

BACKGROUND AND PURPOSE

California adopted the charter school concept early and now has the largest population of charter school students in the nation. In spite of this popularity and growth, not much is known about the effectiveness of charter schools in terms of accessibility, achievement, governance, and operation. The California legislature asked RAND to analyze an array of issues that can be condensed into the following four research questions:

1. What population of students attend charter schools?
2. Is student achievement higher in charter schools than in conventional public schools?
3. What oversight and support do the chartering authorities provide?
4. How do charter schools differ from conventional public schools in terms of their operation including finances, academic environment, and staffing?

WHERE WE GOT OUR INFORMATION

We drew our data from primary and secondary sources. The primary data consisted of surveys of principals in all charter schools, a demographically matched subset of conventional public schools, and a survey of chartering authorities. We also carried out detailed case studies at nine charter schools and all but one of their chartering

authorities. Secondary data came from a number of datasets including the Comprehensive Basic Education Data System (CBEDS), Professional Assignment Information Forms (PAIF), the Academic Performance Index (API), and state- and districtwide student-level data. The CBEDS data provided information on school-level staffing and student characteristics. PAIF data provided teacher qualifications, demographics, and assignments for most teachers in California. The API, state- and districtwide student-level data provided test scores and demographic data on charter and conventional public schools. We measured key features of schools and students, compared these features across different types of schools, and assessed educational progress over the past several years.

Using these data, we address the questions listed above. However, our study has some important limitations. Because of budget and time constraints, we were not able to survey parents or teachers. Therefore, we are unable to draw strong inferences about parental satisfaction or instructional or curriculum practices. Despite these limitations, this study provides a comprehensive research of California charter schools.

WHAT WE FOUND OUT

Charter schools are not homogeneous. They vary along a number of dimensions: Thus, there is no single charter school effect. These differences affect accessibility, achievement, operation, and governance as our outline below suggests.

Accessibility

To examine student representation in charter schools, we compared the characteristics of the student population served by the charter school sector to that served by conventional public schools within districts that have charter schools. In addition, we examined integration in charter schools by assessing the extent to which charter schools enroll student populations that reflect the enrollments of their local school districts.

Relative to conventional schools and controlling for the heterogeneity within school districts, charter school students are more likely to

be black and less likely to be Hispanic or Asian but no more or less likely to be white. However, the racial mix of students varies by charter school type. We also compared the integration of charter schools to that in conventional schools. For blacks, conventional schools are somewhat more likely than charter schools to deviate from the district. For whites and Hispanics, conventional public schools are slightly less likely to deviate and for Asians conventional schools are very slightly more likely to deviate. However, the difference between groups tends to be small.

Achievement

One main objective of charter school legislation is to “improve student learning” (Education Code 47601). Although this objective seems straightforward, it can have two alternative interpretations: (1) Charter schools should improve the learning of their pupils over time and (2) charter schools should outperform conventional public schools. In our study, we evaluated the performance of charter school students relative to conventional public school students because this was deemed the question of greater interest to policymakers. We also evaluated the various types of charter schools relative to conventional schools because this too seems a question of interest to policymakers. Thus, our student achievement assessment addresses two questions:

1. How does the academic performance of students in charter schools compare with that of comparable students in conventional public schools?
2. How does academic performance vary across students attending different types of charter schools? Do students in start-up schools perform better or worse than those in conversion schools? Are students in charter schools with nonclassroom-based instruction performing at achievement levels above or below those in schools that offer instruction in a classroom setting?

To answer these questions, we used statewide school-level and state- and districtwide student-level data. Below, we highlight the results from the analysis of each dataset.

California's API is a composite accountability measure of academic performance for each school. We compared the year-to-year changes in API for charter and conventional public schools while accounting for changes in the characteristics of students attending each school. We found no statistically significant difference in test scores between charter and conventional public schools. However, the aggregation of a composite score at the school level masks variations in important characteristics within schools and distorts linkages between student characteristics and student outcomes.

To estimate the charter school effect more precisely (i.e., to provide more precise controls for the variation of student characteristics within a school), we used student-level data provided by the state of California for all students attending both conventional and charter schools for 1997–98 through 2001–02. The data include a student's math and reading test scores, ethnicity, English Learner status, eligibility for free or reduced-price lunches, and parental education. The data link a student's test score with demographic information and allow a more precise assessment of how these factors affect school-level outcomes. The individual-level data, however, do not provide a student-level identifier to track year-to-year changes in a student's test scores, which reduces the ability to control for unobservable differences among individual students.

Using these data, our analysis suggests that charter schools generally have comparable or slightly lower test scores than do conventional public schools. Achievement, however, varies by type of charter school. Conversion schools that deliver their instruction in classrooms had mixed results, with some scoring the same, higher, or lower than conventional public schools. Start-up schools using classroom instruction had slightly higher test scores in everything but elementary math, where the scores are slightly lower. Conversion or start-up schools that deliver at least a portion of their instruction outside the classroom, also referred to as nonclassroom-based schools, had lower test scores across the board. However, it should be noted that students in nonclassroom-based schools may differ in unique ways from students in conventional public schools that are not captured by our control variables. For instance, if students in nonclassroom-based schools have been pulled out of conventional public schools because of problems they have in tradi-

tional settings, then conventional public school students who do not have these problems do not make a good comparison group.

Although the above analysis has the advantage of providing more precise controls for student characteristics, it does not allow for an examination of individual gains, nor does it provide the ability to track students as they move from conventional public schools to charter schools and vice versa. Our third approach examined achievement effects by analyzing longitudinally linked student-level data collected at the district level. By tracking students over time, the analysis adjusts for unmeasured student factors that may affect student performance. This analysis assessed the performance of charter students relative to that of conventional public school students. Because we had limited time and budget and because charter schools are spread over hundreds of school districts across the state, we collected data from six districts (Chula Vista Elementary, Fresno Unified, Los Angeles Unified, Napa Valley Unified, San Diego City Unified, and West Covina Unified)² with a prominent share of charter students. The data were pooled across these districts to perform our analysis.

As with the first and second approaches, the third controls for student characteristics. However, unlike the first two approaches, the third approach has a mechanism to control for unmeasured student factors that affect student performance. Thus, it provides the best estimate of a collective charter school effect. Our analysis does not allow an examination of the different types of charter schools in each district because not every district has each type of charter school.

Charter school students tended to do slightly worse than comparable students in math in both elementary and secondary conventional public schools. In reading, secondary charter school students scored slightly higher than comparable students in conventional public schools, and charter status had no statistically significant effect on elementary reading scores. Even the statistically significant difference in achievement by charter status was less than 1 percentile point, however, so the main finding of the analysis is that charters are keeping pace with conventional public schools.

²We approached districts with the largest share of charter school students.

Summarizing across the three methods, we generally found comparable scores for charter schools relative to conventional schools. Only when charter schools were broken down by charter type did significant differences appear. Most strikingly, we found that non-classroom-based charter schools performed significantly lower than conventional public schools, and classroom-based conversion schools and start-up schools performed slightly higher than conventional public schools in elementary reading, and start-up schools performed better than conventional public schools in secondary reading and math. Again, we highlight that our analysis may not capture the uniqueness of these students and may bias our results.

AUTHORIZATION, GOVERNANCE, AND OVERSIGHT

Over the last few years, the governance of charter schools has received increasing public attention. Policymakers are concerned that charter schools are not receiving enough support or scrutiny both before and after they become charter schools. To analyze the relationship with chartering authorities, we used responses from surveys of chartering authorities, charter schools, and a matched sample of conventional public schools, coupled with information gleaned from case studies of charter schools.

Our analysis of chartering authority surveys shows that of the three types of chartering authorities (school districts, county boards of education, and state board of education) most charter schools are authorized by school districts, and most districts have authorized only one school. However, to be chartered, schools must first submit petitions to chartering authorities. Of the petitions submitted, few are formally denied, and once authorized, only a handful of charters have been revoked or schools closed.

From the surveys of charter and matched conventional public schools, our analysis shows that charter schools report greater control than conventional public schools over decisionmaking; however, within charter schools, differences exist. Those classified as “dependent” reported being governed much more like conventional public schools than did those classified as “independent.”

Operation

The charter law is intended to give charter schools greater freedom over school operations. To assess operational freedom, we examined four categories: finances and facilities, academic environment, staffing, and special education services. For each category, we highlight major findings from our survey of chartering authorities, charter schools, and a matched sample of conventional public schools.

Charter schools, particularly start-up schools, reported using fewer resources per student than do conventional schools. In part, this may occur because charter schools have significantly lower participation in categorical aid programs, which bring additional resources into the schools. However, if charter schools are achieving the same results with fewer resources, they may prove to be cost-effective.

Differences between charter and conventional schools also appeared when we examined academic environment. For example, principals of charter schools reported having more instructional hours in non-core subjects such as fine arts and foreign languages at the elementary level. Charter schools were less likely than matched conventional public schools to offer some types of programs (e.g., gifted and talented education or summer school).

Examining staffing, we found that charter school principals were less experienced and less likely than principals in conventional public schools to have teaching credentials. Charter school principals reported that teachers have higher rates of teacher participation in informal professional development such as mentoring and shadowing programs.

Finally, only in start-up schools did we find a smaller proportion of special education students. Start-up schools are more likely to serve special education students via mainstream instruction (i.e., to serve students in general education classrooms).

Together, these results do suggest some operational differences among types of charter and conventional public schools, and it is interesting to note that despite these operational differences, our analysis generally shows similar student outcomes. Most noteworthy,

charter schools are achieving comparable test scores despite a lower reported level of revenue.

WHAT WE RECOMMEND

Charter schools face many challenges ranging from locating facilities to paying start-up costs to meeting the needs of special education students, all while receiving fewer resources than conventional schools. At the same time, they must preserve the independence that lies at the heart of the charter school concept while responding to legitimate demands for accountability. Any recommendations on how to improve charter schools must take these realities into account. With that in mind, we recommend the following:

1. The legislative intent should be clearly and concisely outlined within the Education Code to minimize misinterpretations of goals and conflicting objectives. Currently, many of the objectives are vague or create conflicts among the objectives, offering a great deal of interpretive latitude. Defining the objectives more explicitly would give chartering authorities and charter schools a greater understanding of their goals, enabling them to better develop accountability systems that are aligned with the intent of the law.
2. The state should develop a statewide student-level data system that can track the performance of individual students. Such a system would allow the performance of schools to be more precisely evaluated.
3. The state should require that fiscal information from charter schools be collected and monitored by chartering authorities to enhance fiscal oversight. However, this needs to be done in a way that does not generate a substantial amount of additional paperwork and expense for charter schools. If necessary, support should be provided for this activity.
4. The information collected from recommendations (1) and (2), along with information collected through other possible mechanisms, should be used by chartering authorities to identify poor performing charter schools for targeted interventions and support or possible closings.

5. Part of the reason charter schools may not have the same financial resources as conventional schools is that they do not fully participate in categorical aid programs. According to our surveys, some of these schools are “eligible, but not applying”; others “don’t know whether they are eligible or not.” Eligible schools that do not apply for categorical aid funds may choose not to do so because of certain requirements that accompany the programs, including requirements that conflict with the schools’ educational philosophy. Schools that do not know whether they are eligible obviously lack the knowledge necessary to make an informed decision. To provide the best opportunity for the long-term success of charter schools, the state should find mechanisms for providing them with equivalent funding. This may mean putting more funds into block grants as opposed to individual categorical aid programs, providing training and more accessible information to charter school principals so that they know which programs they are eligible for, and possibly providing alternative avenues by which charter schools can join together or with school districts to apply for and maintain individual programs.
6. Given the differences in special education identification rates and service delivery modes between start-up schools and conversion or conventional public schools, it is important that chartering authorities ensure that special education is adequately funded in these schools and that up-to-date resources are available to them.
7. In light of our findings on student achievement, additional research on nonclassroom-based charter schools is needed, including more information regarding the composition of students, the nature of instruction, and the use of resources in these schools. In addition, it is important to collect information regarding the nature of oversight of these schools and to evaluate the implications to nonclassroom-based schools of the funding cuts required by recent legislation (SB 740). At the behest of the LAO, we will extend this current analysis by examining these issues and will provide our results in a forthcoming report.