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# The Role of Charter Schools in Improving Education

Since their controversial inception in 1992, charter schools have become a widely used alternative to traditional public schools. Charter school laws and funding levels vary from state to state, but most allow some number of independent schools to operate with public funding. Charter schools represent a wide variety of educational approaches—from schools stressing only core disciplines to Montessori schools to virtual schools that operate through telecommunication networks.

The debate over charter schools continues. Proponents predict that these schools will produce numerous important benefits, such as expanded educational options for students, increased innovation by educators, improved student achievement, and healthy competitive pressure for traditional public schools. Opponents predict that they will result in serious negative effects, such as increased racial and ethnic stratification and drawing the highest-achieving students away from traditional public schools. While it is difficult to generalize because of the variations among state charter regulations, research on charter schools in a number of cities and states—Arizona, Boston, California, Chicago, Denver, Florida, Michigan, Milwaukee, New York, North Carolina, Ohio, Philadelphia, San Diego, and Texas—shows that some of the predictions from both sides have not come to pass.

## Research Finds Some Positive Effects Without the Predicted Negative Outcomes

**Charter schools do not skim the majority white students or the highest-achieving students.** Several large-scale studies across states and districts found that students transferring into charter schools were near or below the average achievement levels of their districts and states. In addition, the transfer of students to charter schools did not dramatically change the balance of students by race and ethnicity. In most sites, the racial composition of the charter schools to which students transferred was similar to that of

### Abstract

This is one in a series of policy briefs on key education issues prepared by the RAND Corporation for the Obama administration. Despite controversy, charter schools are increasing in numbers as alternatives to traditional public schools. Research finds that charter schools do not produce the predicted negative effects and that they have some positive effect on high school student attainment. Federal policymakers should help states identify the factors that lead to charter school success to assist charter schools and address the needs of students at risk.

the schools from which they came. There were indications in some locations that African American students were slightly more likely to transfer to charter schools.

**Charter schools are generally on par with traditional public schools in terms of raising student achievement, but they vary greatly.** A few studies have found that charter schools have positive effects on student achievement, and other research has found negative effects, but the vast majority of studies have shown student achievement effects similar to those of traditional public schools. Overall, this suggests that charter school attendance generally leads to achievement gains that are similar to those in traditional public schools. However, more-recent large-scale studies, especially in Ohio, indicate that charter school performance may vary more than that of traditional public schools. There are some indications from California and Ohio that students in virtual charter schools tend to have lower achievement test scores. Across sites, charter schools in the first year of operation often show a negative effect on student achievement. This dip from prior achievement is common to students in the first year of traditional schools and during first-year conversions.

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**Students from charter high schools have a higher probability of graduating and attending college.** A recent study found that in Florida and Chicago (the only two sites where enough data were available), attending a charter high school was associated with substantially higher probabilities of graduating from high school and attending college.

**Charter schools do not appear to produce positive competitive effects on achievement in traditional public schools.** One of the hoped-for benefits of charter schools was that they would exert competitive pressure on nearby traditional public schools and encourage them to improve. However, after several studies, there is still little evidence that the presence of charter schools affects the achievement scores of students in nearby traditional public schools either positively or negatively. This might be because there are too few charter schools in most areas to exert a strong influence.

### **These Findings Suggest Several Policy Actions**

Although there is room for improvement, charter schools appear to offer a viable alternative to traditional schools for some students. Although charter schools fall under the purview of state and local policymakers, federal policymakers can still play a role in terms of helping states understand how to improve their charter schools to ensure that they serve as valuable and sustainable alternatives to traditional public schools.

**Support states in identifying and disseminating best practices in charter school start-up and operations.** Given the pattern of lower performance by charter schools in the first year of operation, federal policymakers could provide support to states for gathering lessons learned and best practices for charter school start-up operations. Such information would help new charter schools avoid the low achievement test scores typically associated with the first year, and it would foster more successful charter schools overall. This research might explore other types of school conversions as well.

**Consider providing guidelines to help states review charter school performance and improve or eliminate low-performing charter schools.** The fact that charter schools

vary widely in performance suggests a need to review the performance of the lowest-performing schools and either help those schools improve or remove them from operation. Policymakers should consider assisting states in identifying which types of charter schools are more or less likely to be successful. For example, virtual charter schools tend to perform poorly compared with other types of charter schools. Identifying patterns like this will help states weed out or intervene in the charter schools likely to perform poorly and thus raise the average performance of charter schools in general.

**Examine the reasons behind charter high schools' positive effects on student attainment to identify promising practices for students at risk.** Federal policymakers should support research to identify the practices in charter schools that lead to higher probabilities of high school graduation and college attendance, two important measures of student attainment. A better understanding of how and why charter schools are outperforming traditional public schools on these measures would help policymakers and educators address the national concern over high school students at risk of failure.

### **The Outlook for Charter Schools**

The research allows policymakers and educators to put some concerns about charter schools to rest. The introduction of charter schools has not resulted in racial or ethnic segregation, and the schools have not drawn the highest-achieving students away from traditional public schools. While the research does not find that charter schools cause traditional public schools to improve through competition, they do offer expanded educational options to students and the opportunity for greater innovation by educators. Therefore, support of charter schools can be seen as consistent with the federal role of encouraging equal educational opportunity. The federal government can play an important role by supporting investigations that track individual students over time and examine outcomes beyond just test scores to enable the identification of best practices that can improve charter school performance. ■

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This policy brief describes work done for RAND Education. It is based on research by RAND and others. For further reading, see [http://www.rand.org/pubs/research\\_briefs/RB9428/index1.html#references](http://www.rand.org/pubs/research_briefs/RB9428/index1.html#references). This policy brief was written by Susan Bodilly and Jennifer Li. The RAND Corporation is a nonprofit research organization providing objective analysis and effective solutions that address the challenges facing the public and private sectors around the world. RAND's publications do not necessarily reflect the opinions of its research clients and sponsors. RAND® is a registered trademark.

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