This PDF document was made available from www.rand.org as a public service of the RAND Corporation.

Jump down to document ▼

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.

Support RAND

Browse Books & Publications
Make a charitable contribution

For More Information

Visit RAND at www.rand.org
Explore RAND Testimony
View document details

Limited Electronic Distribution Rights

This document and trademark(s) contained herein are protected by law as indicated in a notice appearing later in this work. This electronic representation of RAND intellectual property is provided for non-commercial use only. Permission is required from RAND to reproduce, or reuse in another form, any of our research documents for commercial use.
Assessing the Effectiveness of California Charter Schools

RICHARD BUDDIN

CT-264
August 2006
Testimony presented to the California Select Committee on the Master Plan for Education on August 1, 2006
Thank you for inviting me to talk about our research on California charter schools. I’ll focus today on the effectiveness California charter schools. My remarks are based on a series of reports conducted over the past four years and summarized in Zimmer and Buddin (2005b).2

The Debate

Charter schools are public schools that have been provided significant release from the rules and regulations that govern traditional public schools and that are held accountable by a chartering authority. The ultimate hope of charter school advocates is that charter schools will be able to cut through red tape, offer innovative educational programs, provide new options to families, and promote healthy competition for traditional public schools (Finn, et al., 1996). Opponents argue that charter schools are no more effective than traditional public schools, that they may exacerbate racial segregation, that they create fiscal strains for school districts, and that too many of them are unreliable operations (Wells et al., 1998). The critics have grown louder over time, concerned by some scandals (such as the abrupt closure of a large network of charter schools in California, just before the beginning of the 2004-05 school year) and by the steadily increasing proportion of public education resources consumed by the growing charter sector. The stakes have also been raised by the federal No Child Left Behind Act, which includes conversion to charter status among the sanctions that states may apply to chronically failing public schools.

As policymakers, educators, and parents wrestle with these issues, it is important not only to inform this debate with accurate assessments of these schools, but also to think more comprehensively about their effects. In general, most of the current literature has narrowly

---

1 The opinions and conclusions expressed in this testimony are the author's alone and should not be interpreted as representing those of RAND or any of the sponsors of its research. This product is part of the RAND Corporation testimony series. RAND testimonies record testimony presented by RAND associates to federal, state, or local legislative committees; government-appointed commissions and panels; and private review and oversight bodies. 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.

2 The research was sponsored by the California Legislative Analyst's Office and the Smith Richardson Foundation.
focused on how charter schools affect achievement for students that attend these schools. However, RAND has tried to consider the role of charters more widely by examining the possible impact charter schools are having more broadly, including their cost effectiveness, systemic effects (e.g., effects on students that choose not to attend traditional public schools), distributional effects (both by ability and race/ethnicity), and any operational differences between charter and traditional public schools, which might lead to educational innovations across all schools. This paper highlights findings from a number of RAND papers and reports about California’s charter schools.

**Policy Questions**

In 1992, California became the second state to adopt charter schools and now has more charter schools and students than any other state. California now has over 200,000 students enrolled in 534 charter schools.

Over the course of the last four years, our evaluations have examined four fundamental questions on charter schools in California:

- How do charter schools affect the performance of charter students?
- What types of students do charter schools serve?
- Is charter school competition improving the performance of traditional public schools?
- Does the operation of charter schools differ from that of traditional public schools?

To answer these questions, we relied upon a rich variety of detailed student achievement records, surveys, and case studies of individual schools.

- **Student-level data.** We collected statewide data on individual student achievement tests administered in grades 2 through 11 in the spring of each academic year. However, these data do not include an individual student identifier to track individual student progress from year to year. Therefore, we also collected student-level data with individual identifiers from six districts with a large share of charter schools (Chula Vista, Fresno, Los Angeles, Napa Valley, San Diego, and West Covina). Longitudinally-linked student level data provide information about the amount of time spent in different schools, student movement from traditional public schools to charter schools and vice versa, and differences in charter and traditional public school populations. The state and district datasets each encompassed five school years from 1997-98 through 2001-02.
- **School surveys.** School-level information was also collected through a survey of principals in all California charter schools and a demographically matched set of traditional schools.
Case studies. Research staff conducted detailed case studies of nine charter schools in the state. These studies helped identify how charter programs were implemented, as well as their challenges and achievements.

Other administrative data. Other data came from a number of datasets including financial and demographic data from the Comprehensive Basic Education Data System (CBEDS), staffing data from the Professional Assignment Information Files (PAIF), and school-level performance indicators from the Academic Performance Index (API).

How do charter schools affect the performance of charter students?

A 2003 RAND report, entitled Charter School Operations and Performance: Evidence from California, examined the student achievement of charter and traditional public school students. Using a within-student analysis, we found comparable scores for charter schools relative to traditional public schools. However, in this report along with a journal article entitled “Student Achievement in Charter Schools: A Complex Picture,” we also found that charter school performance varies by charter type (conversions versus startups and classroom- versus nonclassroom-based instruction). On average, students in conversion charters with classroom-based instruction have test scores similar to those of comparable students in traditional public schools, but students in startup charters with classroom-based instruction have slightly higher test scores than do comparable students in traditional public schools. In contrast, on average students in conversion or startup schools with some nonclassroom-based instruction (e.g., distance learning, independent study, home schooling) have lower average test scores than do similar students in traditional public schools.

Because many urban leaders, including mayors and school district superintendents, have initiated charter schools as a mechanism to improve learning for disadvantaged students, we also examined the effects of charter schools on urban districts’ student achievement generally, and on different demographic groups, using data from Los Angeles and San Diego. Our results, presented in a paper entitled “Charter School Performance in Two Large Urban Districts,” suggest that average achievement scores in charters are keeping pace, but not exceeding those in traditional public schools and are not consistently producing improved average test scores for minorities above and beyond traditional public schools.

---

3 The full report and research brief are available at http://www.rand.org/publications/MR/MR1700/.
4 More specifically, we used a student fixed-effects model to control for unobserved differences between charter and traditional public school students.
5 This paper, published in the Journal of Policy Analysis and Management, is available at http://www3.interscience.wiley.com/cgi-bin/fulltext/109934045/PDFSTART.
6 This paper is published in the Journal of Urban Economics.
Together, these findings suggest that the performance of charter students are on average on par with traditional public schools, but are not closing the achievement gap for minority students. However, it would be a mistake to think of charter school performance as monolithic, as we found significant differences among types of charter schools in California.

What types of students do charter schools serve?

Because charter schools are schools of choice, it is important to examine whether they are serving the full range of the student population and whether they are doing so in integrated settings. Charter school critics argue that charter success might be illusory if charter schools are simply recruiting the more academically gifted students from traditional public schools or if they further stratify an already ethnically or racially7 stratified system (Cobb and Glass, 1999; Wells et al., 1998). In general, these critics fear that charter schools may not only have negative consequences for the charter students who attend these schools, but if charter schools “skim off” high achieving students, they may also have social and academic effects for students who remain in traditional public schools. However, proponents of charter schools argue that charter schools will improve racial integration by letting families choose schools outside of neighborhoods where housing is racially segregated (Finn, 2000; Nathan, 1996).

While researchers have tried to address this debate through an analysis of school-level data, the best way to determine whether charter schools are affecting the distribution of students is to track individual student movements. In a paper entitled, “The Effect of Charter Schools on School Peer Composition,”8 we used California student-level data to examine students as they transferred from traditional public schools to charter schools. By doing so, we more clearly answered whether transferring students are moving from heterogeneous schools, both by race and ability, to homogeneous schools, or vice versa. We also examined the characteristics of students that chose to attend a charter school.

Our analysis suggests that students who transfer from traditional public schools to charter schools have lower achievement scores prior to moving (in both math and reading) than their peers who choose to remain in a traditional public school. These results suggest that charter schools are not “cream-skimming” as critics fear, but rather attracting lower-performing students. The analysis also suggests that black students are much more likely than white students to choose to attend a charter school. Hispanics are slightly more likely and Asian students are no more or less likely than white students to attend charter schools. When students transfer to a

---

7 For simplicity, we will refer to race/ethnicity as race throughout the rest of the paper.
8 The paper is available at http://www.rand.org/publications/WR/WR306/. In the paper, we also examine student movements to and from charter schools in Texas.
charter school, black students tend to transfer to schools that have a higher concentration of black students, while Asian, Hispanic, and white students tend to move to charter schools with a lower concentration of students of the same race/ethnicity. Together, these results suggest that charter schools are not becoming the “white-enclaves” that many of the charter school opponents feared and are having little effect on the overall integration of students at the school level. However, these results do raise a potential concern that black students are shifting to charter schools that are less racially diverse than the traditional public schools that they leave behind.

Is charter school competition improving the performance of traditional public schools?

While much of the existing research on charter schools has focused on student achievement effects for students that choose to attend charter schools, we argue that this focus might be too narrow. Supporters hope that charter schools can exert healthy competitive pressure on the existing K-12 educational system by giving families alternatives to traditional public schools. Charter advocates argue that these schools might have their greatest impact through systemic effects—the competitive effects of charters could improve the performance of traditional public schools and enhance the performance of students who do not attend charter schools.

The challenge in evaluating possible competitive effects is in knowing when district or school personnel will perceive a competitive threat. Do charter schools create competitive pressure when they are located near a traditional public school or when they first appear in a district? Do charter schools only create competitive pressure when they start recruiting students away from a particular school, or do they exert pressure when they capture a certain portion of students within a “marketplace?” Additionally, the local environment might influence the competitive pressure that charter schools create. For instance, some districts might have well developed, preexisting choice programs, including magnet schools or open enrollment policies. Also, some districts might be experiencing significant growth or already have overcrowded schools, in which case charter schools might act more like a “release” valve than a source of competitive pressure.

Bearing these factors in mind, we analyzed the competitive effects of charter schools in the six California districts that provided us with longitudinal student-level data. In this evaluation, we combined student-level data to examine achievement effects with survey data from traditional public school principals in which we asked whether the introduction of charter schools had any effect on the operation of their own schools. The results of our analysis, reported in the paper entitled, “Is Charter School Competition in California Improving the Performance of Traditional

---

9 These six districts were chosen because they had a large share of students enrolled in charter schools. The file included test score about 2 million test score observations for students in charter and traditional schools.
Public Schools?” suggest that charter schools are having no measurable impact on the performance or operation of traditional public schools. Given the ambiguity in which competitive effects manifest, this analysis incorporated variables to control for the level of preexisting competition and also used various measures of competition. Accounting for these considerations, we found no evidence that charter schools create a competitive effect. The absence of a competitive effect, however, could also be explained by the generally low proportion of students attending charter schools in any of these districts—never more than three percent—or by the fact that charter schools are acting as a release valve in the growing districts. Perhaps if charter enrollments were a larger share of enrollment than observed in California districts, they would exert pressure on traditional public schools to improve their performance.

Does the operation of charter schools differ from that of traditional public schools?

One of the major arguments for charter schools is their ability to be unconstrained by burdensome rules and regulations that confine operations in traditional schools. However, because most of the charter school research has focused on student achievement, we know very little about the operation of these schools. In the 2003 report entitled Charter School Operations and Performance: Evidence from California, we used survey data from charter principals and a matched set of traditional public school principals to examine differences in school operations. This analysis found some significant differences between traditional public and charter schools. First of all, when asked about the degree of control principals have over decision-making, charter school principals indicated, as expected, that they do have greater control than did traditional public school principals. Also, charter school principals, particularly in startup schools, report receiving less public funding per student than do traditional public school principals. Part of the difference in resources is explained by charter schools’ lower rate of participation in categorical programs such as the state’s transportation funding program and the federal Title I program. Charter school teachers have less experience and fewer teaching credentials than those in public schools, but they are more likely to participate in informal professional development.

In programmatic terms, charter schools report having more instructional hours in non-core subjects such as fine arts and foreign languages at the elementary school level. Startup charter

---

10 This paper is available at http://www.rand.org/publications/WR/WR297/
11 Another factor that may mitigate the competitive effects of charters is the broad education reforms instituted under No Child Left Behind (NCLB). In the past few years, NCLB accountability systems may be the primary motivator of public school performance, instruction, and operations. As a result, potential effects of charter competition may be overwhelmed by ongoing efforts to implement NCLB reforms. The test score data for our California analysis predates NCLB, however, and we still find no evidence of competitive pressure from charters improving test score performance in traditional public schools.
12 Many charter schools are small, so the administrative cost in applying for special programs is larger relative to their expected funding from some of the programs. Also, some charter administrators are not fully aware of available funding opportunities.
schools have a smaller proportion of special education students than do traditional public schools
and are much more likely to mainstream their special education students—i.e., serve them in a
general education classroom—than are either conversion charter schools or traditional public
schools.

Using this information, we then merged our survey responses from both charter and traditional
public schools with our statewide student-level data to examine how variations in operational
features and designs affect the performance of schools. In doing so, we began to pry open the
black box and see what educational strategies might be the most effective. Overall, we found
few measures of school operations that predicted high performing schools.

The results, which are reported in the 2005 paper entitled, “Getting Inside the Black Box:
Examining how the Operation of Charter Schools Affects Performance,”¹³ suggest that the greater
autonomy given to charter schools does not lead to improved student achievement in core
subjects like reading and mathematics. In addition, while charter schools tend to provide more
instructional hours in non-core subjects, greater emphasis in foreign languages was associated
with poorer math and reading test scores. Also, the analysis suggests that the greater the
proportion of students instructed at home, the lower the test scores of the school. Other results
vary by grade arrangements or school type. For instance, an emphasis on hiring teachers with
full standard credentials has a positive effect in traditional public high schools, a negative effect in
charter high schools, and no effect in middle and elementary charter or traditional public schools.

Summary and Conclusions

The charter movement grew out of a hope that by providing greater autonomy to schools, they
would be able to cut through bureaucratic frustrations and offer innovative, efficient, and effective
educational programs, provide new options to families, and promote healthy competition for
traditional public schools. Our results from California show that charter schools generally perform
on par with traditional public schools on achievement tests, but they have not closed the
achievement gaps for minorities and have not had the expected competitive effects on traditional
public schools. Charters have achieved comparable test score results with fewer public
resources than traditional schools, and many have emphasized non-core subjects. The evidence
shows that charters have not created “white enclaves” or “skimmed” high quality students from
traditional public schools—in fact, charter schools have proven to be more popular among black
and lower achieving students and may have actually created “black enclaves.” Finally, we found
few measures of school operations that predicted high performing schools. In particular, greater

¹³ The paper is available at http://www.rand.org/publications/WR/WR305/
school autonomy associated with charters was not associated with improved student achievement.

Together, these results suggest that charter schools are not a “silver bullet” for school improvement. The results, however, do provide some initial evidence that charter schools are creating schools with different educational designs. While the differences in educational designs might not lead to better reading and math test score performance that traditional schools on average, some parents might appreciate programs that provide a greater emphasis on non-core subjects. For these reasons, coupled with the fact that charter schools typically use fewer public resources, we conclude that charter schooling is a reform initiative worth continuing in California.
References


