for the goals listed in their charters, as well as in compliance with other state or federal laws and regulations. However, charter school legislation in the states has provided virtually no guidance on how authorizers should approach account-ability processes. Furthermore, both policymakers and researchers have largely overlooked authorizers (see, however, Palmer and Gau, 2003, Hassel and Herdman, 2000). Understanding the role of authorizers is important to understanding this educational reform.

Two question areas divide this chapter, with the first focusing on the roles of authorizing bodies and the second focusing on the accountability relationships with charter schools.

This section discusses the types of authorizing bodies, the reasons they sponsor charter schools and the services they provide. However, charter schools are also accountable to other groups (Hill et al., 2001). Therefore, this chapter also discusses the multiple groups to whom charter schools are accountable, with an emphasis on authorizers because they have the unique authority to close or not renew a school when it fails to meet the goals stated in the school's charter. As pioneers in performance-based accountability, charter school authorizers may inform broader attempts to hold public schools accountable (Hassel and Herdman, 2000; Vergari, 2001).

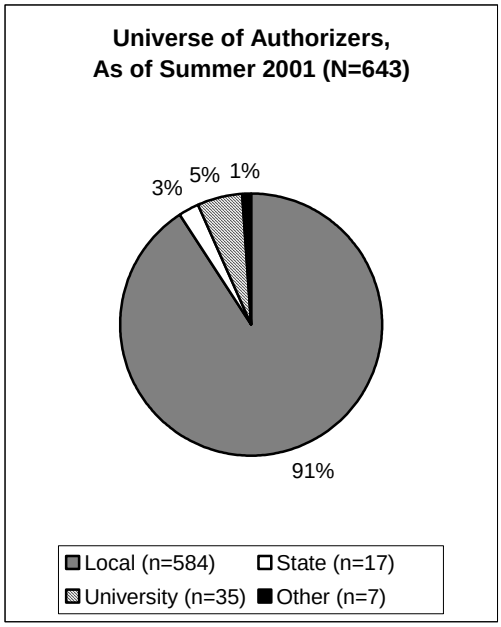
Characteristics of Charter School Authorizers and Their Schools

Finding: Local education agencies are the most common type of authorizer but grant the smallest number of charters, on average. In some states, state education agencies or universities may also authorize charter schools. These authorizing bodies tend to issue relatively larger numbers of charters.

State laws determine which agencies may award charters or "authorize" charter schools. As discussed in Chapter 1, this report focuses on three types of authorizing bodies: local education agencies (including county offices of education), state education agencies and institutions of higher education.[53] Exhibit 4-1 illustrates the distribution of authorizers by type. In 2001-02, 91 percent of authorizers were local education agencies; relatively few were state education agencies or universities. From 2000-01 to 2001-02, the number of local authorizers increased by 175 and the universe overall increased by 186.

[53] In 2001-02 the evaluation did not sample the small number of "other" authorizers that includes municipal governments and independent chartering entities.

Exhibit 4-1
Distribution of Charter School Authorizers, by Type (2001-02)



Source: SRI 2001-02 authorizer sampling frame.
Exhibit Reads: In 2001-02, 91 percent of the universe of authorizers were local school districts.

Although the number of schools sponsored by individual authorizers was small (on average, authorizers had a total of three schools in operation), it is important to remember that relatively few authorizers chartered a large number of schools.[54] Conversely, a large proportion of authorizers chartered a very small number of schools; three-quarters of authorizers had two or fewer schools in operation in 2001-02.

While local authorizers were the most common type of authorizer, they chartered the smallest number of schools, on average.[55] States sponsor the largest number of schools, on average, with approximately five times as many state-authorized schools in operation compared with those of university authorizers and 15 times as many as those of local authorizers.

Why Authorizers Charter Schools

Finding: Authorizers' reasons for awarding charters are changing over time, with a greater emphasis in 2001-02 on creating competition and responding to political pressure.

During focus groups in 1999-2000, charter school authorizers expressed concern about the extra work entailed in overseeing charter schools and uncertainty about their new roles. Authorizers become involved in sponsoring charter schools for a number of reasons despite these concerns. The top reasons that authorizers reported for sponsoring charter schools included:

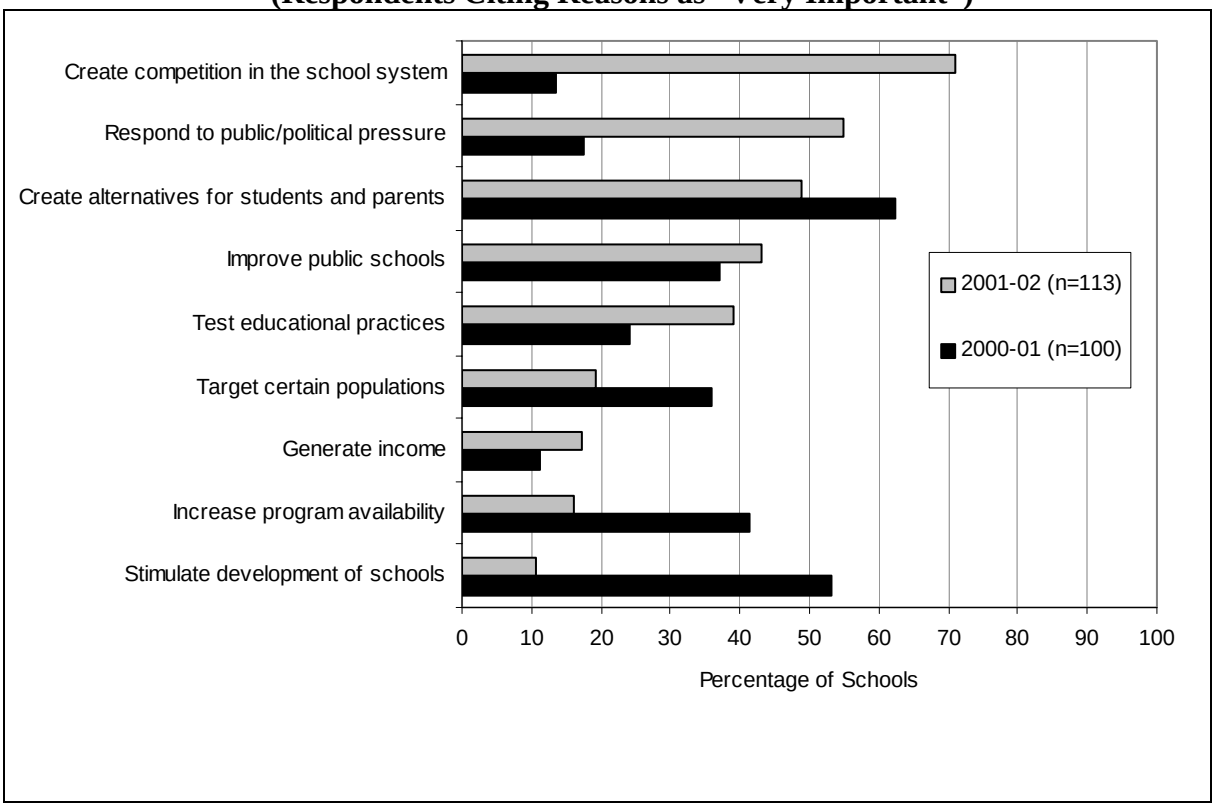
- Creating competition in the public school system;
- Responding to public and political pressure; and,
- Creating alternatives for students and parents.

Authorizers' primary reasons for sponsoring charter schools have shifted over a two-year period. As Exhibit 4-2 shows, authorizers were more likely to cite the creation of competition in the public school system as a

[54] In addition to having schools in operational and planning stages, some authorizers had schools that had been (1) chartered but never opened (8 percent), (2) closed as charters but continued to operate (1 percent), or (3) closed as charters and were no longer operating (10 percent).

[55] These data were as follows: Local authorizers had two schools in operation, on average, and less than one school in planning. State authorizers had 30 schools in operation, on average, and five schools in planning. Universities had six schools in operation, on average, and less than one school in planning. These differences by type were statistically significant.

Exhibit 4-2
Reasons Authorizers Sponsor Charter Schools, 2000-01 and 2001-02
(Respondents Citing Reasons as "Very Important")



Sources: SRI 2000-01 and 2001-02 authorizer surveys.
Exhibit reads: In 2000-01, 14 percent of authorizers reported that creating competition was a very important reason for sponsoring charter schools, compared with 71 percent of authorizers in 2001-02.

reason for chartering activity in 2001-02 than they were the previous year. More respondents also noted that being responsive to public or political pressure was of importance. Conversely, in 2001-02, authorizers were less likely to report that the motivation for chartering included a desire to stimulate development of schools targeted to students with particular needs or to make a particular school or program available to more students.

One possibility for this shift in rationale for sponsoring charter schools is that competition within the public school system is becoming more widely accepted. In addition, in some locations, transferring to charter schools may be an option for families whose children have been attending schools identified as failing under NCLB. It will be important for evaluators to continue documenting how NCLB requirements affect charter schools and authorizers.

Not all authorizers have the same rationale for sponsoring charter schools. In fact, reasons for sponsoring schools differ by authorizer type. For example, state authorizers were much more likely than local authorizers and universities to view improving the public school system, creating competition, responding to public or political pressure, and fulfilling the mandates of the state charter law as "very important" in their decision to sponsor schools. (See Appendix D-1 for more detail about authorizers' reasons for sponsoring charter schools by type of authorizer.)

Authorizer Capacity

Finding: Only one-third of authorizing bodies have an office or staff dedicated to charter school activities, suggesting limited capacity to address charter school issues. However, charter authorizers may be developing their capacity through increased involvement in both formal and informal networks.

A fundamental assumption of the philosophy of charter school accountability is that authorizers will track the progress of the charter schools that they sponsor to ensure that they are meeting the terms of their charters. To meet this responsibility, authorizers must have the capacity to take on this accountability role. One indicator of capacity is having a particular office or staff dedicated to charter school-related matters. During focus groups in 1999-2000, many authorizers stated that competing responsibilities made fulfilling their charter duties very difficult. This situation does not appear to have changed significantly over the years: Only 36 percent of authorizers had an office or staff dedicated to charter school work in 2001-02 (compared with 30 percent the year before). However, certain types of authorizers were more likely to have this arrangement. The majority of state authorizers (85 percent) had a charter school office or staff, compared with 64 percent of universities and 33 percent of local authorizers. These differences were statistically significant ($p<.01$).

Another indicator of authorizer capacity is the number of full-time equivalent (FTE) staff dedicated to charter school work. Analysis of FTEs by types of authorizer reveals some interesting findings. Across all types of authorizers, an average of three FTE professional and administrative staff in the authorizing agency were dedicated to charter school work.[56] Local and state authorizers had an average of three FTE staff, while university authorizers had seven FTE staff dedicated to charter work. The difference in the number of FTE staff by type of authorizer is statistically significant ($p<.10$).

One way in which authorizers can build capacity is through involvement in both formal and informal networks with other charter school authorizers. According to Vergari (2001), "school authorizer offices stand to gain a great deal through the exchange of experiences, ideas and information with each other" (p. 138). In 1999-2000 and 2000-01, many authorizers reported that they had too little interaction or discussion with other authorizers. By 2002, a general trend emerged in which more authorizers were becoming formally and informally involved with their peers. In 2001-02, the percentage of authorizers *not* involved in either type of network dropped to 17 percent, from 39 percent in 2000-01. (Appendix D-2 provides more details.)

Authorizer Services to Charter Schools

Finding: Authorizing bodies deliver a wide range of services to their charter schools, including administrative oversight, assistance in meeting regulations and the provision of special education services. To an increasing extent, authorizing bodies provide these services at a cost to the schools.

[56] Please note that only the authorizers with an office or staff dedicated to charter schools answered the survey question on FTE.

The accountability role of authorizers is the most important role they play; however, authorizers play an additional role (one that is seldom discussed) in providing assistance and services to their charter schools. In fact, 85 percent of charter schools reported that their authorizers were a source of assistance. While the 2000-01 evaluation report for this study discusses this role of authorizers in detail, this section highlights additional findings and differences between the two years of data.

Authorizers may either provide direct support or "broker" support by linking schools to other agencies. In 2001-02, authorizers were more likely to provide in-kind support to their schools than in the previous year. In addition, increasing proportions of authorizers were brokering support (that is, helping charter schools acquire services) in 2001-02 compared with 2000-01. (See Appendix D-3 for more details.) In addition to providing assistance, many authorizers provide services ranging from general oversight to social services or supplies and equipment to their schools. Specifically, the most common types of assistance or services include:

- Administrative oversight, monitoring and evaluation;
- Assistance in meeting state and federal regulations;
- Special education services; and
- Special education testing and assessment.

Services provided to schools varied greatly by type of authorizer, with local authorizers offering the widest range of services (see Appendix D-4).

As discussed in the 2000-01 report, it is important to remember that schools do not necessarily receive these services free of charge. Instead, authorizers have a number of different financial arrangements with their charter schools, including retaining funds that pass through their agency to the school, charging a flat fee,[57] and charging schools on a fee-for-service basis. In 2000-01, authorizers supplied their charter schools with the majority of the most widely provided services at no cost to the schools. Although in many cases authorizers still provide free services to their charter schools, the trend is toward retaining funds or charging a fee for service, depending on the service.

The Charter School Accountability Process

Beyond awarding charters, authorizing bodies are responsible for monitoring school performance in areas such as financial record keeping, special education services, compliance with regulations and student performance. If charter schools do not meet performance goals, authorizers may revoke or fail to renew a school's charter. The purpose of this section of Chapter 4 is to examine these accountability relationships between charter schools and their authorizers. The section addresses the following evaluation question:

- What types of accountability relationships do authorizers have with charter schools?

The small amount of research focusing on accountability and the role of authorizers has found that variation in the amount of oversight that authorizers provide is linked to differences in type of authorizer (Hill et al., 2001); to differences in philosophical views and capacity levels (Hassel and Herdman, 2000); and to uncertainty about roles (Wells, 1998). Bulkley (2001) argues that authorizers find themselves in an "accountability bind," as they face challenges to the underlying

[57] According to NCLB, authorizers may not charge a flat fee for services unless this fee is mutually agreed upon by both the charter school and the authorizer. However, NCLB was not in effect at the time of this study.

assumptions about charter school accountability ranging from difficulty in measuring performance to concerns that closing schools will reflect poorly on the charter school movement.

The accountability process for charter schools involves three phases: the application process, the monitoring process and the implementation of sanctions. At all stages of the process, authorizers are the key players in charter school accountability. However, many other groups also play roles in charter school monitoring—the following section also discusses these groups and their overlapping roles.

Accountability Phase 1: The Application Process

Finding: Through the application process, authorizing bodies screen applications, denying charters because of problems relating to the proposed instructional strategies, governance procedures, accountability provisions and business plans.

The charter school application process is the first stage in becoming a charter school, as founding groups seek an authorizer to "charter" their schools. Some authorizers view a rigorous application process as a way to influence school quality and improve the extent to which schools are held accountable (Bulkley, 2001). Authorizers may choose to take advantage of this opportunity to screen applicants (and deny charters) because closing a school that has already opened has proved to be difficult (Vergari, 2001; Bulkley, 2001).

During this stage, authorizers focus on a number of different areas that they believe are critical to the successful operation and sustainability of a school. The 2000-01 report of this evaluation discussed the variety of application procedures for charter schools, such as formal deadlines and public hearings, and data from 2001-02 generally confirm these earlier findings. In addition, exactly the same proportion of authorizers (12 percent) provided additional assistance with funding or waivers to applicants targeting student groups from low-income communities in both years.

For most authorizers, the application process is not a continuous process of reviewing applications. In 2001-02, for example, more than half of authorizers reported that they did not receive any charter applications in 2001.[58] Even when they received applications, authorizers did not approve all applicants' proposals. In fact, of the authorizers that reported receiving applications in 2001:

- 21 percent did not charter any.
- 19 percent chartered *1-25 percent* of the applications.
- 15 percent chartered *26-75 percent* of the applications.
- 45 percent chartered *76-100 percent* of the applications.

Local authorizers were likely to charter most (76-100 percent) of the applications they received, although they tended to receive fewer applications. States and universities, on the other hand, received larger numbers of applications but chartered lower proportions of them.

Whether their criteria are explicit or not, authorizers rank certain application elements as most important, including accountability provisions, curricular and instructional strategies, mission and goals of the school, health and safety issues and the assessment system. More authorizers denied charter

[58] States (the type of authorizer that sponsors the most schools) were more likely than local and university authorizers to have received applications in 2001.

applications because of problems or concerns with their applications in 2001-02 than in the previous year (33 percent versus 23 percent).[59]

Authorizers cited problems in the following areas as reasons for denying charter applications:

- Curricular and instructional strategies;
- Governance and management procedures;
- Accountability provisions; and,
- The business plan.

Appendix D-5 provides more information about authorizers' reasons for denying charter applications.

Accountability Phase 2: The Monitoring Process

Finding: Although authorizers and states reserve legal authority to monitor charter schools, multiple groups are involved in this process. The result is a complex system of accountability for charter schools.

The monitoring process occurs after planning groups have been awarded charters by authorizers. This process is complex, and it is not clear to whom these schools are accountable despite the designation of the authorizer as the responsible agency in most charter laws. In fact, schools reported being monitored by various entities, including authorizers, their own governing boards, their states, and in some cases, EMOs or CBOs.

This section discusses the different roles of these entities in monitoring charter schools and the overlapping nature of charter school monitoring.

Clear and measurable goals are important components of accountability systems because authorizers have difficulty holding schools accountable when goals are vague or undefined (Wells, 1998). Both schools and authorizers reported that most charter schools had measurable goals in their charters, particularly goals focusing on academic achievement and student attendance. Authorizers reported that, on average, 91 percent of their schools had measurable goals in student academic performance and 79 percent had measurable goals in student attendance.

Charter schools used a number of different assessment strategies, the most common being performance-based tests and norm-referenced tests. Student interviews or surveys were the least common assessment strategy in charter schools. As Exhibit 4-3 indicates, states, districts or authorizers tend to require norm- and criterion-referenced tests. On the other hand, schools tend to choose portfolios, student and parent surveys and the demonstration of students' work as additional assessment tools.

[59] Eighty-five percent of states denied charter applicants because of problems or concerns with their applications, compared with 52 percent of universities and 30 percent of local authorizers.

Exhibit 4-3
Assessment Strategies Used by Charter Schools, 2001-02

Assessment Strategies	Percentage of Schools (n=477) Using Strategy	Percentage of Schools	
		Use: school's choice	Use: required by state, district or authorizer
Standardized norm-referenced tests	90 (n=430)	26	74
Criterion-referenced test with proficiency levels or cut scores	82 (n=383)	35	65
Performance-based tests	91 (n=434)	52	48
Behavioral indicators, such as attendance, expulsion and college application rates	83 (n=392)	54	46
Parent satisfaction surveys	86 (n=412)	74	26
Student portfolios	76 (n=361)	81	19
Student interviews or surveys	71 (n=340)	80	20
Students' demonstration of their work	86 (n=410)	82	18

Note: Schools were first asked if they use a particular strategy. Only those who responded yes were asked to specify if the use was the school's choice or required by the state, district, or authorizer.
Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 90 percent of charter schools (n=430) reported using standardized norm-referenced tests. Twenty-six percent of those 430 schools *chose* to use this option, while 74 percent were *required* by the state, district, or authorizer.

Monitoring by Authorizers. The monitoring role of authorizers flows directly from the philosophy of charter schools: Public agencies are responsible for holding these schools accountable to the terms of their charters. Paradoxically, this fundamental tenet of the charter school movement is left to authorizers themselves to put into practice, with little guidance from state charter laws. In this new system of accountability, authorizers must determine what is important to monitor and what procedures they will use to hold their schools accountable.

Authorizers reported monitoring nearly all of their schools in the following areas:

- Compliance with federal or state regulations;
- Student achievement results on statewide assessments;
- Enrollment numbers;
- Financial record keeping and viability; and,
- Special education services.

Exhibit 4-4 indicates the areas that authorizers reported monitoring and provides the average percentages of schools they monitored.[60] For example, authorizers monitored compliance with federal or state regulations for 91 percent of their schools, on average.

For some authorizers (28 percent), the intensity of monitoring varied across schools because a portion of their charter schools received extra monitoring and oversight. States were more likely to vary the level of monitoring and oversight. In fact, 77 percent of state authorizers reported providing different levels of monitoring and oversight across schools, while only 25 percent of local and 38 percent of university authorizers reported such differences. These differences by type were statistically significant ($p<.01$). This variation is most likely linked to the greater number of schools chartered by state authorizers.

[60] The top five areas reportedly monitored by authorizers are the same for both authorizers (Exhibit 4-5) and schools (Appendix D-6).

Exhibit 4-4
Focus of Authorizer Monitoring, 2001-02

Monitoring Focus	Average Percentage of Schools Monitored by Authorizers (n=116)
Compliance with federal or state regulations	91
Student achievement results on statewide assessment	91
Enrollment numbers	91
Financial record keeping and viability	89
Special education services	85
Alignment of curriculum to state standards	83
Other student performance indicators, such as attendance rates	80
School management, leadership or governance	78
Student discipline and school safety	77
Student achievement results on other standardized tests	75
Student admission and selection procedures	74
Student performance on performance-based tests	72
Instructional practices	66
Parent satisfaction	60
Diversity of student body	58
Parent or community involvement	58
Staff performance and/or attendance	52
Relationship with education management organization[a]	41
Staff satisfaction	39

[a]This item was answered by only those 78 authorizers that reported having relationships with EMOs.
Source: SRI 2001-02 authorizer survey.
Exhibit reads: In 2001-02, authorizers reported monitoring compliance with federal or state regulations for 91 percent of their schools, on average.

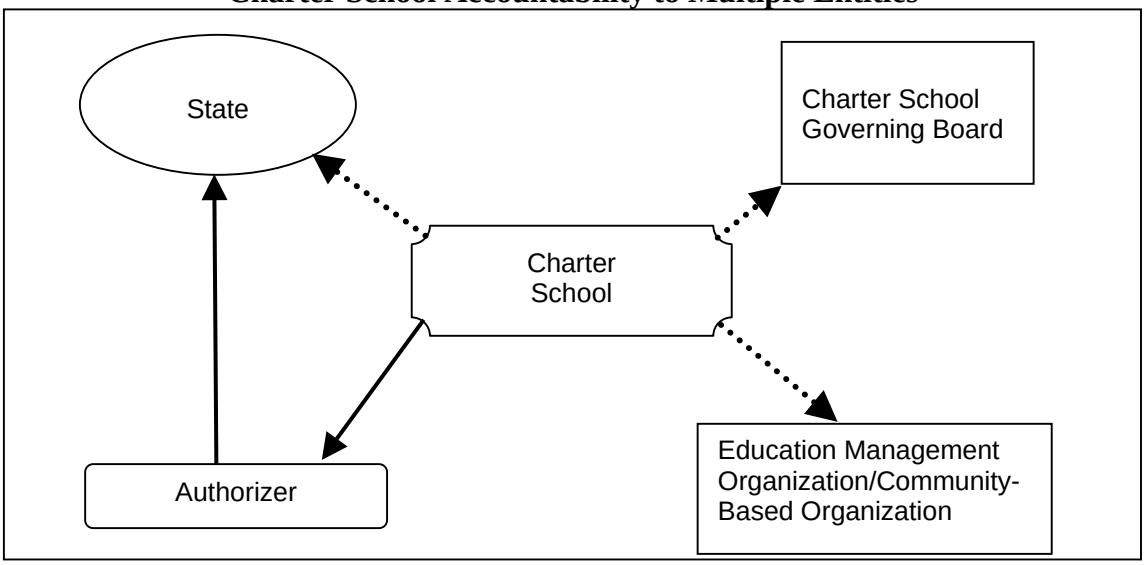
Authorizers used a number of different procedures or requirements to monitor their charter schools, including having schools report their standardized test scores, reviewing their compliance with regulations, and requiring fiscal audits and annual reports. (See Appendix D-7 for more detail about authorizer monitoring procedures.)

How frequently authorizers monitored schools differs by specific topic or area. (See Appendix D-8 for data on the frequency of monitoring by authorizers.) Authorizers primarily monitored their charter schools "annually" or "more than once a year"—depending on the focus of the monitoring—rather than "at the end of the charter cycle."[61] They tended to monitor financial record keeping and viability, enrollment numbers and special education services more than once a year. Monitoring these areas more frequently than other areas may be necessary because these are new schools with leaders who often lack experience managing a budget, and their viability depends on keeping enrollment numbers at a certain level. Furthermore, the provision of special education has always been an area of concern in charter schools, so it is not surprising that this was an area monitored more frequently. Authorizers tend to monitor student achievement results on statewide and other standardized tests annually (as they do for traditional public schools).

[61] "Annually," "more than once a year," and "at the end of the charter cycle" were the survey categories.

In addition to authorizers, charter schools reported being accountable to a number of other groups, as illustrated in Exhibit 4-5. The solid black arrows represent the core accountability requirements, usually specified in the state charter school legislation. Charter schools are accountable to their authorizers, who, in turn, are accountable to the state. (If the state were the authorizer, there would be a solid arrow between the state and the charter school.) The dotted arrows indicate accountability relationships that some charter schools have with governing bodies, states and EMOs or CBOs. Legally, these relationships may be of a different order than relationships with the authorizer or the state, but in some cases, charter schools consider them their most important reporting requirements. For example, it is quite common for charter directors to assert that they feel most accountable to their governing board (even though it could be argued that the school and the board are the same legal entity.) These complex accountability relationships can have varied effects, from strengthening the organizational viability of the school (positive) to creating confusing lines of accountability and detracting from the school's core mission (negative) (Hill et al., 2002).

Exhibit 4-5
Charter School Accountability to Multiple Entities



Note: The solid black arrows represent the core accountability requirements, usually specified in the state charter school legislation. The dotted arrows indicate accountability relationships that some charter schools have with governing bodies, states and EMOs or CBOs.
Exhibit reads: Charter schools have a legal accountability relationship with their authorizer but also report being accountable to their own governing bodies and education management organizations/community-based organizations.

Monitoring by School Governing Bodies. In both 2000-01 and 2001-02, charter schools reported that their own governing boards were more involved in monitoring their activities than their authorizing bodies, states, and other entities. These findings support past research (e.g., Hill et al., 2001). Monitoring by a school's own governing body is an important internal accountability step, but it is only part of the overall monitoring process.

The areas most commonly monitored by charter school governing bodies were staff performance or attendance (reported by 77 percent of schools); student discipline and school safety (76 percent); parent satisfaction (74 percent); school management, leadership or governance (72 percent); parent or community involvement (71 percent); and instructional practices (71 percent). Again, in almost all monitoring areas, the school governing body was the most frequently identified monitoring entity. See Appendix D-9 for more detail on charter school reports of monitoring by school governing bodies.

Monitoring by State Departments of Education. Like authorizers, state education agencies play a multifaceted monitoring role with respect to charter schools. This role begins with their implementation of state charter laws, which usually lay out in general terms the accountability expectations for state education agencies, authorizers and schools. Because charter schools are public schools, state accountability systems and oversight responsibilities apply to them.

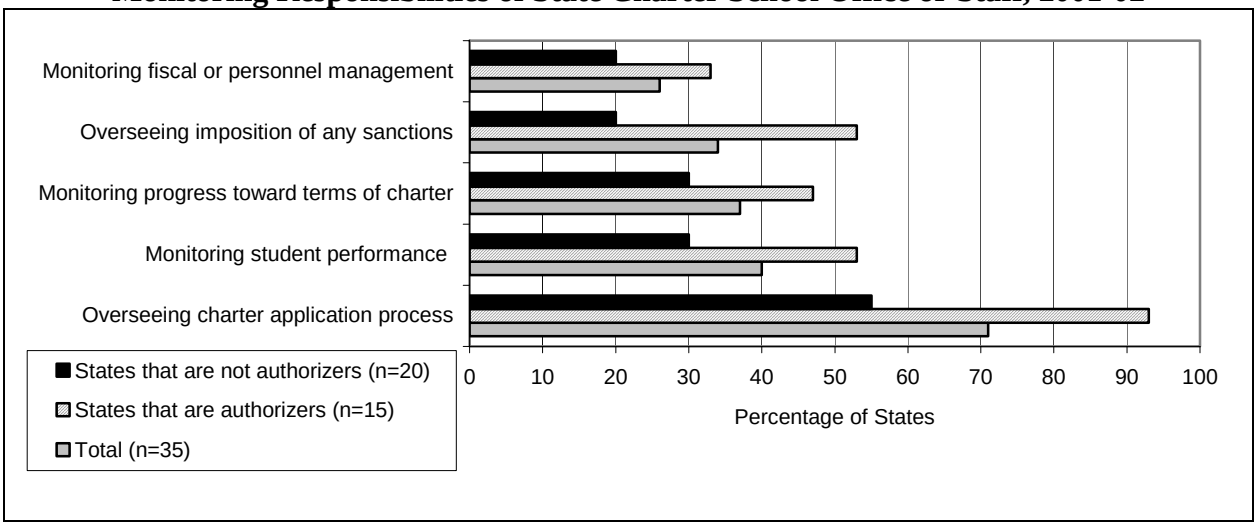
An additional twist on the state role is the fact that 43 percent of states with charter laws include state-level bodies or boards as charter school authorizers. This section presents the charter school monitoring role of states in general, with additional analyses separating the states that are authorizers from those that are not. This discussion, based primarily on data from the 2001-02 survey of state charter school coordinators, focuses on the monitoring role of the state. (For more information about the responsibilities of state-level charter school offices, see Chapter 2.)

Exhibit 4-6 indicates the primary monitoring responsibilities of states.[62] As this exhibit shows, states that are authorizers have a role in monitoring their schools, particularly in overseeing the charter application process. What is interesting is that the states that are *not* authorizers also claimed a role in all of these areas, especially the monitoring of the charter school application process, student performance and progress toward the terms of the charter.

Charter schools also reported that state-level bodies (including those that were authorizers) monitored their progress. At least one-third of charter schools reported state-level monitoring of the following areas: student achievement results on statewide assessments (63 percent); special education services (56 percent); compliance with federal or state regulations (55 percent); financial record keeping and viability (49 percent); other student performance indicators, such as attendance rates (41 percent); student performance on performance-based tests (41 percent); enrollment numbers (37 percent); and the alignment of curriculum to state standards (37 percent). In general, state-level monitoring is likely to increase under the requirements of NCLB.

[62] Respondents reported the top four responsibility areas of their charter school offices or staff.

Exhibit 4-6
Monitoring Responsibilities of State Charter School Office or Staff, 2001-02



Source: SRI 2001-02 state coordinator survey.
Exhibit reads: In 2001-02, 20 percent of states that are not charter school authorizers reported that their charter school offices or staff monitor the fiscal and personnel management of charter schools, compared with 33 percent of states that are authorizers and 26 percent of all state respondents.

Like authorizers, states use a number of different strategies to monitor the progress of their charter schools, regardless of whether they are authorizers. Two of the most frequently used strategies by both types were annual reports and informal site visits to schools. Formal site visits were more common among states that were authorizers, and third-party evaluations were more common among non-authorizer states. On the other hand, both types frequently used fiscal audits. (See Appendix D-10 for more detail on state monitoring procedures for charter schools.)

Monitoring by Education Management Organizations and Community-Based Organizations. As discussed in Chapter 3, 19 percent of charter schools have an operational arrangement with Education Management Organizations (EMOs), and 16 percent have an arrangement with Community-Based Organizations (CBOs). These charter schools reported an interesting and under-examined role of EMO and CBO relationships in monitoring their schools.

More than two-thirds of charter schools with EMO and CBO relationships reported that these entities monitored their compliance with regulations and their progress toward the terms of their charters. In addition, more than half of charter schools with EMOs and CBOs reported that these entities monitored student performance. Appendix D-11 provides more details.

Charter schools reported differences between the two groups, with EMOs reportedly involved in monitoring a larger proportion of charter schools for each category. For example, while more than 70 percent of charter schools reported that their EMO monitored student performance less than 60 percent of charter schools with CBOs reported this. This monitoring role of EMOs and CBOs is an important area for future research.

In summary, many more agencies have a role in monitoring charter schools than are typically involved in monitoring traditional public schools. Although the assumption is that authorizers are responsible for monitoring

their schools' progress through requirements specified in state charter school laws, the charter schools themselves report multiple strands of reporting requirements. What makes these complicated monitoring relationships more confusing is that all of the monitoring groups do not have the authority to implement sanctions if the process uncovers problems or noncompliance with federal or state laws or regulations or with the school's charter which is, legally speaking, a contract between the school and its authorizers.

Accountability Phase 3: The Implementation of Sanctions

Finding: Authorizers reported implementing informal sanctions more often than formal sanctions—few authorizers have revoked or not renewed a charter.

Although many entities may monitor charter schools, authorizers are generally the only agencies with the authority to implement formal or informal sanctions as a result of the monitoring (some states may reserve this right through the state charter law).[63]

Authorizers usually grant charters for three to five years, and when the term is completed, the school must apply for renewal. The formal sanctions used by authorizers are nonrenewal of the charter and revocation before the term of the charter is completed. In 2001-02, authorizers reported that from zero to 52 schools were up for renewal. About half (48 percent) of authorizers had one or more schools up for renewal.

Several studies have found that authorizers have difficulty closing schools due to political factors (Hassel and Herdman, 2000; Hill et al., 2001; Bulkley, 2001). Hassel and Herdman identify several disincentives for authorizers in terminating a charter, ranging from public relations to financial issues. Vergari (2001) argues that closing the school may damage the reputation of the authorizer. Based on survey data, small numbers of authorizers have revoked or not renewed charters.[64]

On average, 96 percent of charter schools that had participated in the renewal process had their charters renewed by authorizers. Of the 55 authorizers that had charter schools up for renewal, only four authorizers had not renewed one or more charters. Eight authorizers had charter schools that were still in the renewal process at the time of data collection, with the outcomes as yet unknown. (Comparing these rates with the proportion of traditional public schools that have been sanctioned through closure or reconstitution was beyond the scope of this study.)

Revocation of the charter is another formal sanction seldom used by authorizers. Six percent of authorizers had implemented this sanction.[65] States were more likely to have applied this sanction than the other types of authorizers: 38 percent of state authorizers compared with 5 percent of local authorizers and 14 percent of university authorizers.

The total proportion of authorizers that either revoked or did not renew a charter in 2001-02 was 12 percent (this is the same percentage of authorizers as in 2000-01). The authorizers that implemented formal sanctions reported

[63] States were asked whether formal sanctions had been imposed but these data were too general to estimate the prevalence of sanctions. Schools were also asked about sanctions but the sample consisted of charter schools *in operation*, providing an incomplete picture.

[64] According to the Center for Education Reform, 194 charter schools had closed (of those that had been opened at one time) as of October 2002 (see www.edreform.com).

[65] Authorizers reported closing a total of 24 schools.

that the sanctions were most frequently related to problems in the areas of compliance with federal or state regulations, financial record keeping and viability and special education services.

Exhibit 4-7 provides the percentage of authorizers reporting problems that resulted in formal sanctions. Authorizers indicated that nonrenewal and revocation were linked to other areas besides academic performance problems, including problems relating to compliance with state and federal regulations[66] and financial problems. Only 38 percent of authorizers reported implementing formal sanctions when a school was not meeting progress toward academic goals and 29 percent sanctioned their schools because of lack of progress toward specific goals in the charter. These findings support the argument by Hill et al. (2001) that lack of capacity leads authorizers to focus on bureaucratic measures, such as whether or not a school is fiscally solvent.

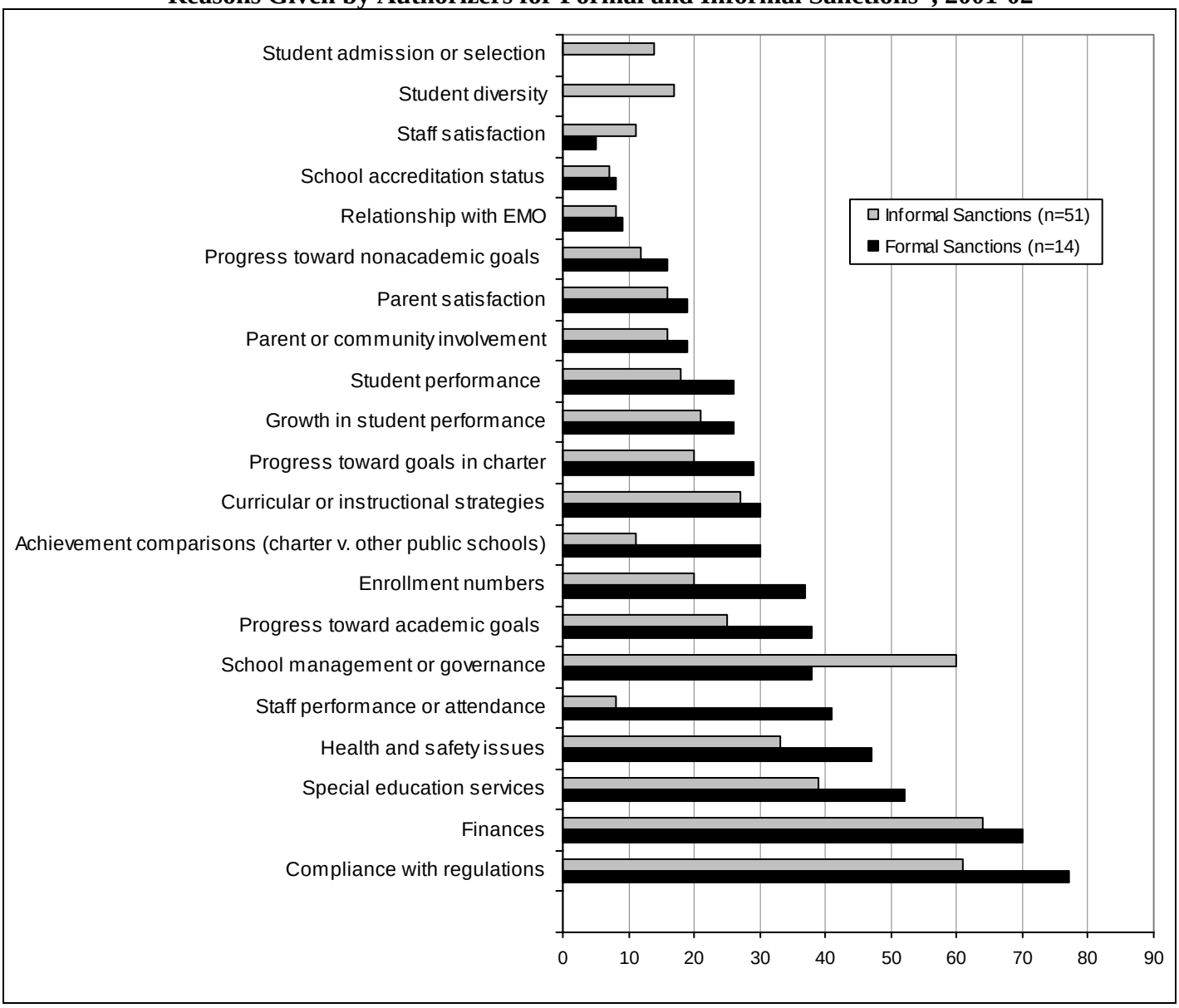
Bulkley (2001) identified strategies authorizers use that fall short of closing a school. Several data collection efforts for the present study also identified informal sanctions: the authorizer survey, focus groups with authorizers, and site visits. Authorizers reported reluctance to implement formal sanctions without first trying to help the schools improve. Informal sanctions are more common than formal sanctions, with 42 percent of authorizers implementing some type of informal sanction. Charter school directors reported that 12 percent of charter schools received written notification about problems, 9 percent were required to develop improvement plans, and 3 percent were placed on probationary status. Written notifications doubled over a two-year period, from 6 percent in 2000-01 to 12 percent in 2001-02.

As Exhibit 4-7 illustrates, informal sanctions were imposed for the same reasons as formal sanctions: problems with financial record keeping and viability (64 percent) and with compliance with federal or state regulations (61 percent). Informal sanctions were more likely than formal sanctions to be linked to problems around school management, leadership or governance but were less likely to be associated with problems of academic progress, such as growth in student performance. When charter schools were not meeting the expectations of authorizers, 58 percent of authorizers reported providing extra assistance to schools, whether or not they were placed under informal sanctions.

The preceding discussion indicates that the application for a charter, monitoring and implementation of sanctions are all part of the charter school accountability process but that variation exists in the procedures used by authorizers and the degree of oversight exerted during all three stages. Complicating the accountability relationship between authorizers and schools is the fact that charter schools are accountable to multiple groups. However, the theory of charter school accountability may be even more affected by political and technical barriers faced by authorizers and by a shift toward increased accountability at the school-level—two important areas discussed in the following pages.

[66] This finding may seem counterintuitive given the theory of charter schools. However, as discussed in Chapter 3, many charter schools do not receive blanket waivers from regulations governing all public schools.

Exhibit 4-7
Reasons Given by Authorizers for Formal and Informal Sanctions[67], 2001-02



Source: SRI 2001-02 authorizer survey.
Exhibit reads: In 2001-02, 77 percent of the authorizers that reported implementing *formal* sanctions did so because of inadequacies in the area of compliance with federal or state regulations. Sixty-one percent of the authorizers that reported implementing *informal* sanctions did so because of inadequacies in this area.

[67] "Formal" sanctions are identified in charter school laws and include (1) nonrenewal of the charter or (2) revocation before the term of the charter is completed. "Informal" sanctions, which are not mandated by law but have developed through the charter school implementation process, include providing written notification to schools about problems, requiring schools to develop improvement plans, and placing schools on probationary status.

Challenges to Charter School Accountability

Finding: Authorizers struggle in their new roles as the agents that hold charter schools accountable because of inadequate financial resources, difficulty closing schools, and limited staff capacity. Furthermore, the current accountability policy context calls into question the assumption that authorizers will hold charter schools accountable for individualized goals.

While moving forward with the new system of holding schools accountable for the outcomes in their charters, many authorizers experience challenges that limit their ability to oversee schools. Past research has identified impediments relating to the lack of resources and capacity of authorizers (Hassel and Herdman, 2000; Vergari, 2001), the technical complexity of creating new accountability systems (Hassel and Herdman, 2000; Vergari, 2001), the political environment (Hassel and Herdman, 2000; Vergari, 2001), and the delicate balance between giving schools flexibility and holding them accountable (Vergari, 2001).

Exhibit 4-8
Challenges Reported by Authorizers and Difficulty Level, 2001-02

Challenges to Holding Charter Schools Accountable	Percentage of Authorizers (n=114)	Mean Rating of Difficulty to Overcome Challenge
Inadequate financial resources	56	3.5
Difficulty in closing a school that was having problems	55	3.3
Lack of personnel dedicated to charter school work	48	3.5
Lack of clarity and/or guidance about state charter school law	45	3.2
Public confusion and/or lack of understanding of charter school concept	43	3.1
Difficulty in measuring charter school progress	41	3.0
Resistance from traditional public schools	38	3.1
Lack of clarity and/or guidance about how other state policies relate to charter schools	37	3.4
Competition with traditional public schools for funding/resources	37	3.6
Difficulty determining your authorizing agency's roles and responsibilities in charter schools	34	3.3
Lack of clarity and/or guidance about how federal laws relate to charter schools	32	3.2
Difficulty in creating a system to hold schools accountable	30	3.1
Difficulty in setting targets for performance in charter schools	29	3.2
Union opposition	23	3.1
Community opposition	18	3.0
Politics[a]	12	3.6

Note: Mean rating of difficulty is based on a 4-point scale, with "very difficult" equal to 4, "somewhat or moderately difficult" equal to 3, "slightly difficult" equal to 2 and "not at all difficult" equal to 1.
[a] This category is based on the responses of 82 authorizers; the remainder reported that politics was "not applicable."
Source: SRI 2001-02 authorizer survey.
Exhibit reads: In 2001-02, 56 percent of authorizers reported that "inadequate financial resources" was a challenge for them in fulfilling their duties. On a difficulty scale of 1 to 4, authorizers rated this challenge a 3.5.

Exhibit 4-8 lists a wide range of challenges faced by authorizers, the most frequently reported being inadequate financial resources (56 percent) and difficulty closing a school that is having problems (55 percent). In addition, nearly half of the authorizers cited a lack of personnel as an impediment. As discussed previously, authorizers had three FTE staff, on average, dedicated to charter school work. In many cases, this number is insufficient for effective oversight of the schools they sponsor. Similar percentages of authorizers in 2001-02 and 2000-01 reported difficulty setting targets, creating accountability systems, and measuring progress.

It is interesting to compare the prevalence of certain obstacles with authorizers' perceived difficulty in overcoming them. As Exhibit 4-8 illustrates, charter school authorizers cited inadequate financial resources as a common challenge and ranked it as one of the most difficult to overcome. Some barriers (e.g., politics and competition with traditional public schools) were not problems for as many authorizers but ranked high as difficult challenges to overcome.

The data also indicate a statistically significant difference in the challenges faced by type of authorizers. For example, state authorizers reported that politics and resistance from traditional public schools were a bigger challenge than they were for local or university authorizers (see Appendix D-12 for more details).

Beyond challenges faced by authorizers, the larger push for accountability at the state and federal levels also affects charter school accountability to some degree. Since the first charter schools began operating in the early 1990s, state accountability systems have become more comprehensive and continue to be refined in response to requirements in federal legislation, most recently the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001 (NCLB). As of 2001-02, more than three-fourths of state coordinators reported that their accountability systems included reporting on student demographics, alignment of curriculum to state standards, reporting of enrollment numbers, reporting on other student performance indicators, and reporting on student achievement results on statewide assessments.[68] The different requirements included in statewide accountability systems, many of which are considered school "inputs," are included in Exhibit 4-9. Few differences exist between those for traditional public schools and the requirements for charter schools. The largest differences were in the areas of teacher demographics (89 percent of states required charters to report, compared with 100 percent of states requiring traditional public schools to report) and waiting lists (91 percent of states required charters to report, compared with 27 percent of states requiring traditional public schools to report).

These data suggest that state accountability systems that developed after the emergence of most state charter school laws have subsumed charter school accountability. As Anderson and Finnigan (2001) argue, the "traditional" accountability system, focusing on inputs, is embedded in the rules and regulations governing charter schools within the current public school system. In the current context, state accountability systems have challenged the principle that charter schools will be held accountable only for particular outcomes listed in their charters because charter schools are now held to the same requirements as other public schools in addition to measurable goals in the charter document.

[68] Note that then features of state accountability systems reported on here include both inputs and outputs (as results).

Exhibit 4-9
State Reporting Requirements for Charter Schools and Traditional Public Schools, 2001-02

Reporting Requirements	Percentage of States	
	Required for Charter Schools	Required for Traditional Public Schools
Reporting student achievement results on required statewide assessments (n=35)	100	97
Reporting on other student performance indicators, e.g., attendance rates (n=34)	97	97
Reporting on enrollment numbers (n=32)	100	94
Aligning of curriculum to state standards (n=31)	90	94
Reporting on student demographics (n=31)	94	100
Reporting on teacher qualifications (n=26)	100	96
Reporting on teacher demographics (n=19)	89	100
Reporting on school waiting list (n=11)	91	27

Note: The number of respondents varies by accountability requirement because some states reported that these requirements were "not applicable" in their states.
Note: The actual survey used the term "accountability requirements" to encompass both inputs and outputs. To avoid confusion with the current narrower definition of accountability in NCLB, we have used the term "reporting requirements" in this exhibit and accompanying text.
Source: SRI 2001-02 state coordinator survey.
Exhibit reads: All states (n=35) required that schools report student achievement results as part of their state accountability system. Of these, all required this for charter schools and 97 percent required this for traditional public schools.

Interestingly, the federal accountability provisions of NCLB specify converting persistently low-performing schools to charter schools as one option for restructuring them. Hence, charter schools are both subject to state and federal accountability requirements and possible outgrowths of these efforts. As of 2001-02, only 4 percent of authorizers and 23 percent of states used this new spin on chartering as a reform strategy. This is an aspect of the development of the charter school movement that should continue to be tracked in the future.

Charter school accountability in practice is only beginning to be understood. Beyond the technical aspects of who is monitoring charter schools and for what, charter school accountability in general appears limited by authorizer capacity issues, from personnel and resources to measuring progress. At present, few steps are being taken to improve this situation beyond an increased effort for authorizers to connect through the National Association of Charter School Authorizers (NACSA) which is supported by two ED "national leadership" grants. Assistance by states to the nearly one-third of authorizers that are having difficulty developing systems to hold schools accountable and setting performance targets for their schools would greatly improve the capacity of authorizers. Beyond these capacity issues, charter school accountability may be distorted by larger accountability contexts that did not exist when many of the charter laws were written. Future studies must examine how charter school accountability fits within state and federal accountability requirements.

Chapter 5
Charter Schools and State Performance Standards

The Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001 (NCLB) calls for states to hold all public schools, including charter schools, to the same standards of academic performance. Scant research currently exists on charter school performance, however, with the few existing studies relying on different methodologies and providing mixed results.[69] Further, the unit of analysis varies from study to study. A handful of studies examine student level data in a single state over time (or "longitudinally"). For example, Solmon, Paark and Garcia (2001) studied the effects of charter school attendance on students in Arizona, and Gronberg and Jansen (2001) examined student performance in Texas charter schools. These studies suggest that at-risk students enrolled in charter schools for more than one or two years outperform students in traditional public schools.

On the other hand, a number of studies examine performance within and across states using school-level data (See, for example, Greene, Forster, and Winters (2003) and Loveless (2002)). Beyond substantive reasons for using school-level data, these data are publicly available. Generally, these school-level studies (including the work reported on here) are exploratory and seek to examine the broader influence of charter schools on collective student performance. Unfortunately, these studies are inconsistent in the degree to which they acknowledge the problem of missing charter school data.[70] Our own explorations suggest that missing data on charter schools in many state databases is a large problem, limiting the possible analyses to a small number of states.

This chapter describes an analysis of the extent to which charter schools and traditional public schools met state performance standards in 2001-02 (the year preceding implementation of NCLB).

Findings: More than half of the charter schools in Texas, Colorado, Illinois, Massachusetts, and North Carolina were meeting state performance standards. However, charter schools were less likely to meet performance standards compared with traditional public schools.

This evaluation **does not examine the effect of charter schools on student learning.** The study originally planned to use student-level data for this study component, but in 2001-02, current policy interpretations of the Family Educational Rights and Privacy Act (FERPA) precluded contractors from acquiring student data from states. Therefore, this analysis derives from school level cross-sectional data (i.e., data taken at one point in time). Analyses comparing standards-based performance levels of charter schools and traditional public schools have limitations but can inform and serve as the foundation for more sophisticated designs and analyses.

[69] Even within a single state and drawing on the same state databases, analyses have come to different conclusions. See, for example, three recent studies of student performance in California charter schools (Slovacek, Kunnan and Kim, 2002; Greene, Forster and Winters, 2003; Zimmer et al, 2003) in which the research groups used different analytic techniques on the same data to obtain differing results.

[70] In fact, reasons for missing data range from privacy issues in cases where grade level cohorts are small to delays in entering new charter schools into the state data system.

Other researchers have conducted related but not identical analyses of student performance at the school-level. Loveless's (2002) study, which compared the performance of charter schools and traditional public schools on state tests in 10 states (including Colorado, Massachusetts, and Texas), found that nationally charter schools scored significantly *lower* than other public schools. In contrast, Greene, Forster, and Winters (2003) compared charter schools serving *general* populations with traditional public schools in the surrounding community in 11 states (including Colorado and Texas) and found that nationally, charter schools *outperform* traditional public schools. An important difference between the study reported here and Greene's study is that Greene et al. excluded charter schools targeting particular populations as well as some conversion charter schools, while this study included all charter schools.

Thus, the finding in this chapter that charter schools were less likely than traditional public schools to meet a state's performance standard joins an array of other studies with different analytic approaches and disparate findings about the success of charter schools. These data suggest that some charter schools may have difficulty meeting the high-stakes performance standards recently adopted by the states under NCLB.

The remainder of this chapter provides additional detail about the specific analyses the evaluation undertook and discusses the results one state at a time. Because individual states have distinctive performance standards, it is nearly impossible to compare performance across states or to generalize these findings to other states.

State-by-State Analysis of Charter Schools and Performance Standards

The analysis of the rates at which charter schools met state performance standards included five states with adequate data to conduct the analyses in this evaluation and include Colorado, Illinois, Massachusetts, North Carolina, and Texas. These states act as *case studies* and are not representative of the charter school universe.

Specifically, of the 36 states with operating charter schools in 2001-02, the five selected for case studies met three criteria. They had: (1) a school-level performance standard designated by the state that included all schools and, therefore, would permit meaningful comparisons of charter and traditional public schools; (2) adequate numbers of charter schools; and (3) adequate data for charter schools. (See Appendix E-1 for additional details regarding the states excluded from this analysis.) State departments of education provided all the data used for these analyses, either directly or from public files available through their Web sites.

The analysis sought to determine the extent to which charter schools and traditional public schools met state performance standards. For this evaluation, the "performance standard" for each of the five states was defined by the state as the school-level standard or benchmark that public schools in a state were expected to meet in 2001-02. State performance standards frequently included composite scores based on tests in multiple subject areas and at multiple grades. In some cases, other measures such as dropout rates were included in composite scores. The analysis is based on states' designations of low performance (or other language, such as "unsatisfactory" progress). Details regarding each state's accountability system and performance standard, as well as student

Exhibit 5-1
Performance of Charter Schools and Traditional Public Schools, 2001-02

State	Number and Percentage of Schools Meeting State Performance Standards			
	Charter Schools		Traditional Public Schools	
	Number Meeting Standard	Percentage Meeting Standard	Number Meeting Standard	Percentage Meeting Standard
Texas***	78	66	6,308	98
Colorado***	76	90	1,421	98
Illinois***	12	52	3,191	82
Massachusetts***	18	64	1,335	87
North Carolina***	75	88	2,022	100

***p<.01 (Indicates significant association between charter schools and traditional public schools in the percentage meeting the state standard).
Note: For all significant differences, the proportion of charter schools meeting the standard was lower than that of traditional public schools. No background variables were controlled for in these analyses.
Exhibit reads: In Texas, 78 charter schools (66 percent) met the state performance standard in 2001-02 compared with 6,308 traditional public schools (98 percent). These numbers indicate that a significant association exists between performance and school type (i.e., charter schools or traditional public schools) in Texas (with a lower proportion of charter schools meeting the standard).

demographics, are located in Appendices E-2 through E-6. Exhibit 5-1 summarizes results of this step of the analysis.

Overall, when not controlling for any background characteristics, more than one-half of charter schools in each state included in this analysis met state performance standards in 2001-02—the proportion of charter schools meeting state performance standards was even higher in Colorado (90 percent) and North Carolina (88 percent). However, charter schools met state performance standards at lower rates than traditional public schools.

Another step in the analysis was a comparison of the performance of charter schools and traditional public schools, controlling for certain background variables, one at a time. The analysis employed control variables to statistically equate groups of charter schools and groups of traditional public schools. The relationship between meeting state performance standards and school type (charter or traditional public schools) was examined comparing similar populations along each of the following control variables: percent of the student body that is low-income, percent of the student body that is minority (defined as students from any nonwhite racial or ethnic category), student mobility (student movement in and out of the school), and student enrollment (number of students).[71] These data were included because of their availability in state-level databases and their possible associations with student performance, as established by many research studies over the years.[72]

Finally, logistic regression was conducted in the two states with the largest numbers of charter schools and the most complete data (Texas and Colorado). This analysis examined the relationship between school

[71] Please note that the exact definition of these variables varies by state. In addition, not all variables were available in every state. For more details see Appendices E-2 through E-6.

[72] The following are examples of recent research linking student performance with student income and race (Denton and West, 2002; Donahue, Voelkl, Campbell and Mazzeo, 1999; Donahue, Finnegan, Lutkus, Allen and Campbell, 2001; National Center for Education Statistics, 2002); student mobility (Bryk, Thum, Easton and Luppescu, 1998); and school size (Cotton, 1996; The Rural School and Community Trust, 2002; Wasley, Fine, King, Powell, Holland, Gladden and Mosak, 2000).

type and performance while controlling for all of the available background variables simultaneously.

The logistic regression results for both Texas and Colorado indicate that after controlling for all the background variables,[73] type of school was associated with school performance. Specifically, being a charter school had a statistically significant positive association ($p<.01$) with not meeting the state performance standard. For more details on the logistic regression results in both Texas and Colorado, see Appendix E-2 and Appendix E-3.

In addition to these logistic regression results, the following paragraphs provide highlights from each state regarding the variable by variable analyses (Appendices E-2 through E-6 provide additional details.)

In each of the five states examined, charter schools were less likely to meet performance standards than traditional public schools. As discussed below, most of the differences occurred when charter schools and traditional public schools had above-average proportions of students eligible for free and reduced-price lunches and above average proportions of minority students.

Texas: Traditional public schools in Texas met the state performance standard at higher rates than did charter schools. This finding did not change after controlling individually for the proportion of low-income students, the proportion of minority students, student mobility, and student enrollment.[74]

Colorado: Compared to charter schools, traditional public schools in Colorado met the state performance standard at higher rates. This finding changed when steps were taken to control for background variables. Charter schools and traditional public schools met the state standard in Colorado at similar rates when they had lower than average proportions of low-income and minority students. The two types of schools also performed at similar rates when they had above average student enrollment numbers.

Illinois: Charter schools in Illinois were less likely than traditional public schools to meet the state performance standard. When controlling for student mobility and enrollment, the differences in performance levels between charter and traditional public schools persisted. However, controlling for the proportion of minority students revealed that charter schools and traditional public schools met the performance standard at equal rates. In addition, charter schools and traditional public schools met the standard in equal rates when schools had lower than average proportions of low-income students.

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[73] The Texas analyses controlled for low-income, minority, student mobility, and enrollment, while the Colorado analyses controlled for low-income, minority, and enrollment (mobility data were not available in Colorado).

[74] A provision of the Texas charter school law deserves special mention. During the first six years of the charter school law in Texas (1995-2001), a large number of charter schools were established that targeted at-risk students. (Note: Texas has 13 categories of "students at-risk of dropping out" relating to a wide range of issues from low achievement to expulsion, pregnancy, and homelessness.) This provision was eliminated in 2001. However, as of 2000-01 approximately one-third of charter schools in Texas continued to serve a large percentage of at-risk students. (For more information about charter schools serving at-risk populations in Texas, see http://www.tasb.org/advocacy/reports/2002/sept02/charter_schools.html and http://www.tcer.org/tcer/schools/yr6_executive_summary.pdf.) The other four states included in these analyses did not have this type of provision, but the Colorado, North Carolina, and Illinois charter school laws all include an emphasis on expanding the learning opportunities for "at-risk pupils."

Massachusetts: In Massachusetts, a higher proportion of traditional public schools than charter schools met the state performance standard. However, when both types of schools served lower than average proportions of low-income and minority students and had lower than average student enrollments, they met the state performance standard at similar rates.

North Carolina: Charter schools in North Carolina were less likely to meet the state performance standard than were traditional public schools. After controlling for the proportion of minority students and enrollment, this finding did not change. Charter schools were less likely to meet state performance standards.

In summary, charter schools met state performance standards at lower rates than traditional public schools in the five states. The few exceptions to this finding may raise more questions than they answer. For example, why do charter schools and traditional public schools in Colorado perform at similar rates when they have above average student enrollment numbers?

These limited findings point to the importance of additional analyses of charter school performance because they do not illuminate the reasons that charter schools in the case study states were less likely to meet state performance standards. Additional studies could examine the extent to which charter schools that do not meet the state performance standards serve students with low prior achievement, for example, disabling conditions, or other characteristics that may hinder their achievement and the extent to which certain types of charter schools are more successful in meeting state performance standards.

These findings do not indicate that charter schools were less effective than traditional public schools but suggest that many charter schools will have difficulty meeting the standards established by states under NCLB. With the passage of NCLB, all schools must meet school-level standards or face interventions in the current accountability policy context. Future studies should examine the extent to which charter schools exhibit growth in student performance in addition to whether they meet absolute standards.

These data provide a single snapshot of school-level performance using state performance standards as a measure and controlling for some basic characteristics of students. The findings are important to (and should inform) the policy debate around the implementation of NCLB. However, many other variables affect student achievement. Therefore, future studies must examine charter school performance in more depth.

Chapter 6
Directions for Future Studies

The key findings from this study illuminate many dimensions of the charter school movement but also indicate some directions in which to seek further knowledge about the ongoing development and impact of this education reform. Outlined below are a number of important questions for future study.

- **What is the impact of charter school attendance on the achievement of students?** The current study compares how students at charter schools and traditional public schools perform on state standards and discusses the limitations of such analyses. In particular, the comparison could not fully take into account differences between the charter schools and traditional public schools in the students they serve. This analytic weakness is also a concern, to varying extents, in a growing body of research on the effects of charter schools in a number of states (see, for example, Horn and Miron 2000; Solmon et al. 2001; Gronberg and Jansen 2001; Hanushek 2002; Loveless 2003; Zimmer et al. 2003; Bifulco and Ladd 2003). Randomized controlled trials are one way to measure the impacts on student achievement, using a lottery of charter school applicants to create identical groups of charter school attendees and nonattendees and comparing their outcomes. ED is launching the first such study, focusing on the relationship between charter school impacts and the policy environments in which the schools operate. Additional randomized studies of charter schools or particular charter school strategies would provide stronger evidence about the effectiveness of this education reform approach. Depending on the actual evaluation questions posed and the availability of student-level data, other methods such as value-added or time series analyses could also be considered.
- **How is the demographic profile of charter school students evolving?** The demographic characteristics of charter school students have been a topic of great interest to observers and the current study provides some definition of the student population served by charter schools across the United States. How will this profile continue to evolve over time, as contrasted with that of traditional public schools and how will the profile vary by type of school (distance learning, classroom-based and so forth)?
- **Do features of charter schools attract African American teachers?** The significance of teacher race and the match between student race and teacher race are not well-developed areas of study. One area for further pursuit is to examine the factors associated with the relatively higher proportions of African American teachers in charter schools compared with traditional public schools. In addition, future studies should consider in their design the relationship between teacher race and student outcomes.

- **How does charter school accountability fit within state and federal accountability requirements?** For better or worse, state accountability requirements and systems have challenged the principle that charter schools will be held accountable only for particular outcomes listed in their charters because charter schools are now held to the same requirements as other public schools as well as to the measurable goals in a charter. Accountability provisions in the implementation of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001 (NCLB), seem likely to reinforce this development. It will be important to monitor the continuing impact of these state and federal requirements, on charter schools, in particular upon their autonomy and accountability processes. Furthermore, future studies should examine teacher qualifications in charter schools and traditional public schools given the requirements for "highly qualified teachers" in NCLB.
- **Are charter schools replacing poorly performing traditional public schools?** NCLB's accountability provisions specify converting persistently low-performing schools to charter schools as one option for restructuring. As of 2001-02, 23 percent of states and 4 percent of authorizers reported creating charter schools for this purpose. This aspect of the charter school movement should be tracked and future studies should examine the use of charter schools as a solution to low performance.

This report has provided information from multiple data sources on a range of topics: the role of the PCSP in encouraging the development of charter schools; the distinctive characteristics of students and teachers in charter schools; the limited autonomy of many charter schools; and the similarities between accountability requirements of charter schools and traditional public schools. In addition, the report contributes to the knowledge base about charter schools and student achievement, finding that many charter schools have difficulty meeting state performance standards. However, while the report answers some questions about the PCSP and about the charter school sector, it also raises new questions. At this juncture in the history of charter schools, additional research should be conducted to examine the impact of charter school attendance on achievement, the demographic shifts in charter school enrollments, the impact of NCLB on the flexibility provided to charter schools, and the use of "chartering" to improve school performance. While the knowledge base is growing about charter schools, more research is needed to illuminate the possibilities and limitations of this educational reform.

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APPENDICES TO THE CHAPTERS

APPENDIX A:
CHAPTER 1

Appendix A-1
Data Collection and Analysis Procedures for 2001-02

Data Collection for 2001-02

Telephone survey of charter schools. A simple random sample of 585 charter schools in operation as of September 2001 was surveyed from February to May 2002. A total of 477 schools completed the survey, for a response rate of 82 percent.[75] The typical respondent was the charter school's director, principal, or an equivalent administrator at the school, and each survey lasted approximately 60 minutes. The survey instrument incorporated open- and closed-ended items on charter school characteristics, operations, accountability processes, flexibility, and support. SRI International designed the telephone survey, and LHK Partners, Inc., a survey firm in Newtown Square, Pa., administered this survey. Members of the SRI team trained LHK interviewers on the instrument and the evaluation's purposes.

Telephone survey of charter school authorizers. As of the summer of 2001, the universe of charter school authorizers that had awarded charters to schools included 643 agencies. A stratified random sample of 150 charter school authorizers was drawn from this universe. The sample was stratified into three categories: (1) local school board or district, or county board or office of education; (2) state board of education, state education agency, or chief state school officer; and (3) university, college, or community college.[76] State and university authorizers were oversampled to provide robust comparisons across authorizer types. The authorizer survey was administered at the same time as the school survey (February to May 2002),[77] and the interviews were also conducted by LHK Partners, Inc. A total of 118 authorizers completed the telephone survey, for a response rate of 79 percent. Like the telephone survey of charter schools, the survey of charter school authorizers took about 60 minutes to complete.

Survey questions were designed to document charter school authorizers' characteristics and accountability relationships. The survey also included items on roles in supporting and assisting charter schools, along with the types of freedoms authorizers confer on their schools. Information on these topics was elicited through a combination of open- and closed-ended items. (2001-02 marked the third year SRI surveyed charter school authorizers, making authorizers the only data source included in every round of data collection.)

Telephone survey of state charter school coordinators. The state charter school coordinators (or equivalent respondents) from 34 states and the District of Columbia were surveyed by phone in the winter and spring of 2002. Three states did not respond to the survey. Of the respondents, 30 states and the District of Columbia received PCSP funds and four did not. The survey instrument was a revised version of the 1999 instrument. As with the other telephone surveys, the state instrument consisted of open- and closed-ended items on charter school-related areas, as well as the state's PCSP grant. SRI team members administered this survey.

Site visits to charter schools and charter school authorizers. During the 2000-01 and 2001-02 school years, site visits were made to 12 charter schools and their authorizers in six states: Arizona, California, Massachusetts, Michigan, North Carolina, and Texas. Nine of these schools were visited a second time in 2001-02. During these visits, interviews with school directors, teachers, parents, representatives from the schools' authorizers, and, if applicable, representatives of EMOs and CBOs were conducted. The schools

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[75] An analysis of the responses indicates that all states were represented in proportion to their share of the universe of charter schools.

[76] The small number of "other" authorizers were not sampled.

[77] Data collection was reopened in November 2002 to obtain a higher response rate from the original sample of state-level charter school authorizers—eight of the 15 state authorizers were surveyed at that time.

that were visited represented a wide range of educational approaches, from a school based on entrepreneurism to another linked to a local museum. The schools varied by grade levels served, total student enrollments, student demographics, and student socioeconomic status. A few of the schools had multiple campuses.

Analysis of data from the 1999-2000 Schools and Staffing Survey (SASS). The Schools and Staffing Survey (SASS) is a major U.S. Department of Education data set designed to generate comprehensive information on a representative sample of schools and, importantly, the universe of charter schools in operation as of spring 1999. The SASS data set consists of several survey instruments at the school and teacher levels for both charter and traditional public schools. SASS was designed and piloted by the National Center for Education Statistics (NCES) and the American Institutes for Research's Education Statistics Services Institute (ESSI). Data collection activities were conducted by the Census Bureau. SRI International obtained a license for the 1999-2000 SASS data set, which was released in summer 2002. SASS data allow comparisons of charter schools and traditional public schools.

Data Analysis for 2001-02

This report includes analyses of both qualitative and quantitative data. Charter schools were sampled randomly; therefore, no weighting was necessary for this survey. The state charter school coordinator survey was administered to the universe of states with charter school laws, hence neither sampling nor weighting was required for this survey either. Some types of authorizers were oversampled; therefore, the authorizer data were weighted to correct for different sampling ratios across these types.[78] These weighted percentages and means are used throughout this report, resulting in aggregate data that are generalizable to the universe of authorizers. However, for ease of reference, the unweighted number of respondents is provided in all tables—that is, a total sample size (or "n") of 118 (unweighted) is listed in the tables rather than a total sample size of 636 (weighted).

As in earlier reports from this evaluation, certain categories of authorizers were collapsed into larger categories for both technical and conceptual reasons. The resulting new types consist of "local authorizers," which combines local education agencies and county boards or offices of education; "state authorizers"; and "university authorizers." Independent or special charter boards were excluded from both analyses because of their low prevalence in each sample.[79]

The quantitative analysis includes descriptive statistics and cross-tabulations. In addition, a variety of significance tests were conducted on both data sets, including analysis of variance, chi-squared tests, and Fisher's exact tests[80] for data involving categorical variables; analysis of variance or ANOVA for data involving continuous variables; t-tests of mean differences; and z-tests of differences in proportions.

Although most of the 2001-02 report is based on quantitative data, qualitative data are used to explain some of the quantitative findings and provide examples. For the qualitative analysis, each site visit team wrote a site visit report after completing the visit, and a full-day debriefing meeting was held after the first two rounds of visits. In addition, open-ended survey questions were coded and analyzed by team members.

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[78] The percentages and means for aggregate authorizer data were calculated after the following weights were applied: local authorizers (7.04), state authorizers (1.31), and university authorizers (1.59). The other survey data did not require sampling because the school survey was a simple random sample and the state survey was administered to the universe of states with charter school laws.

[79] Fewer than 2 percent of the schools in the 2001-02 sample were authorized by independent or special chartering boards or other authorizers, and those schools were dropped from the analyses of the school data by authorizer type. No independent or special chartering boards were included in the 2001-02 authorizer sample.

[80] Fisher's exact test was used when, because of small cell sizes ($n<5$), chi-squared was not appropriate.

Appendix A-2
Age of State Charter School Law and Number of Charter Schools in Operation
(as of Jan. 1, 2002)

	Year Law Passed	Total Number of Schools in Operation
Minnesota	1991	68
California	1992	349
Colorado	1993	87
Georgia	1993	38
Massachusetts	1993	42
Michigan	1993	188
New Mexico	1993	20
Wisconsin	1993	108
Arizona	1994	287
Hawaii	1994	6[a]
Kansas	1994	28
Alaska	1995	15
Arkansas	1995	6
Delaware	1995	10
Louisiana	1995	20
New Hampshire	1995	0
Rhode Island	1995	3[a]
Texas	1995	180
Wyoming	1995	1
Connecticut	1996	14
District of Columbia	1996	36
Florida	1996	185
Illinois	1996	23
New Jersey	1996	50
North Carolina	1996	93
South Carolina	1996	8
Mississippi	1997	1
Nevada	1997	10
Ohio	1997	92
Pennsylvania	1997	77
Idaho	1998	10
Missouri	1998	21
New York	1998	24
Utah	1998	9
Virginia	1998	6
Oklahoma	1999	5[a]
Oregon	1999	17
Indiana	2001	0
Total number of states: 38[b]		Total number of schools: 2,137

[a]For states that did not complete the 2001-02 state survey, the number of charter schools is based on SRI's charter school database for the 2001-02 school survey. This database included schools in operation as of summer 2001.
[b]Iowa, Tennessee, and Maryland passed charter school laws after data were collected for this report. Puerto Rico passed a charter school law in 1993, but Puerto Rico is not included in this table.
Source: SRI 2001-02 state charter school coordinator survey.
Exhibit reads: As of Jan. 1, 2002, Minnesota, which passed its charter school law in 1991, had 68 charter schools operating.

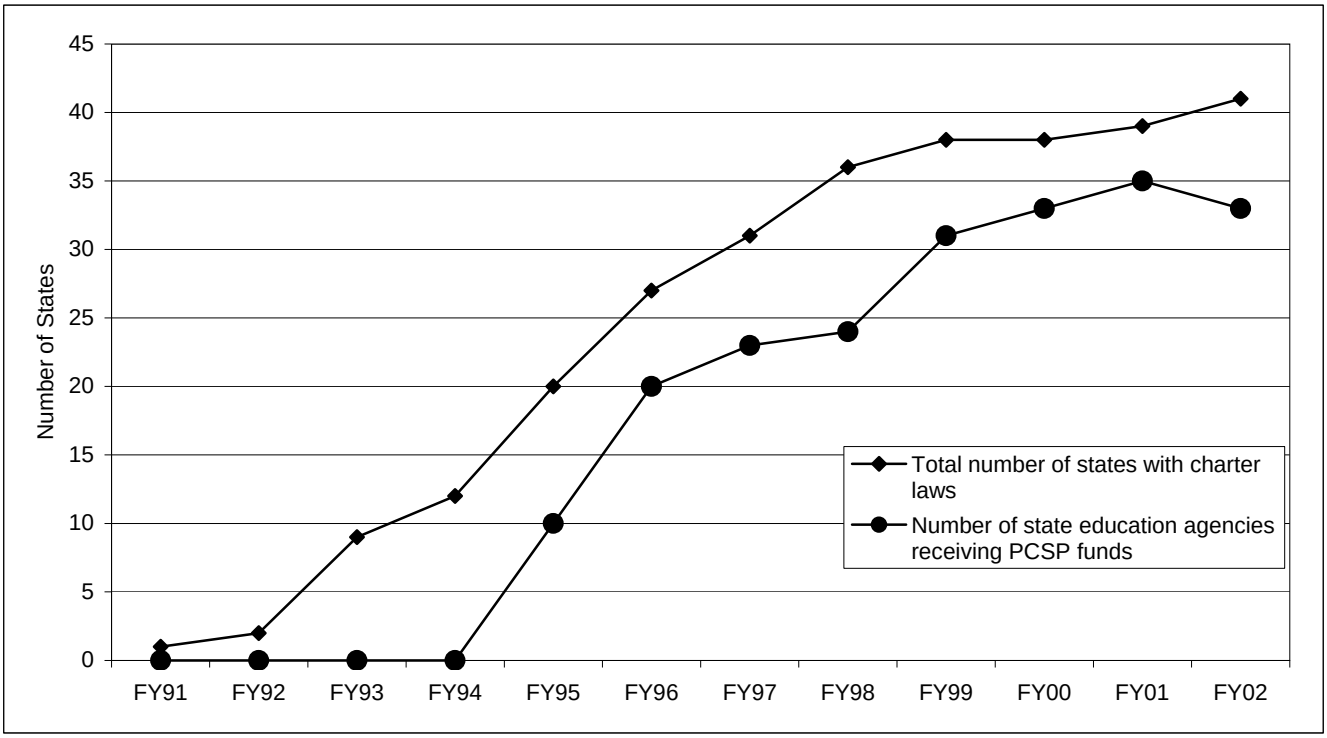
Appendix A-3
Charter School Student Admission Criteria, 2001-02

Admission Criterion	Percentage of Schools (n=477)
Sibling preference	64
Application	63
Residence	48
Parent and/or student contracts	37
Personal interviews	33
Referrals	26
Child of staff member	22
Special student needs	20
Academic records	20
Recommendations	18
Child of founder	11
Standardized achievement tests	8
Student aptitudes, skills, or talents	7
Racial/Ethnic or ethnic background	7
Admission tests	5

Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 64 percent of charter schools used sibling preference as an admission criterion.

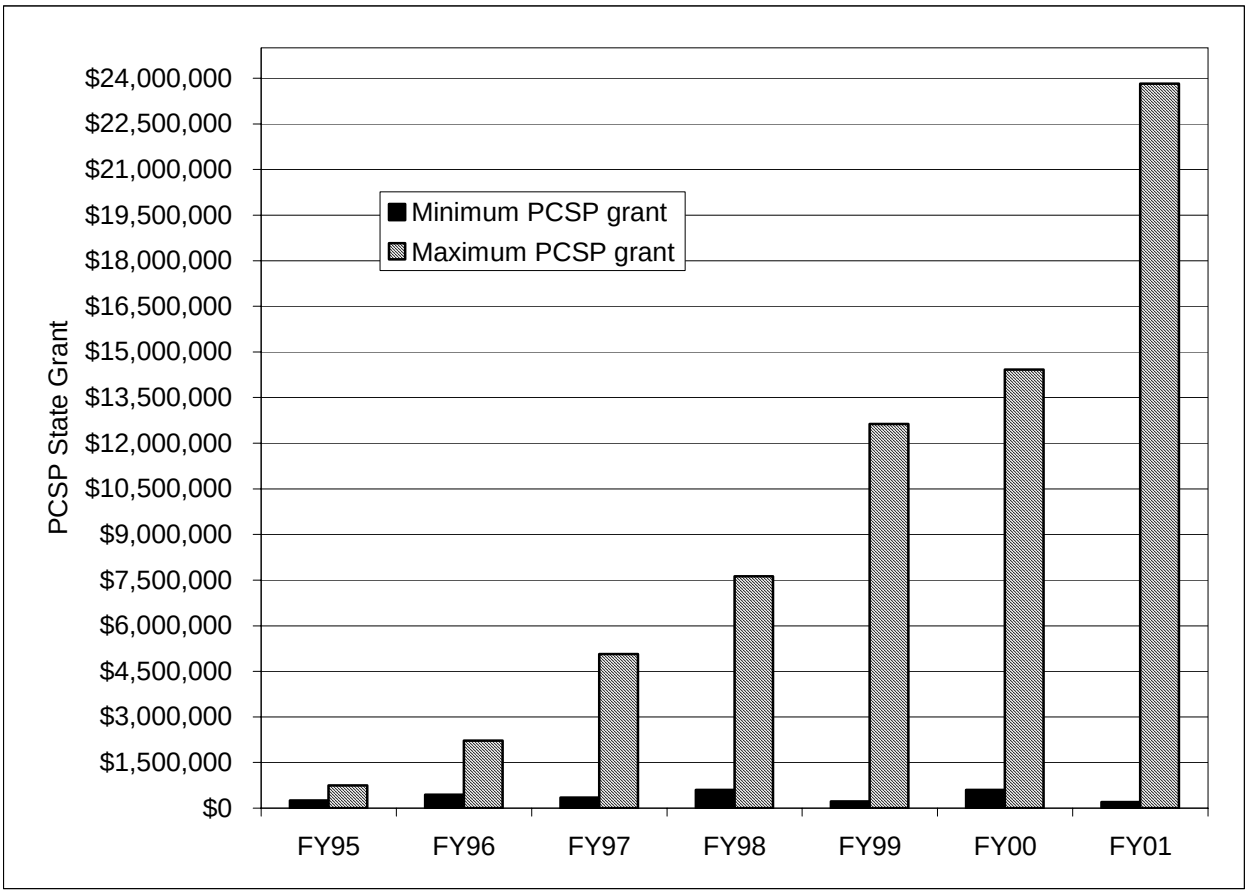
APPENDIX B:
CHAPTER 2

Appendix B-1
Total Number of States with Charter Laws and Number of States Receiving Public Charter Schools Program Funds, by Fiscal Year



Note: This exhibit includes only funds allocated for grants to SEAs. The total PCSP appropriation also includes funds for national activities, such as the national charter schools conference, research projects, etc.
Sources: SRI 1999-2000 and 2001-02 state coordinator surveys, U.S. Department of Education press releases, and http://www.uscharterschools.org.
Exhibit reads: In FY 1991, one state had a charter law, and no states received PCSP funds.

Appendix B-2
Maximum and Minimum Public Charter Schools Program Grants, by Fiscal Year



Sources: SRI 1999-2000 and 2001-02 state coordinator surveys.
Exhibit reads: In FY 1995, the minimum PCSP state grant was $250,000 and the maximum was $750,000.

Appendix B-3
Average Charter School Subgrant Amount, by State and Year

	1998	1999	2000	2001
Alaska	$61,333	$45,232	$34,552	N/A
Arkansas	N/A[81]	$8,935	$45,114	$216,667
California	N/A	$78,131	$102,696	$95,731
Colorado	$39,248	$91,176	$116,698	$140,968
Connecticut	$107,453	N/A	$150,447	$162,596
District of Columbia	$120,090	$78,692	$90,753	$112,184
Delaware	$57,137	$52,236	$33,200	N/A
Georgia	$79,565	$34,865	$45,573	$148,807
Idaho	N/A	$97,399	$136,842	$197,328
Illinois	$99,828	$85,407	$52,659	$65,304
Kansas	$25,000	$98,188	$16,586	$25,000
Massachusetts	N/A	$148,523	$112,237	$104,255
Minnesota	$52,432	$52,553	$55,745	N/A
Missouri	N/A	$79,110	$75,970	$80,000
New Mexico	N/A	N/A	$183,134	$165,484
Nevada	N/A	N/A	N/A	$112,511
New York	N/A	$137,828	$158,293	$126,834
Ohio	N/A	$50,000	$65,410	$100,448
Oklahoma	N/A	N/A	N/A	$263,267
Pennsylvania	$79,257	$63,531	$85,615	$77,496
Rhode Island	$68,182	$29,864	$116,171	$20,000
South Carolina	$59,593	$107,332	$147,955	N/A
Texas	$28,273	$33,770	$40,000	$56,192
Wisconsin	$33,532	$47,859	$71,094	N/A

Note: In some cases, the subgrant amounts include monies carried over from a previous fiscal year.
Source: SRI 2001-02 PCSP subgrant database.
Exhibit reads: In 1998, Alaska had an average subgrant amount of $61,333, compared with $45,232 in 1999 and $34,552 in 2000. Data from 2001 was not available for Alaska.

[81] Data marked N/A was not available from the state at the time of the evaluation.

Appendix B-4
Range and Average of Subgrants Awarded to Charter Schools, by State (FY 2001)

	Minimum	Maximum	Average
Alaska	N/A[82]	N/A	N/A
Arkansas	$140,000	$300,000	$216,667
California	$15,000	$250,000	$95,731
Colorado	$22,000	$325,600	$140,968
Connecticut	$139,953	$185,239	$162,596
District of Columbia	$1,510	$365,183	$112,184
Delaware	N/A	N/A	N/A
Georgia	$123,000	$268,000	$148,807
Idaho	$131,065	$307,609	$197,328
Illinois	$8,000	$140,000	$65,304
Kansas	$25,000	$25,000	$25,000
Massachusetts	$42,085	$213,524	$104,255
Minnesota	N/A	N/A	N/A
Missouri	$80,000	$80,000	$80,000
New Mexico	$150,000	$304,862	$165,484
Nevada	$8,025	$150,000	$112,511
New York	$5,000	$150,000	$126,834
Ohio	$40,000	$250,000	$100,448
Oklahoma	$207,100	$372,500	$263,267
Pennsylvania	$825	$387,750	$77,496
Rhode Island	$20,000	$20,000	$20,000
South Carolina	N/A	N/A	N/A
Texas	$6,000	$85,000	$56,192
Wisconsin	N/A	N/A	N/A

Note: In some cases, the subgrant amounts included monies carried over from a previous fiscal year if not used by a charter school.
Source: SRI 2001-02 PCSP subgrant database.
Exhibit reads: For FY 2001, the minimum subgrant in Arkansas was $140,000, and the maximum subgrant was $300,000. The average amount awarded to charter schools in Arkansas was $216,667.

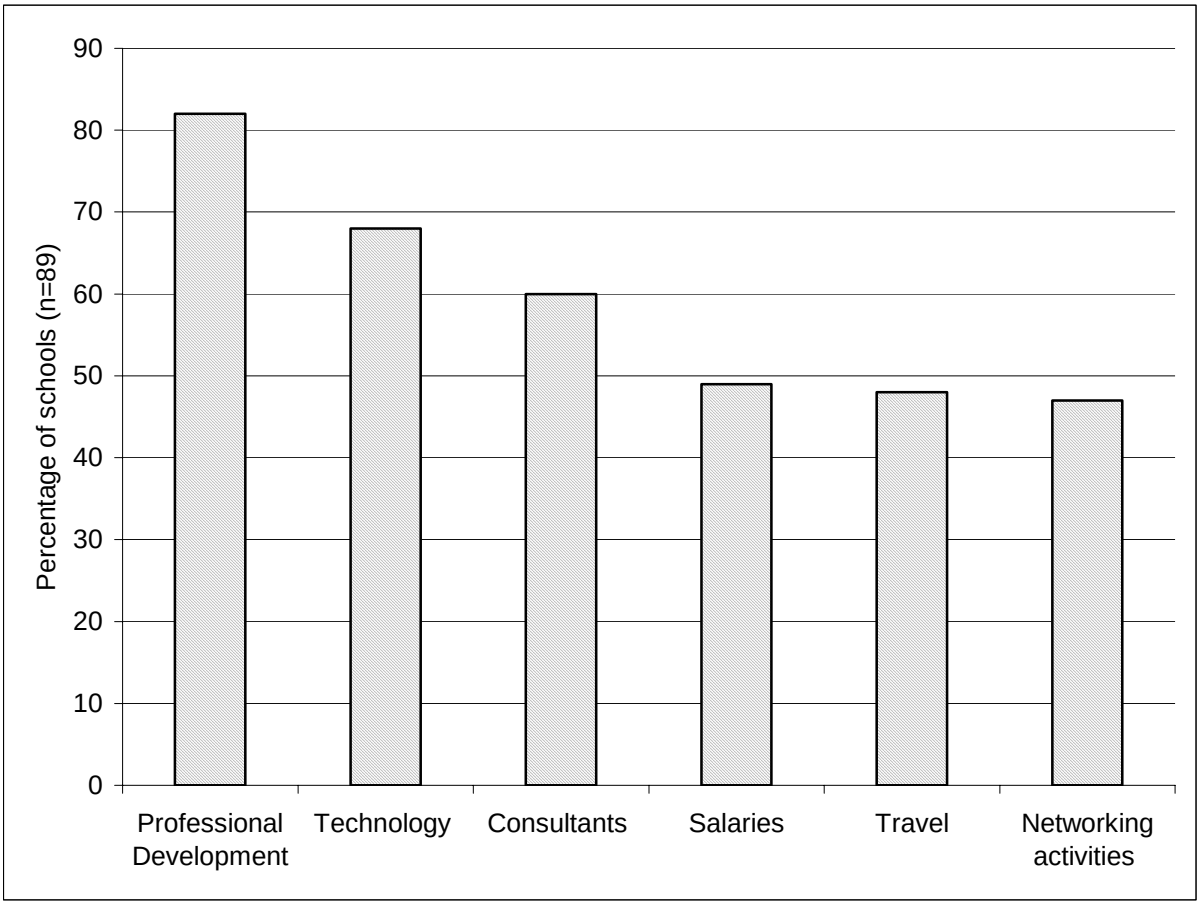
[82] Data marked N/A was not available from the state at the time of the evaluation.

Appendix B-5
State Reports of Average Public Charter Schools Program Subgrants, by State

Alaska	$20,000 planning; $160,000 implementation. Subject to supplemental funds.
Arkansas	$10,000 preplanning; $300,000 over two years for implementation.
California	$450,000 over three years.
Colorado	Planning and implementation based on student enrollment.
District of Columbia	$350,000
Florida	$70,000 for two years. Subject to supplemental funds. Only awards implementation and dissemination subgrants.
Georgia	$200,000 for implementation.
Hawaii	Up to $450,000.
Idaho	Up to $450,000.
Illinois	Up to $50,000 for planning; $100,000-$150,000 for implementation.
Kansas	$270,000
Louisiana	Preplanning up to $20,000; $80,000 for two years of implementation.
Massachusetts	$450,000 over three years.
Michigan	$150,000 a year for three years (can be lower if enrollment drops).
Missouri	$80,000 to $100,000 for implementation.
North Carolina	$350,000 over three years.
New Jersey	$150,000
Nevada	$100,000 per year pre-charter; $150,000 implementation.
New York	$150,000 per year for planning and implementation.
Ohio	Two phases of implementation with $150,000 per phase.
Oklahoma	$300,000 to $450,000 depending on student population and anticipated growth.
Oregon	$50,000 planning; $150,000 implementation per year.
Pennsylvania	Amount unclear because federal funds mixed with state funds in allocating subgrants. Start-up awards based on new student enrollment numbers.
Rhode Island	State law limits federal amount to $150,000: $20,000 for planning and $130,000 for implementation.
South Carolina	$320,000
Texas	$150,000
Utah	$80,000 per year for three years; two schools have received double that amount.
Wisconsin	$10,000 for planning, can be supplemented to $40,000; $150,000 per year for implementation.

Source: Reports by states at conference for state charter school coordinators convened by ED in Arlington, Va., April 2002.
Exhibit Reads: Alaska reported that it awards its charter schools $20,000 in planning grants and $160,000 in implementation grants with figures subject to supplemental funds.

Appendix B-6
School Uses of Public Charter Schools Program Dissemination Subgrants, 2001-02



Sources: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 82 percent of schools reported spending PSCP dissemination funds on professional development.

APPENDIX C:
CHAPTER 3

Appendix C-1
Median Charter School Enrollment, by Grade-Level Configuration and School Year

Grade-Level Configuration	Median Enrollment		
	1999-2000 (n=870)	2000-01 (n=381)	2001-02 (n=477)
All schools	169	171	190
K-8	206	230	308
Elementary	180	192	177
High	132	100	150
Middle-high	137	122	170
Middle	140	155	154
K-12	220	345	290
Primary	75	131	100

Note: Grade level configurations follow conventions established by RPP and are defined as follows: Primary includes only grades K-3; Elementary begins with K and goes no higher than grade 6; Middle ranges from grade 5 to grade 9; Middle-high includes any of grades 6-8 and any of grades 9-12 and no grades K-5; High ranges from grade 9 to grade 12; K-8 includes any of grades K-3, any of grades 4-6, and any of grades 7-8; K-12 includes any of grades K-3, 4-6, any of grades 7-8, and any of grades 9-12.
Sources: 1999-2000 data: Public Charter School SASS survey; 2000-01 and 2001-02 data: SRI 2000-01 and 2001-02 charter school surveys. 1998-99 data were not available.
Exhibit reads: In 1999-2000, the median enrollment of all charter schools was 169, compared with 171 in 2000-01 and 190 in 2001-02.

Appendix C-2
Student Racial and Ethnic Composition in Charter Schools, 1998-99 to 2001-02

Racial/Ethnic Category	Percentage of Students			
	1998-99	1999-2000	2000-01	2001-02
White	48	46	41	37
African American	24	27	28	38
Hispanic or Latino	21	21	22	19
American Indian or Alaska Native	3	1	2	3
Asian[a]	3	3	3	1
Native Hawaiian or other Pacific Islander[a]	[b]	[b]	1	1

[a]Racial/ethnic categories were based on current census categories, and many differ somewhat from RPP and SASS categories.
[b]Not reported.
Sources: 1998-99 data: Nelson et al. (2000); 1999-2000 data: Public Charter School SASS survey; 2000-01 and 2001-02 data: SRI 2000-01 and 2001-02 charter school surveys.
Exhibit reads: In 1998-99, 48 percent of students in charter schools were white, compared with 46 percent in 1999-2000, 41 percent in 2000-01, and 37 percent in 2001-02.

Appendix C-3
Targeted and Attracted Populations of Charter Schools, 2001-02

Student Population	Percentage of Schools (n=477)	
	Targeted	Attracted
Students from low-income communities	28	74
Low-performing students	28	74
Dropouts or potential dropouts	26	49
Students with specific academic interests (e.g., fine arts, math)	19	44
Gifted and talented students	16	59
Special education students	16	58
Students of a particular cultural orientation	13	41
Limited- or non-English-speaking students	12	26

Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 28 percent of charter schools targeted students from low-income communities, and 74 percent of charter schools attracted students from low-income communities.

Appendix C-4

Teacher Certification Provisions for Charter Schools, by State

(Excerpted from legislative analysis conducted by ECS, last updated April 2003)

State	Whether Teachers in a Charter School Must be Certified
AK	Yes
AZ	No
AR	Yes (unless waiver is granted in charter)
CA	Yes
CO	Yes (unless waiver is granted in charter)
CT	At least 50 percent must have standard certification; 50 percent may have alternative/temporary certification and be working towards standard certification.
DE	Yes (with exceptions)
DC	No
FL	Yes
GA	No
HI	Yes
ID	Yes
IL	Charter schools may employ non-certified teachers in possession of the following: bachelor's degree, five year's experience in area of degree; passing score on teacher's tests; and evidence of professional growth. Mentoring must be provided to uncertified teachers.
IN	Teachers must be certified or in the process of becoming certified through Transition to Teaching. For those uncertified, teaching licenses must be obtained within three years of teaching at a charter school.
IA	Yes
KS	Yes
LA	Up to 25 percent of a charter school's teachers may be uncertified if they meet other requirements.
MA	Yes; teachers hired after August 2000 must be certified or pass the teacher certification exam.
MI	Yes; except for faculty members from an IHE that teach in the IHE's sponsored charter school(s).
MN	Yes
MS	Yes
MO	Up to 20 percent of full-time equivalent instructional staff at a charter school may be uncertified.
NV	Up to 30 percent of staff at a charter school may be uncertified.
NH	At least 50 percent of a charter school's teaching staff must be certified or have three year teaching experience.
NJ	Yes
NM	Yes
NY	At least 30 percent (or five teachers) are permitted to have other credentials. Uncertified teachers must meet specified criteria.
NC	Up to 25 percent of teachers in elementary schools and 50 percent of teachers in secondary charter school may be uncertified.
OH	Yes
OK	Yes (unless waiver is granted in charter)
OR	At least 50 percent of a charter school's teachers must be licensed by the Teacher Standards and Practices Commission (TSPC) and the non-TSPC-licensed staff must be registered by the TSPC
PA	Up to 25 percent of teachers may be uncertified
RI	Yes
SC	Up to 10 percent of teachers and 25 percent in start-ups may be uncertified
TN	Yes
TX	No
UT	Charter school's teachers are required to hold certification or have completed competency under alternative programs
VA	Yes
WI	Yes; unless search for licensed teachers is unsuccessful, in which case a special charter school license is available for those with bachelor's degree in their field who take six credits of training every year and are supervised by a regularly certified teacher.
WY	Yes

Source: Education Commission of the States (April 2003) "State notes: Charter schools (Charter school teachers)." Retrieved from the World Wide Web at: http://www.ecs.org/clearinghouse/24/15/2415.htm.
Exhibit reads: In Alaska, teachers in a charter school must be certified.

Appendix C-5
Charter School Teachers' Participation in Professional Development, 2001-02

Type of Professional Development Activity	Percentage of Teachers who Participated
Workshops sponsored by your school	92
Professional conferences or workshops	58
Release time to work collaboratively with other instructional staff at your school	62
Peer observation and critique	49
Workshops sponsored by your charter school authorizer	41
Courses offered by institutions of higher education	34
Release time for independent professional development activities other than workshops and conferences	31

Note: Data from charter school coordinators (n=477) was used to calculate the overall percentage of teachers involved in this activity. These data refer to the overall number of charter school teachers involved in this activity divided by the overall number of charter school teachers.
Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2002-02, 92 percent of charter school teachers participated in workshops sponsored by their schools.

Appendix C-6
Teacher Participation in Professional Development Activities, 1999-2000

Professional Development Activity	Percentage of Teachers who Participated, 1999-2000	
	Charter Schools (n=2,847 teachers)	Traditional Public Schools (n=42,086 teachers)
Attended workshops, conferences, or training***	90	95
Had regularly-scheduled collaboration with other teachers on instructional issues	74	74
Did individual or collaborative research on professionally interesting topic***	52	47
Participated in a formal mentor or peer observation program***	48	42
Made observational visits to other schools***	41	34
Took university course(s) for recertification or advanced certification***	34	32
Took university course(s) in main teaching assignment field***	27	23
Participated in network of teachers (organized externally)**	26	25
Presented at workshops, conferences or training***	25	22

***p<.01, **p<.05 (Indicates significant difference between charter school teachers and traditional public school teachers in the proportion participating in each type of professional development activity.)
Source: 1999-2000 Public Charter School Teacher and Public School Teacher SASS surveys.
Exhibit reads: In 1999-2000, 90 percent of charter school teachers reported attending workshops, conferences, or training compared to 95 percent of traditional public school teachers. This difference is statistically significant.

Appendix C-7
Parental Involvement Activities in Charter Schools, 2001-02

Activity	Percentage of Schools (n=477)
Serve on school advisory committees	87
Serve on school governing board	82
Do work such as supervising lunch or a field trip	81
Do school fundraising	77
Do student or parent recruitment	70
Attend workshops or classes offered by the school	67
Serve as classroom aides or assistants to support instructional programs	61
Supervise or direct extracurricular activities	57
Do clerical tasks for the school	56

Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 87 percent of charter schools reported that parents served on school advisory committees.

Appendix C-8
Required and Voluntary Parent Involvement Activities in Charter Schools, 2001-02

Parent/Family Involvement Activities	Percentage of Schools		
	Required	Voluntary	Both
Serve on school governing board (n=387)	14	75	11
Serve on school advisory committees (n=416)	7	85	8
Attend workshops or classes offered by the school (n=320)	5	89	6
Serve as classroom aides or assistants to support instructional programs (n=292)	4	89	7
Do work such as supervising lunch or a field trip (n=385)	3	90	6
Do school fundraising (n=368)	3	92	5
Supervise or direct extracurricular activities (n=273)	3	92	5
Do clerical tasks for the school (n=268)	2	90	8
Do student or parent recruitment (n=336)	<1	96	3

Note: The number of respondents varies by activity because some charter school directors reported that parents were not involved in these activities.
Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 14 percent of charter schools required parents to serve on governing boards, 75 percent allowed parents to play this role voluntarily, and 11 percent said it was both required and voluntary.

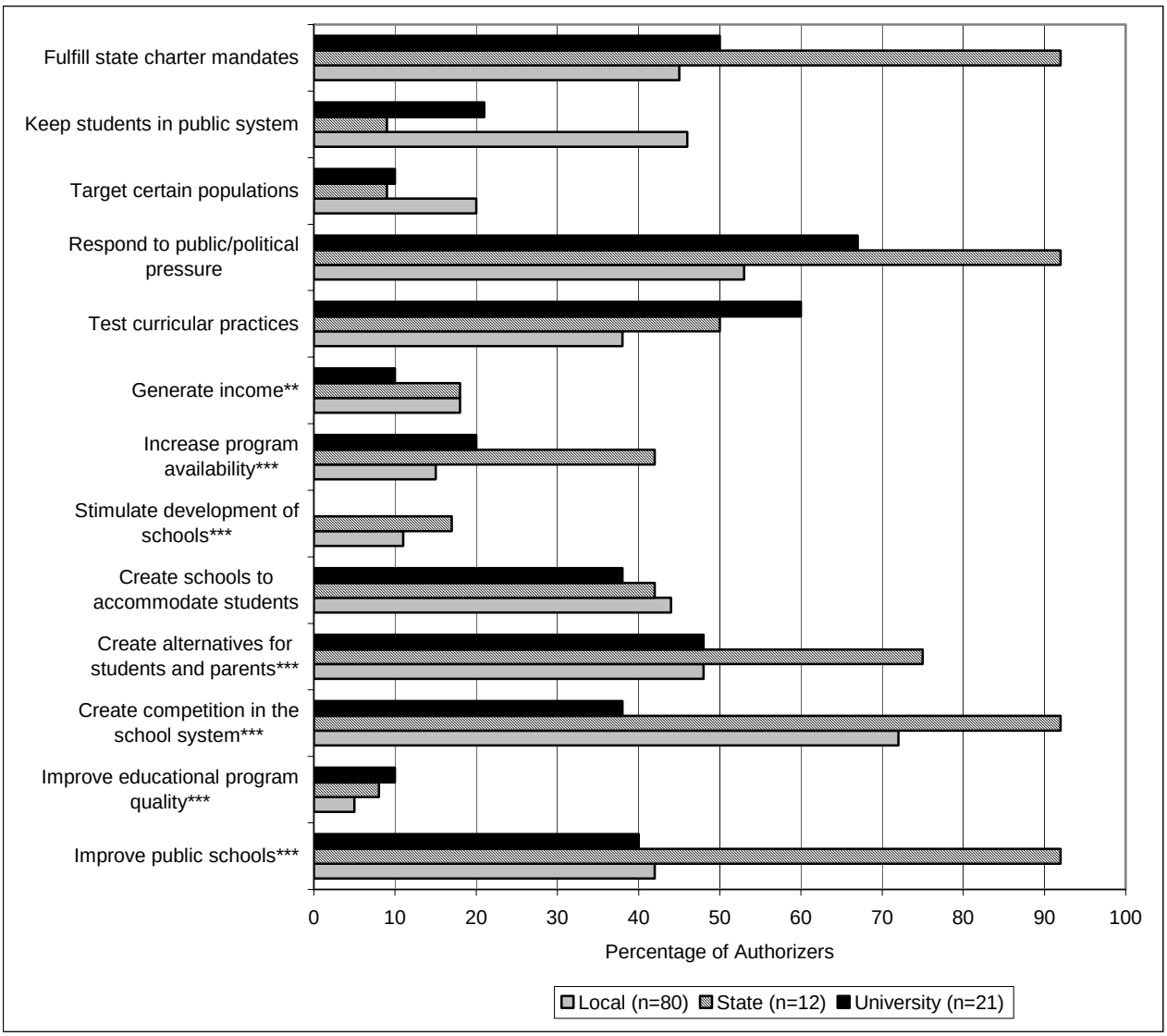
Appendix C-9
State Policies Regarding Charter School Waivers and Exemptions from State or District Policies, 2001-02

Area of State Waiver/Exemption	Percentage of States that Allowed Waivers (n=34)
Length of school day or year	68
Teacher/staff hiring/firing policies	65
Other teacher policies (e.g., teacher contract year, tenure requirements)	61
Teacher salary/pay schedule	58
Teacher certification requirements	56
Control of finances/budget/ability to allocate funds	56
District student assessment policies for school and classroom use	56
Curriculum requirements	48
Student admission policies	35
Student attendance policies	32
Continuing education unit requirements for teachers	29
Incentives, rewards, or sanctions due to school performance	26
State student assessment policies	12

Sources: SRI 2001-02 state coordinator survey.
Exhibit reads: In 2001-02, 68 percent of states allowed waivers or exemptions to charter schools regarding the length of the school day or year.

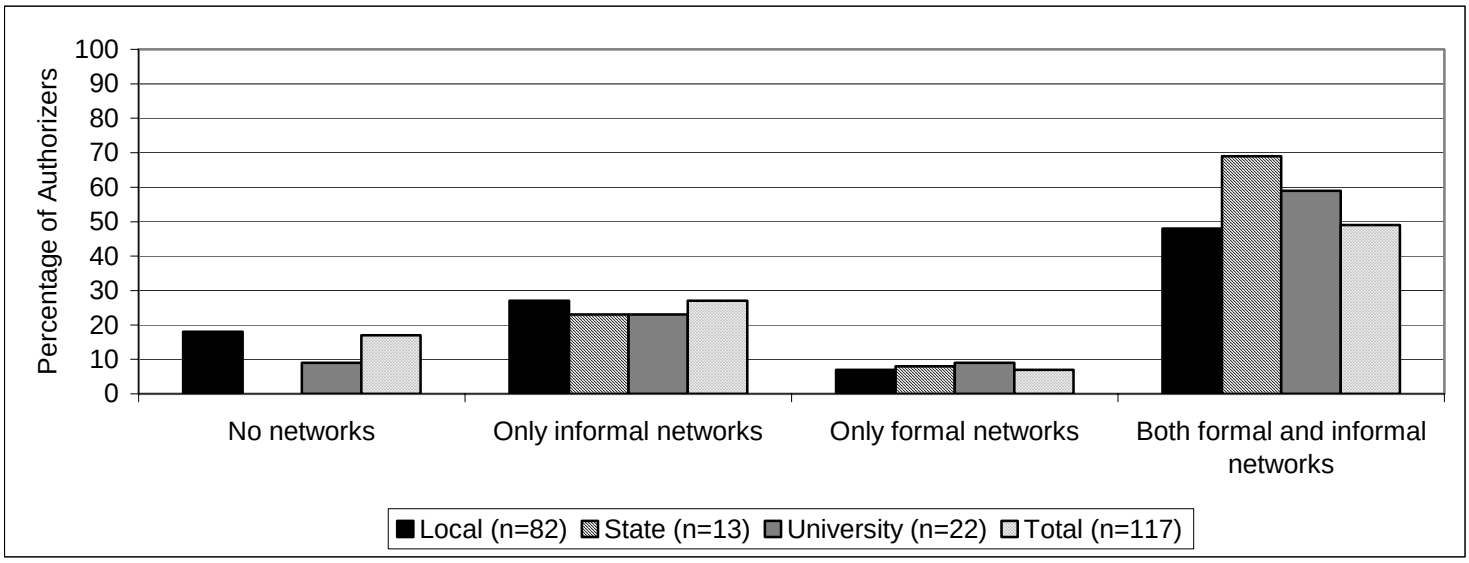
APPENDIX D:
CHAPTER 4

Appendix D-1
Reasons Authorizers Sponsor Charter Schools, by Type of Authorizer (2001-02)
(Respondents Citing Reasons as "Very Important")



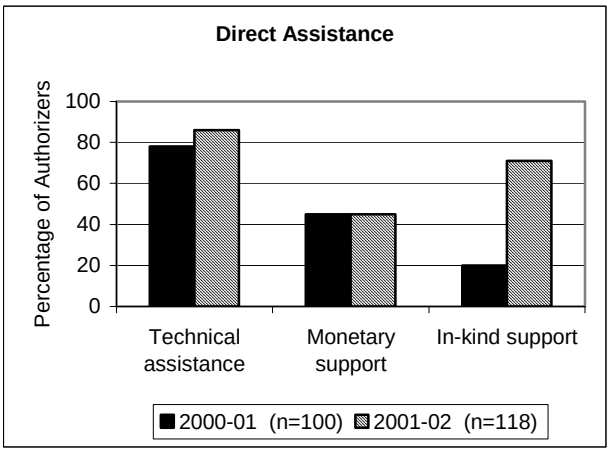
***p<.01, **p<.05 (Indicates significant association between type of authorizer and reason for sponsoring charter schools.)
Source: SRI 2001-02 authorizer survey.
Exhibit reads: In 2001-02, 50 percent of university authorizers cited fulfilling state charter mandates as a "very important" reason to sponsor charter schools, compared with 92 percent of state authorizers and 45 percent of local authorizers. These data indicate a statistically significant association between type of authorizer and this reason for sponsoring schools.

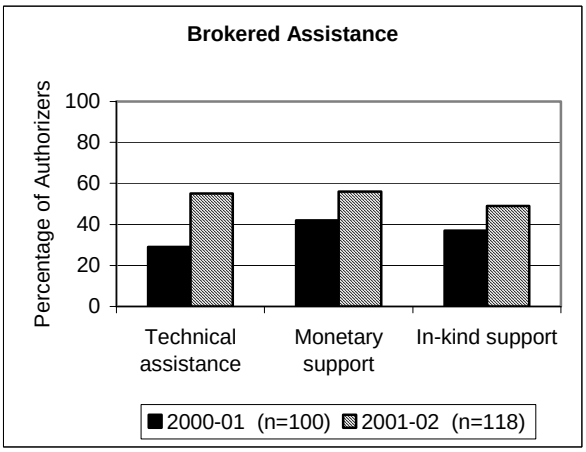
Appendix D-2
Authorizer Involvement in Formal and Informal Networks, by Type (2001-02)



Source: SRI 2001-02 authorizer survey.
Exhibit reads: In 2001-02, 18 percent of local authorizers reported no involvement in networks, compared with 0 percent of state authorizers, 9 percent of university authorizers. In addition, 17 percent of all authorizers reported no involvement in networks.

Appendix D-3
Assistance Provided to Charter Schools by Authorizers, 2000-01 and 2001-02





Sources: SRI 2000-01 and 2001-02 authorizer surveys.
Exhibit reads: In 2001-02, 78 percent of authorizers reported providing direct technical assistance to charter schools, compared with 86 percent in 2001-02. Twenty-nine percent of authorizers in 2000-2001, and 55 percent in 2001-02 reported brokering technical assistance to charter schools.

Appendix D-4
Services Provided to Charter Schools, by Type of Authorizer (2001-02)

Services	Percentage of Authorizers			
	Local (n=83)	State (n=13)	University (n=22)	Total (n=117)
Administrative oversight, monitoring, and evaluation	81	85	68	80
Assistance in meeting state or federal regulations**	76	85	45	74
Special education services***	79	46	10	74
Special education testing and assessment***	78	42	10	73
Data management services***	68	23	14	64
Preparation of charter contract	60	38	48	59
Budget preparation***	61	8	18	57
Human resources administration***	60	8	14	56
Reduced or free rent for facilities***	57	8	9	53
Bookkeeping***	57	0	5	53
Payroll services***	56	15	0	52
Food services***	54	25	5	51
Facility maintenance***	54	8	9	50
Purchasing***	54	15	5	50
Health services***	52	23	5	49
Transportation***	52	8	5	48
Supplies and equipment***	48	17	14	46
Social services***	39	8	0	36

***p<.01, **p<.05 (Indicates significant association between type of authorizer and services provided to charter schools.)
Source: SRI 2001-02 authorizer survey.
Exhibit reads: In 2001-02, 81 percent of local authorizers reported providing administrative oversight, monitoring, and evaluation services to the charter schools they authorized, compared with 85 percent of state authorizers, and 68 percent of university authorizers. These data indicate that no significant association exists between type of authorizer and the provision of administrative oversight, monitoring, and evaluation. Eighty percent of all authorizers provided these services.

Appendix D-5
Authorizers' Reasons for Denying Charter Applications, 2001-02

Area of Inadequacy	Percentage of Authorizers (n=47)
Curricular/instructional strategies	71
Governance procedures	57
Accountability provisions	52
Business plan	50
School facilities	46
Assessment system	44
School leader backgrounds	44
Special education services	40
School mission/goals	38
School location	37
Parent/community involvement plan	33
Student admission procedures	33
Health/safety issues	32
Targeted student population	31
Personnel policies	29
For-profit or nonprofit role	26
Student discipline policies	15

Source: SRI 2001-02 authorizer survey.
Exhibit reads: In 2001-02, 71 percent of authorizers reported denying charter applicants because of inadequacies related to curricular or instructional strategies.

Appendix D-6
Authorizer Monitoring, From the Charter School Perspective [a] (2001-02)

	Percentage of Charter Schools			
	Schools With Local Authorizer (n=214)	Schools With State Authorizer (n=195)	Schools With University Authorizer (n=57)	Total (n=476)
Finances	72	41	70	58
Compliance with regulations	67	45	78	58
Statewide assessment scores	71	43	67	58
Special education services	70	37	55	53
Enrollment numbers	58	38	59	50
Other standardized test scores	48	35	70	45
Performance-based test scores	42	30	47	45
Curriculum alignment	50	36	65	45
Other student performance indicators	56	35	39	45
Student admission	47	32	57	42
School governance	46	28	54	39
Instructional practices	41	30	50	37
Student discipline/safety	41	28	44	36

[a] Only the items for which more than one-third of the total number of schools reported authorizer monitoring are included in this table.
Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 72 percent of schools with local authorizers reported that their authorizer monitored their finances, compared with 41 percent with state authorizers, 70 percent with university authorizers. In addition, 58 percent of all schools reported that their authorizer monitored the schools finances.

Appendix D-7
Authorizer Monitoring Procedures, 2001-02

	Average Percentage of Schools Monitored by Authorizers (n=118)
Schools' reporting of standardized test scores	94
Review of compliance with state and federal regulations	93
Fiscal audits (by authorizer or another agency)	93
Annual reports from schools	91
Review of progress toward goals listed in original charter	90
Site visits to schools	85
Information to schools about progress	82
School-level self-evaluations	66
Parent surveys	59
Staff performance evaluations	53
Staff surveys	48
Student surveys	45
School-level evaluations conducted by an independent entity	34

Source: SRI 2001-02 authorizer survey.
Exhibit reads: In 2001-02, authorizers reported monitoring 94 percent of their charter schools, on average, through the schools' reporting of standardized test scores.

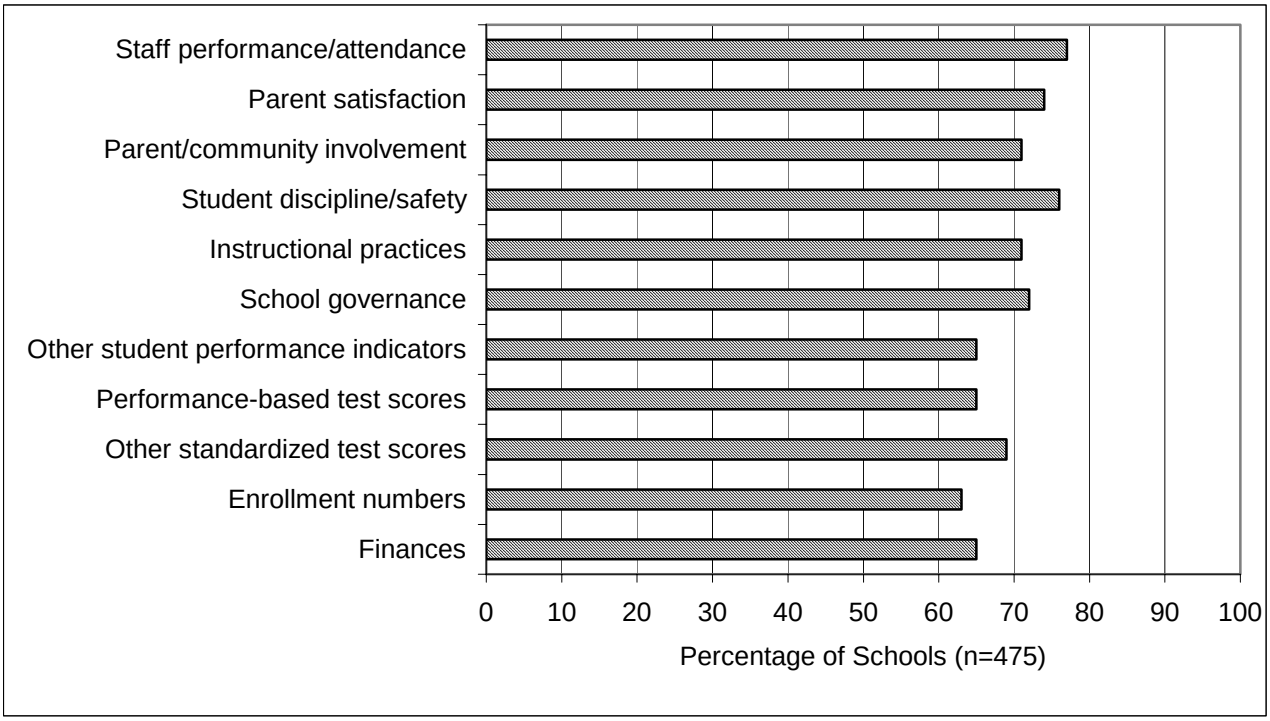
Appendix D-8
Frequency of Authorizer Monitoring, 2001-02

	Percentage of Authorizers		
	End of the Charter Cycle[83]	Annually	More Than Once a Year
Instructional practices (n=72)	9	35	57
Alignment of curriculum to state standards (n=94)	8	58	34
Financial record keeping and viability (n=105)	3	25	72
Compliance with federal or state regulations (n=106)	8	41	51
Student achievement results on statewide assessment (n=105)	6	76	18
Student achievement results on other standardized tests (n=80)	4	72	24
Student performance on performance-based tests (n=81)	5	61	33
Other student performance indicators, such as attendance rates (n=88)	5	47	49
Student discipline and school safety (n=80)	3	42	55
Diversity of student body (n=67)	7	55	38
School management, leadership, or governance (n=90)	6	42	52
Relationship with education management organization (n=27)	11	31	58
Parent satisfaction (n=69)	15	57	28
Parent or community involvement (n=67)	7	49	44
Student admission and selection procedures (n=80)	13	52	35
Enrollment numbers (n=105)	2	26	71
Staff performance and/or attendance (n=53)	5	48	47
Staff satisfaction (n=42)	7	55	38
Special education services (n=94)	2	30	68

Source: SRI 2001-02 authorizer survey
Exhibit reads: In 2001-02, 9 percent of authorizers reported monitoring charter school instructional practices at the end of the charter cycle, compared with 35 percent of authorizers who monitored this annually and 57 percent who monitored this more than once a year.

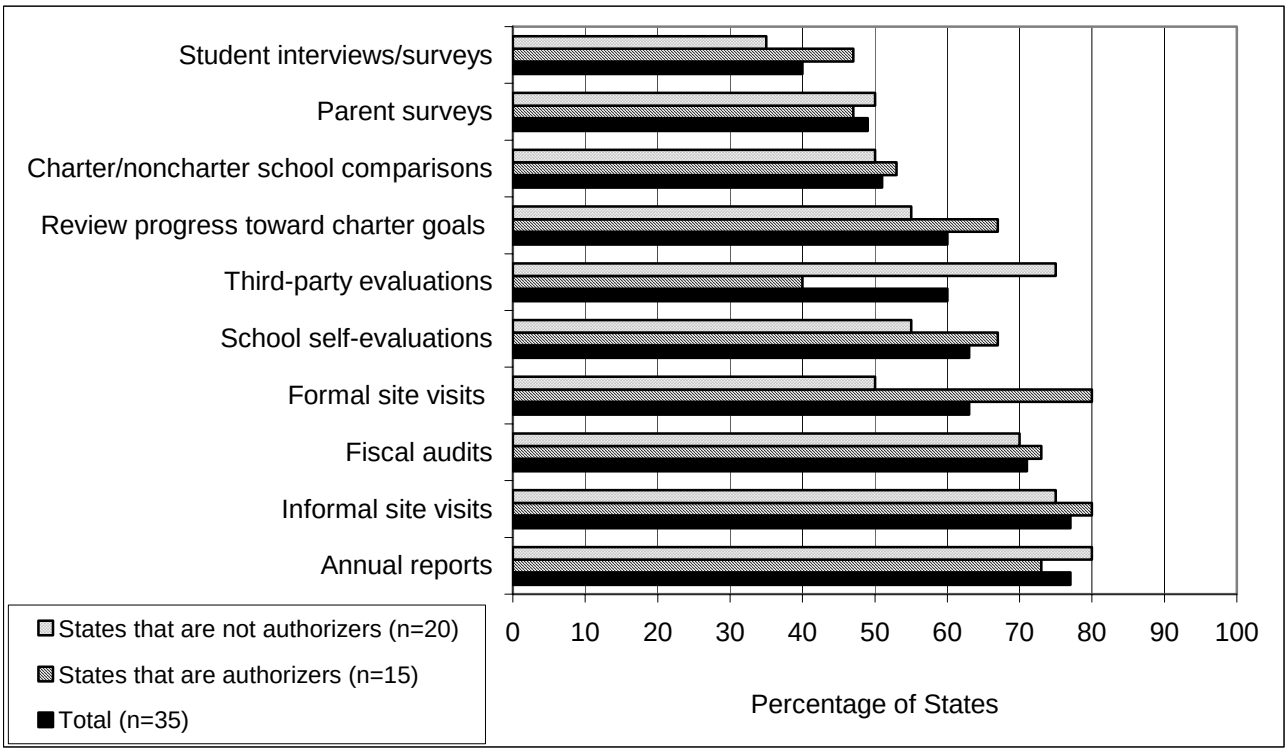
[83] The charter school cycle is typically five years (U.S. Department of Education, 2000).

Appendix D-9
Charter School Reports on Areas Monitored by Charter School Governing Body,[a] 2001-02



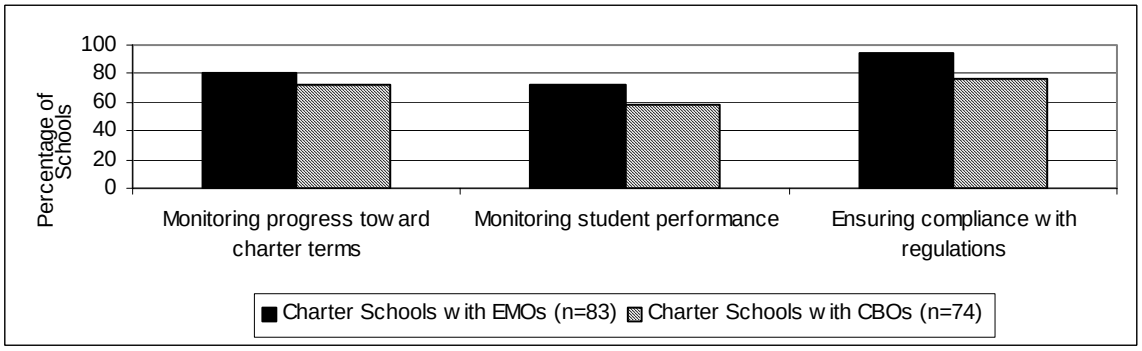
[a] Areas included in table were reported by 60 percent or more of charter school respondents.
Source: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 77 percent of charter schools reported being monitored on staff performance/attendance by their own governing bodies.

Appendix D-10
State Monitoring Procedures for Charter Schools, 2001-02



Source: SRI 2001-02 state coordinator survey.
Exhibit reads: In 2001-02, 35 percent of states that are not authorizers reported monitoring charter schools through student interviews/surveys, compared with 47 percent of states that are authorizers and 40 percent of all states.

Appendix D-11
Monitoring Roles of EMOs and CBOs, as Reported by Schools (2001-02)



Sources: SRI 2001-02 charter school survey.
Exhibit reads: In 2001-02, 80 percent of schools with EMOs reported that the EMOs monitored progress toward the charter terms, while 72 percent of schools with CBOs reported that CBOs monitored this area.

Appendix D-12
Authorizer Challenges, by Type of Authorizer (2001-02)

	Percentage of Authorizers		
	Local (n=83)	**State (n=13)**	**University (n=19)**
Lack of personnel	46	69	61
Inadequate resources	56	69	44
Lack of clarity about charter law	45	46	44
Lack of clarity about other state laws	38	38	11
Lack of clarity about federal laws	32	46	17
Union opposition	23	42	11
Community opposition	18	38	11
Difficulty creating accountability system	29	31	39
Difficulty setting performance targets	30	23	11
Difficulty measuring progress	41	38	28
Difficulty closing schools	54	77	67
Politics***	9	54	20
Resistance from traditional public schools**	37	77	39
Competition with traditional public schools for resources	37	46	21
Public confusion about charters**	42	85	39
Difficulty determining authorizer role	34	23	39

***p<.01, **p<.05 (Indicates significant association between type of authorizer and particular challenge.)
Source: SRI 2001-02 authorizer survey.
Exhibit reads: In 2001-02, 46 percent of local authorizers reported lack of personnel as a barrier, compared with 69 percent of state authorizers and 61 percent of university authorizers. No significant association exists between type of authorizer and this barrier.

APPENDIX E:
CHAPTER 5

Appendix E-1
School Performance Design and Analysis Procedures

The evaluation work on the performance of charter schools began with a student performance work group. In mid-1999, SRI, several other contractors, and Planning and Evaluation Service (PES) representatives (now Policy and Program Studies Service [PPSS]) formed a work group to collaborate on strategies for analyzing student performance through multiple evaluations sponsored by the U.S. Department of Education (ED). The work group convened a conference in October 1999 composed of experts, who ED charged with making a series of judgments and recommendations about the utility of state student performance systems for these evaluations.[84] The PES student performance work group met for two years to determine the feasibility of implementing the recommendations of the experts at the conference and to discuss the design implications for the various studies.

After receiving suggestions from the work group, the SRI study team compiled a state-by-state, school-level database for student performance analyses in Fall 2002. For the 36 states with charter schools as of Jan. 1, 2002, the study team collected the following information: 1) the number of charter schools in operation as of the 2001-02 school year; and, 2) a description of the state assessment system, including the state's school-level performance standards.[85] This preliminary analysis included an examination of the limitations of the assessment system. For example, if only Title I or only traditional public schools were included, comparisons necessary to answer the evaluation questions were not possible. Similarly, it was necessary to determine whether a large proportion of data was missing for charter schools or traditional public schools. Recognizing that appropriate comparisons between charter and traditional public schools require controls for student characteristics, the evaluation also identified data relating to school and student characteristics that were available in each state.

As of early 2003, and based on assessment data for 2001-02, the 36 states with operating charter schools fell into five groups. Five states were in the first group of schools—the analysis of student performance in charter schools and traditional public schools was conducted for this group of schools (see Chapter 5). The remaining four groups were not included in the analysis. These groups include:

- **States with no accountability system or performance measure for public schools** (nine states). State accountability systems are evolving rapidly, especially in response to the requirements of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001 (NCLB). Nevertheless, for the 2001-02 school year, several states did not have an accountability system that met the needs of this evaluation, either because the system did not apply to all schools or because it lacked a school-level performance standard, or both. Many states were in the process of developing their school-level targets (versus grade level and subject area targets, which were more common before NCLB), and others included only Title I schools in their accountability system. As a result, several states did not yet have data available that would allow comparisons of charter and traditional public schools against a school-level standard at the time of the analysis. In addition to these problems, a few states had only district-level performance targets. (The states with no school-level accountability system or performance standard were Georgia, Kansas, Michigan, Minnesota, Missouri, Ohio, Pennsylvania, District of Columbia, and Wisconsin.)

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[84] For more information about the conference and the work group's advanced preparation, see Miller et al. (2000). In brief, the experts determined that longitudinally linked, student-level scores from consecutive grade levels were required to answer most questions related to the effects of particular programs or educational interventions on student performance. However, relatively few states met this standard at that time.

[85] Each state's "performance standard" was defined as the standard or benchmark that public schools were expected to meet in 2001-02.

- **States that exclude charter schools from their accountability systems** (one state). This exclusion is related to the previous one, but it applies to the one state (New York) that excluded charter schools from the accountability system.

- **States with too few charter schools for meaningful analysis** (16 states). Analyses were not conducted for states with fewer than 20 charter schools because student performance findings comparing charter schools with traditional public schools based on so few charter schools could not be interpreted with confidence. (The states with too few charter schools for analysis included Alaska, Arkansas, Connecticut, Delaware, Hawaii, Idaho, Louisiana, Mississippi, Nevada, Oklahoma, Oregon, Rhode Island, South Carolina, Utah, Virginia, and Wyoming.)

- **States with large amounts of missing data for charter schools** (five states). States in which student performance data were missing for more than 40 percent of charter schools were excluded to ensure that the findings were based on a solid majority (i.e., 60 percent or more) of those schools. (The states with data missing for more than 40 percent of charter schools included Arizona, California, Florida, New Jersey, and New Mexico.)

The first step of the analysis was to determine the extent to which charter schools and traditional public schools met the state performance standard in each state. To make this analysis relevant to particular state contexts, the determination of "meeting the state standard" was based on each state's accountability systems. Specifically, schools were designated as not meeting the state standard in this analysis if:

- they were rated "unsatisfactory" (Colorado),
- they were placed on a watch/warning list (Illinois),
- they were rated as not making adequate yearly progress (Massachusetts),
- they were rated "low performing" (North Carolina, Texas).

The second step of this analysis was an examination of student performance for charter schools and traditional public schools, controlling for one background variable at a time. That is, each background variable was used to examine the relationship between meeting or not meeting state performance standards and school type (i.e., charter or traditional public schools). The following control variables were included in most states: student enrollment, percent minority,[86] percent low-income,[87] and mobility. For this analysis, each control variable was divided into halves (e.g., schools above and below the median of each variable).[88] Significance tests were performed for these analyses, using the chi-squared test or, when fewer than five schools were in a cell, the Fisher's exact test. These procedures were performed on data from all five states.[89]

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[86] This analysis defines students from any nonwhite racial or ethnic category as "minority".

[87] This report uses the terms "low-income" and "high poverty" interchangeably.

[88] Medians were calculated on the basis of all schools in the state.

[89] To test the hypothesis that charter schools that have been in operation for more than a few years outperform newly opened schools (schools that may not have had enough time to fully implement and fine-tune their educational programs), the relationship between school performance (i.e., meeting the state performance standard) and the number of years the charter school had been in operation was examined. The analysis compared charter schools open one to two years with charter schools open for three or more years. In four states, these comparisons were not statistically significant, meaning the age of a charter school was not associated with its likelihood of meeting state performance standards—old and new schools met or did not meet the performance standard in equal proportions. In one state a significant difference existed, with older schools less likely to meet the performance standard than newer schools.

The third step in the analysis was logistic regression. Logistic regression was conducted to examine the extent to which school type was associated with performance while controlling for all the available background variables simultaneously. Regressions were performed in the two states (Texas and Colorado) that had sufficient numbers of low-performing charter and traditional public schools *and* sufficient numbers of charter schools generally.[90] Before conducting the regressions, tests of the collinearity of variables were conducted, finding that the variables were sufficiently distinct to include in the models. The outcome variable for this analysis was low performance or "not meeting the state performance standard."[91]

[90] Logistic regression was not possible in the other states because they had either too few low-performing schools (North Carolina) or too few charter schools (Massachusetts, Illinois).

[91] Coded "1" for schools designated by the state as "not meeting the state performance standard," "0" otherwise. This report uses the terms "not meeting the state performance standard" and "low performing" interchangeably.

Appendix E-2

Texas Student Performance Results

The Texas accountability system included two systems: a standard system and an alternative system.[92] The following pages only discuss the performance of charters within the standard system.[93] The analysis discussed here draws on data from charter schools and traditional public schools that were assigned accountability ratings.[94] Most traditional public schools (n=6,420) and approximately half of the charter schools in Texas (n=118) participated in the standard assessment system. Charter schools in the standard assessment system had higher mobility,[95] higher proportions of nonwhite students, higher proportions of educationally disadvantaged students ("low-income")[96] and lower enrollment numbers than traditional public schools. The following table illustrates these differences.

Descriptive Statistics (Texas), 2001-02

	Mean (Standard Deviation)		
	Traditional public schools (n=6,420)	Charter schools (n=118)	All schools (n=6,538)
Percent low-income**	52 (28)	59 (27)	53 (28)
Percent minority***	55 (32)	76 (31)	55 (32)
Enrollment***	624 (468)	263 (235)	618 (469)
Mobility rate***	19 (8)	37 (26)	20 (9)

***p<.01, **p<.05

Exhibit reads: In 2001-02 for Texas, the mean proportion of low-income students in traditional public schools was 52 percent with a standard deviation of 28 percent. This difference between the percent low-income in traditional public schools and charter schools is statistically significant.

In 2001-02, 152 schools in the standard accountability system did not meet the Texas performance standard. Compared with traditional public schools, a higher proportion of charter schools in the standard system were low performing: 34 percent of charter schools, compared with 2 percent of traditional public schools. The following table illustrates this finding.

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[92] The accountability system uses performance data on the Texas Assessment of Academic Skills (TAAS) and annual dropout rates to determine whether a school is rated as exemplary, recognized, acceptable, or low performing. The TAAS is administered in grades 3-8 and 10 in reading and writing, mathematics, science, and social studies, depending on the grade level. Schools are designated as low performing if students do not meet the performance standard in any tested subject area.

[93] The alternative system was not included in the analysis because it was discontinued to comply with NCLB. As of 2002-03, all schools were included in one accountability system.

[94] A number of schools were excluded from the accountability system (and did not receive a school rating) by the state for the following reasons: (1) the school had poor data quality, (2) the campus served only primary grades, (3) the charter school was in its first year of operation, (4) the charter school had insufficient data to be evaluated.

[95] Student mobility in Texas was calculated by dividing the number of mobile students, defined as students in attendance at the school for less than 83 percent of the school year, by the total number of students.

[96] The percentage of educationally disadvantaged or "low-income" students in Texas was calculated as follows: the sum of the students coded as "eligible for free or reduced-price lunch[es] or eligible for other public assistance," divided by the total number of students at the school.

Performance of Traditional Public Schools and Charter Schools in Texas, 2001-02

	Number of Schools (Percentage)		
	Met Standard	Did Not Meet Standard	Total
Traditional public schools	6,308 (98)	112 (2)	6,420 (98)
Charter schools	78 (66)	40 (34)	118 (2)
Total	6,386 (98)	152 (2)	6,538 (100)
*Significant association exists between school type and performance with a lower proportion of charter schools meeting the standard****			

***p<.01

Exhibit reads: In Texas, 6,308 traditional public schools (98 percent) met the state performance standard, and 112 traditional public schools (2 percent) did not meet the standard in 2001-02.

To better understand these differences in performance, the step two analyses were conducted to control for certain school characteristics, the proportion of minority students, the proportion of low-income students, the proportion of mobile students, and student enrollment. Charter schools are more likely to not meet the state performance standard even after comparing similar charter schools and traditional public schools based on the proportion of low-income students in the school. The gap between the proportion of low-performing charter schools and the proportion of low-performing traditional public schools is smaller in the group of schools with lower proportions of low-income students, but remains statistically significant.

Analysis of School Type and Performance, Controlling for Proportion of Low-Income Students (Texas), 2001-02

Number of Schools (Percentage)							
Low-Income: Below State Median				Low-Income: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	3,206 (99)	17 (1)	3,223 (99)	Traditional public schools	3,102 (97)	95 (3)	3,197 (98)
Charter schools	32 (76)	10 (24)	42 (1)	Charter schools	46 (61)	30 (39)	76 (2)
Total	3,238 (99)	27 (1)	3,265 (100)	Total	3,148 (96)	125 (4)	3,273 (100)
*Significant association exists between school type and performance for schools with below average percentages of low-income students (with a lower proportion of charter schools meeting the standard)****				*Significant association exists between school type and performance for schools with above average percentages of low-income students (with a lower proportion of charter schools meeting the standard)****			

***p<.01

Note: State median = 52 percent

Exhibit reads: In Texas, 3,206 traditional public schools (99 percent) below the state median in the proportion of low-income students met the state performance standard, and 17 (1 percent) did not meet the standard in 2001-02.

Examining the relationship between performance and school type while controlling for the proportion of minority students leads to a similar finding. Comparing charter and traditional public schools with similar populations of minority students does not change the finding: Different proportions of charter schools met the state standard compared to traditional public schools. Again, the gap between the proportion of charter and traditional public schools not meeting the standard was smaller for the schools with low numbers of minority students but remained statistically significant.

Analysis of School Type and Performance, Controlling for Proportion of Minority Students (Texas), 2001-02

Number of Schools (Percentage)							
Minority: Below State Median				Minority: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	3,349 (99)	20 (<1)	3,369 (99)	Traditional public schools	2,959 (97)	92 (3)	3,051 (97)
Charter schools	24 (80)	6 (20)	30 (1)	Charter schools	54 (61)	34 (39)	88 (3)
Total	3,373 (99)	26 (1)	3,399 (100)	Total	3,013 (96)	126 (4)	3,139 (100)
*Significant association exists between school type and performance for schools with below average percentages of minority students (with a lower proportion of charter schools meeting the standard)****				*Significant association exists between school type and performance for schools with above average percentages of minority students (with a lower proportion of charter schools meeting the standard)****			

***p<.01

Note: State median = 55 percent

Exhibit reads: In Texas, 3,349 traditional public schools (99 percent) with minority student populations below the state median met the state performance standard, and 20 (fewer than 1 percent) did not meet the standard in 2001-02.

The study team also examined the effect of student mobility on the relationship between performance and school type. Controlling for mobility did not affect the relationship between school type and performance discussed above.

Analysis of School Type and Performance, Controlling for Proportion of Mobile Students (Texas), 2001-02

Number of Schools (Percentage in parenthesis)							
Mobility: Below State Median				Mobility: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	3,622 (99)	33 (1)	3,655 (99)	Traditional public schools	2,686 (97)	79 (3)	2,765 (97)
Charter schools	40 (89)	5 (11)	45 (1)	Charter schools	38 (52)	35 (48)	73 (3)
Total	3,662 (99)	38 (1)	3,700 (100)	Total	2,724 (96)	114 (4)	2,838 (100)
*Significant association exists between school type and performance for schools with below average percentages of mobile students (with a lower proportion of charter schools meeting the standard)****				*Significant association exists between school type and performance for schools with above average percentages of mobile students (with a lower proportion of charter schools meeting the standard)****			

***p<.01
Note: State median = 19 percent
Exhibit reads: In Texas, 3,622 traditional public schools (99 percent) with student mobility rates below the state median met the state performance standard, and 33 (1 percent) did not meet the standard in 2001-02.

Finally, the evaluation examined whether controlling for enrollment changed the findings above. Even after this step, the differences in the proportion of charter and traditional public schools meeting the Texas performance standard were statistically significant.

Analysis of School Type and Performance Controlling for Enrollment (Texas), 2001-02

Number of Schools (Percentage in parenthesis)							
Enrollment: Below State Median				Enrollment: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	2,608 (98)	52 (2)	2,660 (96)	Traditional public schools	3,700 (98)	60 (2)	3,760 (100)
Charter schools	66 (65)	35 (35)	101 (4)	Charter schools	12 (71)	5 (29)	17 (<1)
Total	2,674 (97)	87 (3)	2,761 (100)	Total	3,712 (98)	65 (2)	3,777 (100)
*Significant association exists between school type and performance for schools with below average student enrollment (with a lower proportion of charter schools meeting the standard)****				*Significant association exists between school type and performance for schools with above average student enrollment (with a lower proportion of charter schools meeting the standard)****			

***p<.01
Note: State median = 469 students.
Exhibit reads: In Texas, 2,608 traditional public schools (98 percent) with enrollments below the state median met the state performance standard, and 52 (2 percent) did not meet the standard in 2001-02.

In summary, the finding that traditional public schools met the state performance standard at higher rates than charter schools did not change after controlling for the proportion of low-income and minority students, student mobility, or student enrollment.

For Texas, the evaluation also included logistic regression. For Texas, the logistic regression model was:

> The log odds of meeting the state standard[97] = $\beta_0 + \beta_1$ (percent low-income) + β_2 (percent minority) + β_3 (enrollment: large school) + β_4 (enrollment: small school) + β_5 (mobility: high) + β_6 (mobility: low) + β_7 (charter[98]) + e (error term)

As the formula illustrates, two variables—enrollment and mobility—were converted from continuous to categorical because of the nonlinear relationship with the outcome in Texas.[99] The findings from the logistic regression indicate that being a charter school was associated with not meeting the state performance standard, controlling for low-income students, minority students, student mobility, and student enrollment.

Logistic Regression Results (Texas), 2001-02

	DF	Estimate	Standard Error	Chi-Square	Pr > ChiSq
Intercept	1	-6.0056	0.3723	260.2098	<.0001
Low-income	1	0.000331	0.00571	0.0034	0.9538
Minority***	1	0.0212	0.00552	14.7297	0.0001
Enrollment: Large school	1	0.1723	0.2280	0.5710	0.4499
Enrollment: Small school***	1	0.8793	0.2455	12.8312	0.0003
Mobility: High***	1	0.9600	0.2117	20.5708	<.0001
Mobility: Low**	1	-0.8579	0.3373	6.4674	0.0110
Charter***	1	2.4977	0.2850	76.8016	<.0001

***p<.01, **p<.05

Exhibit reads: The relationship between charter schools and the log odds of not meeting the state standard is significant (p<.01) after controlling for all of the other variables in the model.

[97] Coded "1" for not meeting the standard, "0" for meeting the standard.

[98] Coded "1" for charter and "0" for traditional public schools.

[99] These variables were converted to separate dummy variables—enrollment (small, medium, large) and mobility (low, medium, high). In each case, the middle category was the omitted category in the logistic regression.

Appendix E-3

Colorado Student Performance Results

The Colorado assessment system involves student performance results on the state's criterion-referenced test, the Colorado Student Assessment Program (CSAP).[100] Performance data for 2001-02 are available from 1,451 traditional public schools and 84 charter schools in Colorado. Charter schools in Colorado have lower proportions of students eligible for free and reduced-price lunches[101] ("low-income"), fewer nonwhite students, and lower average enrollments than traditional public schools, as illustrated in the following table.

Descriptive Statistics (Colorado), 2001-02

	Mean (Standard Deviation in parenthesis)		
	Traditional public schools (n=1,546)	Charter schools (n=84)	All Schools (n=1,630)
Percent low-income***	33 (25)	19 (26)	32 (25)
Percent minority***	32 (26)	23 (25)	32 (26)
Enrollment***	464 (386)	293 (250)	455 (382)

***p<.01

Exhibit reads: In Colorado, the mean proportion of low-income students in traditional public schools is 33 percent with a standard deviation of 25 percent in 2001-02. This difference between the percent low-income in traditional public schools and charter schools is statistically significant.

In 2001-02, 38 Colorado schools (2 percent) were not meeting the state's performance standard. Ten percent of charter schools did not meet the standard, compared with 2 percent of traditional public schools. These differences were statistically significant, as indicated below.

[100] In 2001-02, students in Colorado in grades 3-5, 7-8, and 10 participated in the Colorado Student Assessment Program (CSAP), a test that measures student achievement against the Colorado Model Content Standards. Depending on grade level, CSAP includes tests of reading and writing, mathematics, and science. Colorado schools are rated based on their overall CSAP scores from grades 3-10 and the ACT for all 11th-graders and designated as Excellent Academic Performance, High Academic Performance, Average Academic Performance, Low Academic Performance, or Unsatisfactory. Schools rated as Unsatisfactory are considered by the state not to have met the Colorado performance standard. If a school serves multiple levels (e.g., K-8 serves both elementary and middle), it receives more than one accountability rating. Note: In less than five cases, a charter school had an unsatisfactory rating for one level and a satisfactory rating for another. These schools were dropped from the analysis.

[101] In Colorado, "low-income students" are defined as those students eligible for free or reduced-price lunches. Student mobility data were not available in Colorado.

Performance of Traditional Public Schools and Charter Schools (Colorado), 2001-02

	Number of Schools (Percentage)		
	Met standard	Did Not Meet Standard	Total
Traditional public schools	1,421 (98)	25 (2)	1,446 (95)
Charter schools	76 (90)	8 (10)	84 (5)
Total	1,497 (98)	33 (2)	1,530 (100)
*Significant association exists between school type and performance with a lower proportion of charter schools meeting the standard****			

***p<.01

Exhibit reads: In Colorado, 1,421 traditional public schools (98 percent) met the state performance standard, and 30 (2 percent) did not meet the standard in 2001-02.

To better understand these differences, the step two analyses were conducted in Colorado, as well. As the table indicates, controlling for the proportion of low-income students produced mixed findings. In schools with higher than average (above the state median) proportions of low-income students, traditional public schools were more likely than charter schools to meet the state performance standard. However, among schools with lower than average proportions of low-income students, traditional public schools and charter schools performed at similar levels.

Analysis of School Type and Performance, Controlling for Proportion of Low-Income Students (Colorado), 2001-02

Number of Schools (Percentage)							
Low-income: Below State Median				Low-income: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	697 (99)	6 (1)	703 (92)	Traditional public schools	724 (97)	19 (3)	743 (97)
Charter schools	59 (97)	2 (3)	61 (8)	Charter schools	17 (74)	6 (26)	23 (3)
Total	756 (99)	8 (1)	764 (100)	Total	741 (97)	25 (3)	766 (100)
No significant association exists between school type and performance for schools with below average percentages of low-income students (i.e., charter schools and traditional public schools meet the standard in equal proportions)				*Significant association exists between school type and performance for schools with above average percentages of low-income students (with a lower proportion of charter schools meeting the standard)****			

***p<.01

Note: State median = 28 percent.

Exhibit reads: In Colorado, 697 traditional public schools (99 percent) below the state median for the proportion of low-income students met the state performance standard, and six (1 percent) did not meet the standard in 2001-02.

The data indicate a similar finding when examining charter schools and traditional public schools controlling for the percentage of minority students. Traditional public schools and charter schools met state performance standards in similar rates when comparing schools with lower than average proportions of minority students. However, when comparing schools with higher than average proportions of minority students, charter schools were less likely to meet the Colorado performance standard compared with traditional public schools.

Analysis of School Type and Performance, Controlling for Proportion of Minority Students (Colorado), 2001-02

Number of Schools (Percentage)							
Minority: Below State Median				Minority: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	725 (100)	3 (<1)	728 (93)	Traditional public schools	696 (97)	22 (3)	718 (96)
Charter schools	54 (98)	1 (2)	55 (7)	Charter schools	22 (76)	7 (24)	29 (4)
Total	779 (99)	4 (1)	783 (100)	Total	718 (96)	29 (4)	747 (100)
No significant association exists between school type and performance for schools with below average percentages of minority students (i.e., charter schools and traditional public schools meet the standard in equal proportions)				*Significant association exists between school type and performance for schools with above average percentages of minority students (with a lower proportion of charter schools meeting the standard)****			

***p<.01

Note: State median = 23 percent.

Exhibit reads: In Colorado, 725 traditional public schools (99 percent) below the state median for the proportion of minority students met the state performance standard, and three (fewer than 1 percent) did not meet the standard in 2001-02.

In addition to finding that charter schools and traditional public schools meet the state standard in Colorado in similar rates when they have lower than average proportions of low-income and minority students, the evaluation team found that the two types of schools perform at similar rates when they have above average student enrollment numbers, as illustrated below. However, charter schools met the standard in lower rates when they had smaller than average enrollments compared with similar traditional public schools.

Analysis of School Type and Performance, Controlling for Enrollment (Colorado), 2001-02

Number of Schools (Percentage)							
Enrollment: Below State Median				Enrollment: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	646 (97)	17 (3)	663 (92)	Traditional public schools	775 (99)	8 (1)	783 (97)
Charter schools	52 (87)	8 (13)	60 (8)	Charter schools	24 (100)	0	24 (3)
Total	698 (97)	25 (3)	723 (100)	Total	799 (99)	8 (1)	807 (100)
*Significant association exists between school type and performance for schools with below average student enrollment (with a lower proportion of charter schools meeting the standard)****				*No significant association exists between school type and performance for schools with above average student enrollment (i.e., charter schools and traditional public schools meet the standard in equal proportions)*			

***p<.01

Note: State median = 389 students.

Exhibit reads: In Colorado, 646 traditional public schools (97 percent) below the state median for student enrollment met the state performance standard, and 17 (3 percent) did not meet the standard.

Student performance results in Colorado also included step three of these analyses: logistic regression. For Colorado, the logistic regression model was as follows:

> The log odds of meeting the state standard[102] = β0 + β1 (low-income: high proportions) + β2 (low-income: low proportions) + β3 (percent minority) + β4 (enrollment: large school) + β5 (enrollment: small school) + β6 (charter[103]) + e (error term)

Minority is a continuous variable, and enrollment and low-income were converted from continuous to categorical after preliminary analyses showed that these variables had a nonlinear relationship with the dependent variable.[104] The findings from the logistic regression indicate that being a charter school was associated with not meeting the standard, controlling for low-income students, minority students, and student enrollment.

[102] Coded "1" for not meeting the standard, "0" for meeting the standard.

[103] Coded "1" for charter and "0" for traditional public schools.

[104] These variables were converted to separate dummy variables—enrollment (small, medium, large) and low-income (low proportions, medium proportions, and high proportions). In each case, the middle category was the omitted category in the logistic regression.

Logistic Regression Results (Colorado), 2001-02

	DF	Estimate	Standard Error	Chi-Square	Pr > ChiSq
Intercept	1	-9.0955	1.0323	77.6330	<0.0001
Low-income: High Proportions	1	0.4832	0.7793	0.3845	0.5352
Low-income: Low Proportions***	1	2.0552	0.8399	5.9881	0.0144
Minority***	1	0.0625	0.0101	38.2964	<0.0001
Enrollment: Large school	1	0.3653	0.6496	0.3162	0.5739
Enrollment: Small school***	1	2.1779	0.57777	14.2107	0.0002
Charter***	1	1.5875	0.5263	9.0985	0.0026

***p<.01

Exhibit reads: The relationship between charter schools and the log odds of not meeting the state standard is significant (p<.01) after controlling for all of the other variables in the model.

Appendix E-4

Illinois Student Performance Results

The assessment system in Illinois places schools on a warning or watch list based on student achievement results.[105] The analysis of performance in Illinois is based on data from 23 charter schools and 3,892 traditional public schools. Charter schools in Illinois have lower average enrollments and higher proportions of minority and low-income students[106] than the state's traditional public schools. In addition, charter schools have higher than average mobility rates.[107]

Descriptive Statistics (Illinois), 2001-02

	Mean (Standard Deviation in parenthesis)		
	Traditional public schools (n=3,892)	Charter schools (n=23)	All schools (n=3,915)
Percent low-income***	36 (31)	62 (33)	36 (30)
Percent minority***	33 (36)	83 (28)	33 (36)
Enrollment	519 (444)	376 (536)	518 (445)
Mobility rate	17 (13)	20 (16)	17 (13)

***p<.01

Exhibit reads: In Illinois, the mean proportion of low-income students in traditional public schools is 36 percent with a standard deviation of 31 percent in 2001-02. The difference in the percent low-income in traditional public schools and charter schools is statistically significant.

The 2001-02 performance ratings indicate that 712 charter and traditional public schools did not meet the Illinois performance standard. Of these 712 schools, 11 were charter schools, representing 48 percent of the charter school population, compared with 18 percent of traditional public schools, as shown below.

[105] The assessment system in Illinois used two tests in 2001-02: the Illinois Standards Achievement Test (ISAT) for grades 3-5 and 7-8, and the Prairie State Achievement Examination (PSAE) for grade 11. The ISAT includes tests in reading, writing, math, science, and social studies, depending on the grade level. Schools are placed on the Academic Early Warning List based on composite scores.

[106] In Illinois, "low-income students" are defined as pupils from families receiving public assistance, living in institutions for neglected or delinquent children, being supported in foster homes with public funds, or eligible to receive free or reduced-price lunches.

[107] In Illinois, "mobility rate" is defined as the number of times students enroll in or leave a school during the year.

Performance of Traditional Public Schools and Charter Schools (Illinois), 2001-02

	Number of Schools (Percentage)		
	Met standard	Did not meet standard	Total
Traditional public schools	3,191 (82)	701 (18)	3,892 (99)
Charter	12 (52)	11 (48)	23 (1)
Total	3,203 (82)	712 (18)	3,915 (100)
*Significant association exists between school type and performance with a lower proportion of charter schools meeting the standard****			

***p<.01

Exhibit reads: In Illinois, 3,191 traditional public schools (82 percent) met the state performance standard, and 701 (18 percent) did not meet the standard in 2001-02.

When controlling for student mobility and enrollment, the differences in performance levels between charter and traditional public schools persisted (see tables that follow). However, non-significant results were found when comparing similar groups of charter and traditional public schools based on the proportion of low-income and minority students, as discussed below.

Analysis of School Type and Performance, Controlling for Mobility (Illinois), 2001-02

Number of Schools (Percentage)							
Mobility: Below State Median				Mobility: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	1,866 (96)	77 (4)	1,943 (100)	Traditional public schools	1,325 (68)	624 (32)	1,949 (99)
Charter schools	6 (67)	3 (33)	9 (<1)	Charter schools	5 (42)	7 (58)	12 (1)
Total	1,872 (96)	80 (4)	1,952 (100)	Total	1,330 (68)	631 (32)	1,961 (100)
*Significant association exists between school type and performance for schools with below average mobility rates (with a lower proportion of charter schools meeting the standard)****				*Significant association exists between school type and performance for schools with above average mobility rates (with a lower proportion of charter schools meeting the standard)***			

***p<.01, **p<.05

Note: State median = 14 percent.

Exhibit reads: In Illinois, 1,866 traditional public schools (96 percent) below the state median for student mobility met the state performance standard, and 77 (4 percent) did not meet the standard in 2001-02.

Analysis of School Type and Performance, Controlling for Enrollment (Illinois), 2001-02

Number of Schools (Percentage)							
Enrollment: Below State Median				Enrollment: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	1,749 (90)	186 (10)	1,935 (99)	Traditional public schools	1,442 (74)	515 (26)	1,957 (100)
Charter schools	12 (60)	8 (40)	20 (1)	Charter schools	0 (0)	3 (100)	3 (<1)
Total	1,761 (90)	194 (10)	1,955 (100)	Total	1,442 (74)	518 (26)	1,960 (100)
*Significant association exists between school type and performance for schools with below average student enrollment (with a lower proportion of charter schools meeting the standard)****				*Significant association exists between school type and performance for schools with above average student enrollment (with a lower proportion of charter schools meeting the standard)***			

***p<.01, **p<.05

Note: State median = 403 students.

Exhibit reads: In Illinois, 1,749 traditional public schools (90 percent) below the state median for student enrollment met the state performance standard, and 186 (10 percent) did not meet the standard in 2001-02.

As the table below indicates, among schools with lower than average proportions of low-income students, performance differences between charter schools and traditional public schools were not statistically significant.[108] Charter schools with higher than average proportions of low-income students met the standard less frequently when compared with similar traditional public schools.

Analysis of School Type and Performance, Controlling for Proportion of Low-Income Students (Illinois), 2001-02

Number of Schools (Percentage)							
Low-Income: Below State Median				Low-Income: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	1,907 (98)	40 (2)	1,947 (100)	Traditional public schools	1,284 (66)	661 (34)	1,945 (99)
Charter schools	5 (83)	1 (17)	6 (<1)	Charter schools	7 (41)	10 (59)	17 (1)
Total	1,912 (98)	41 (2)	1,953 (100)	Total	1,291 (66)	671 (34)	1,962 (100)
No significant association exists between school type and performance for schools with below average low-income students (i.e., charter schools and traditional public schools meet the standard in equal proportions)				*Significant association exists between school type and performance for schools with above average low-income students (with a lower proportion of charter schools meeting the standard)***			

**p<.05

Note: State median = 28 percent.

Exhibit reads: In Illinois, 1,907 traditional public schools (98 percent) below the state median for the proportion of low-income students met the state performance standard, and 40 (2 percent) did not meet the standard.

[108] Please note that only six charter schools had lower than average proportions of low-income students. Therefore, these findings must be interpreted with caution.

The Illinois data reveal an interesting finding: charter schools and traditional public schools met the standard in similar rates when schools with similar proportions of minority students were compared. This finding held for both schools with above average proportions of minority students and those with below average proportions. As illustrated below, controlling for minority indicates that charter schools and traditional public schools met the performance standard in equal rates.

Analysis of School Type and Performance, Controlling for Proportion of Minority Students (Illinois), 2001-02

Number of Schools (Percentage)							
Minority: Below State Median				Minority: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	1,905 (98)	48 (2)	1,953 (100)	Traditional public schools	1,286 (66)	653 (34)	1,939 (99)
Charter schools	1 (100)	0 (0)	1 (<1)	Charter schools	11 (50)	11 (50)	22 (1)
Total	1,906 (98)	48 (2)	1,954 (100)	Total	1,297 (66)	664 (34)	1,961 (100)
No significant association exists between school type and performance for schools with below average minority students (i.e., charter schools and traditional public schools meet the standard in equal proportions)				*No significant association exists between school type and performance for schools with above average minority students (i.e., charter schools and traditional public schools meet the standard in equal proportions)*			

Note: State median = 16 percent.

Exhibit reads: In Illinois, 1,905 traditional public schools (98 percent) below the state median for the proportion of minority students met the state performance standard, and 48 (2 percent) did not meet the standard in 2001-02.

Appendix E-5

Massachusetts Student Performance Results

The Massachusetts school performance system rates schools according to whether they make adequate yearly progress (AYP).[109] The analysis of performance in Massachusetts is based on charter schools and traditional public schools with available performance data.[110] A total of 1,538 traditional public schools and 28 charter schools are included in the analysis. Charter schools in Massachusetts have lower enrollments and higher proportions of minority and low-income students[111] than traditional public schools in the state, as indicated in the following table.[112]

Descriptive Statistics (Massachusetts), 2001-02

	Mean (Standard Deviation in parenthesis)		
	Traditional public schools (n=1,538)	Charter schools (n=28)	All Schools (n=1,566)
Percent low-income***	29 (28)	47 (25)	29 (28)
Percent minority***	24 (28)	48 (40)	24 (28)
Enrollment***	511 (360)	342 (290)	508 (360)

***p<.01

Exhibit reads: In Massachusetts, the mean proportion of low-income students in traditional public schools is 29 percent with a standard deviation of 28 percent in 2001-02. The difference between the percent low-income in traditional public schools and charter schools is statistically significant.

The 2001-02 AYP performance ratings indicate that 213 charter and traditional public schools did not meet the Massachusetts performance standard. Thirty six percent of charter schools were represented among these 213 schools, compared with 13 percent of traditional public schools.

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[109] AYP is determined every two years on the basis of performance and improvement ratings on the Massachusetts Comprehensive Assessment System (MCAS) tests in English language arts and mathematics. The most recent ratings issued (Cycle II) are based on tests administered in 2001 and 2002 at grades 4, 7, 8, and 10. AYP is determined for school-level (elementary, middle, high) and subject area. Schools that are designated as not meeting AYP, or as low performing, by the state are subject to sanctions and receive assistance. For this analysis, if a school was designated as low performing in either subject area for any grade level tested, it was considered low performing, consistent with state procedures.

[110] The analysis is based on data for 66 percent of the charter schools in Massachusetts (28 of the 42 charter schools). According to the Massachusetts Department of Education, these schools are missing performance data either because they had too few students or because they were not open for the full performance cycle (two years) on which the performance ratings are based. Approximately 300 traditional public schools were also excluded from this analysis because they did not receive a performance rating.

[111] In Massachusetts, "low-income" is defined as a student who is eligible for free or reduced-price lunches, receives Transitional Aid to Families benefits, or is eligible for food stamps.

[112] This analysis does not include mobility, as in other states, because Massachusetts does not maintain such data.

Performance of Traditional Public Schools and Charter Schools (Massachusetts), 2001-02

	Number of Schools (Percentage)		
	Met standard	Did not meet standard	Total
Traditional public schools	1,335 (87)	203 (13)	1,538 (98)
Charter schools	18 (64)	10 (36)	28 (2)
Total	1,353 (86)	213 (14)	1,566 (100)
*Significant association exists between school type and performance with a lower proportion of charter schools meeting the standard****			

***p<.01

Exhibit reads: In Massachusetts, 1,335 traditional public schools (87 percent) met the state performance standard, and 203 (13 percent) did not meet the standard in 2001-02.

Charter schools and traditional public schools in Massachusetts serving lower than average proportions of low-income and minority students and schools with lower student enrollments met the state performance standard at similar rates. These findings are discussed below.

As the following table indicates, charter schools and traditional public schools that had lower than average proportions of low-income students met the state performance standard in equal rates. However, charter schools that had higher proportions of low-income students were less likely to meet the performance standard than their traditional public school peers.

Analysis of School Type and Performance, Controlling for Proportion of Low-Income Students (Massachusetts), 2001-02

Number of Schools (Percentage)							
Low-income: Below State Median				Low-income: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	749 (100)	3 (<1)	752 (99)	Traditional public schools	537 (73)	200 (27)	737 (98)
Charter schools	4 (100)	0 (0)	4 (1)	Charter schools	8 (44)	10 (56)	18 (2)
Total	753 (100)	3 (<1)	756 (100)	Total	545 (72)	210 (28)	755 (100)
No significant association exists between school type and performance for schools with below average percentages of low-income students (i.e., charter schools and traditional public schools meet the standard in equal proportions)				*Significant association exists between school type and performance for schools with above average percentages of low-income students (with a lower proportion of charter schools meeting the standard)****			

***p<.01

Note: State median = 17 percent.

Exhibit reads: In Massachusetts, 749 traditional public schools (100 percent) below the state median for the proportion of low-income students met the state performance standard, and three (fewer than 1 percent) did not meet the standard in 2001-02.

The data reveal a similar finding when controlling for the proportion of minority students at the school. Charter schools with below average proportions of minority students met the Massachusetts performance standard at a rate similar to that of traditional public schools (see below). However, charter schools that serve higher than average proportions of minority students were less likely to meet the state standard (compared with similar traditional public schools).

Analysis of School Type and Performance, Controlling for Proportion of Minority Students (Massachusetts), 2001-02

Number of Schools (Percentage)							
Minority: Below State Median				Minority: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	722 (98)	17 (2)	739 (99)	Traditional public schools	610 (77)	186 (23)	796 (98)
Charter schools	11 (100)	0 (0)	11 (1)	Charter schools	7 (41)	10 (59)	17 (2)
Total	733 (98)	17 (2)	750 (100)	Total	617 (76)	196 (24)	813 (100)
No significant association exists between school type and performance for schools with below average percentages of minority students (i.e., charter schools and traditional public schools meet the standard in equal proportions)				*Significant association exists between school type and performance for schools with above average percentages of minority students (with a lower proportion of charter schools meeting the standard)****			

***p<.01

Note: State median = 10 percent.

Exhibit reads: In Massachusetts, 722 traditional public schools (98 percent) below the state median for the proportion of minority students met the state performance standard, and 17 (2 percent) did not meet the standard in 2001-02.

Finally, charters that had low student enrollments performed as well as traditional public schools. The following table illustrates this finding. However, among schools that served larger numbers of students, traditional public schools met the performance standards at higher rates than charter schools.

Analysis of School Type and Performance, Controlling for Enrollment (Massachusetts), 2001-02

Number of Schools (Percentage)							
Enrollment: Below State Median				Enrollment: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	555 (85)	101 (15)	656 (97)	Traditional public schools	777 (88)	102 (12)	879 (99)
Charter schools	15 (79)	4 (21)	19 (3)	Charter schools	3 (33)	6 (67)	9 (1)
Total	570 (84)	105 (16)	675 (100)	Total	780 (88)	108 (12)	888 (100)
No significant association exists between school type and performance for schools with below average student enrollment (i.e., charter schools and traditional public schools meet the standard in equal proportions)				*Significant association exists between school type and performance for schools with above average student enrollment (with a lower proportion of charter schools meeting the standard)****			

***p<.01

Note; State median = 439 students.

Exhibit reads: In Massachusetts, 555 traditional public schools (85 percent) below the state median for student enrollment met the state performance standard, and 101 (15 percent) did not meet the standard in 2001-02.

Appendix E-6

North Carolina Student Performance Results

The accountability system in North Carolina is called the "ABCs of Public Education."[113] This system includes a standard and an alternative system—the standard system is the focus of this analysis.[114] The student performance analysis is based on 2,029 traditional public schools and 85 charter schools. Charter schools in North Carolina were more likely to be small and to serve larger proportions of minority students than traditional public schools.[115]

Descriptive Statistics (North Carolina), 2001-02

	Mean (Standard Deviation in parenthesis)		
	Traditional public schools (n=1,538)	Charter schools (n=85)	All Schools (n=2,114)
Percent low-income	48 (23)	Not reported	48 (23)
Percent minority**	41 (27)	47 (37)	41 (28)
Enrollment***	489 (391)	135 (108)	474 (390)

***p<.01, **p<.05

Exhibit reads: In North Carolina, the mean proportion of low-income students in traditional public schools is 48 percent with a standard deviation of 23 percent.

In 2001-02, 17 schools did not meet the North Carolina performance standard (see below). These data indicate that 12 percent of charter schools did not meet the state performance standard, compared with less than 1 percent of traditional public schools.

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[113] Under North Carolina's accountability system students are tested in grades 3-12 in reading, writing, mathematics, science, and social studies, depending on the grade level. The school-level performance standard is based on an assessment of student test scores and demographic variables to determine whether schools are meeting expected growth, high growth, and performance based on composite scores. As part of the accountability system, each school is assigned one or more of the following categories of recognition: exemplary growth, expected growth, high growth, school of excellence, school of distinction, school of progress, priority school, 25 most improved K-8 schools, 10 most improved high schools, low-performing, no recognition. Schools that are designated as low performing do not meet state standards and, as a result, are not eligible for rewards.

[114] The alternative system is not included because it did not have any charter schools.

[115] Mobility rates and proportion of low-income students are not included in this analysis. North Carolina does not maintain data on student mobility for any public school. In addition, it does not compile data on the proportion of students eligible for free or reduced-price lunches in charter schools.

Performance of Traditional Public Schools and Charter Schools (North Carolina), 2001-02

	Number of Schools (Percentage)		
	Met standard	Did not meet standard	Total
Traditional public school	2,022 (100)	7 (<1)	2,029 (96)
Charter	75 (88)	10 (12)	85 (4)
Total	2,097 (99)	17 (1)	2,114 (100)
*Significant association exists between school type and performance with a lower proportion of charter schools meeting the standard****			

***p<.01

Exhibit reads: In North Carolina, 2,022 traditional public schools (100 percent) met the state performance standard, and 7 (fewer than 1 percent) did not meet the standard in 2001-02.

Additional analyses were conducted to examine the association between performance and school type after controlling for the proportion of minority students and enrollment of schools. Charter schools were less likely to meet state performance standards when comparing similar groups of charter and traditional public schools based on these demographic characteristics (see tables that follow). In other words, controlling for demographics did not alter the finding that charter schools were less likely to meet state performance standards.

Analysis of School Type and Performance, Controlling for Proportion of Minority Students (North Carolina), 2001-02

Number of Schools (Percentage)							
Minority: Below State Median				Minority: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	988 (100)	0 (0)	988 (96)	Traditional public schools	988 (100)	5 (<1)	993 (96)
Charter schools	43 (98)	1 (2)	44 (4)	Charter schools	32 (78)	9 (22)	41 (4)
Total	1,031 (100)	1 (<1)	1,032 (100)	Total	1,020 (99)	14 (1)	1,034 (100)
*Significant association exists between school type and performance for schools with below average percentages of minority students (with a lower proportion of charter schools meeting the standard)***				*Significant association exists between school type and performance for schools with above average percentages of minority students (with a lower proportion of charter schools meeting the standard)****			

***p<.01, **p<.05

Note: State median = 37 percent.

Exhibit reads: In North Carolina, 998 traditional public schools (100 percent) below the state median for the proportion of minority students met the state performance standard, and zero did not meet the standard in 2001-02.

Analysis of School Type and Performance, Controlling for Enrollment (North Carolina), 2001-02

Number of Schools (Percentage)							
Enrollment: Below State Median				Enrollment: Above State Median			
	Met std.	Did not meet std.	Total		Met std.	Did not meet std.	Total
Traditional public schools	951 (99)	1 (<1)	952 (92)	Traditional public schools	1,025 (100)	4 (<1)	1,029 (99)
Charter schools	69 (88)	9 (12)	78 (8)	Charter schools	6 (86)	1 (14)	7 (1)
Total	1,020 (99)	10 (1)	1,030 (100)	Total	1,031 (100)	5 (<1)	1,036 (100)
*Significant association exists between school type and performance for schools with below average student enrollment (with a lower proportion of charter schools meeting the standard)******				*Significant association exists between school type and performance for schools with above average student enrollment (with a lower proportion of charter schools meeting the standard)***			

***p<.01, **p<.05

Note: State median = 325 percent.

Exhibit reads: In North Carolina, 951 traditional public schools (99 percent) below the state median for student enrollment met the state performance standard, and one (fewer than 1 percent) did not meet the standard in 2001-02.