

nsba

Center for Public Education

cpe

# Research Brief

The Impact of Charter Schools

On Student Achievement,  
Funding, and Integration

# Table of Contents

Introduction.....	1
Characteristics of Charter Schools .....	2
Charter Schools and Education Privatization .....	3
Is a charter school public or private?.....	4
Charter Schools' Impact on Student Achievement.....	5
Charter students perform differently in different locations/grades/subjects .....	6
Simple comparisons between charters and traditional public schools may not tell the true story....	6
High attendance rate and innovative learning approach lead to high student achievement .....	7
Charter Schools' Impact on School Funding.....	7
Are charter schools taking money away from traditional public schools?.....	9
Challenge 1 – Adjusting to enrollment changes .....	9
Challenge 2 – Imposing fiscal burdens .....	9
Challenge 3 – Planning in a far more uncertain environment .....	10
How Do Charters Complicate the System of School Funding? .....	10
Lack of clear definitions and interpretations.....	11
Statutory vagueness.....	11
Can Charter Schools Help Public Education To Be Cost-Effective? .....	12
Charter Schools' Impact on “Segregation” Issues.....	13
Do charter schools exacerbate de facto segregation?.....	13
Do charter schools promote integration?.....	15
Do charter schools benefit disadvantaged students?.....	15
Policy Implications .....	17
References.....	18

## Introduction

Since the first charter school law passed in Minnesota in 1991, over 40 states and the District of Columbia have passed laws allowing the publicly funded, privately managed, and semi-autonomous schools of choice. According to the latest available [statistics](#) from the U.S. Department of Education, “between fall 2000 and fall 2016, overall public charter school enrollment increased from 0.4 million to 3.0 million. During this period, the percentage of public school students who attended charter schools increased from 1 to 6 percent.”

Ever since the first charter school opened in Minnesota in 1992, the battle for fair funding has raged across the land. On the one hand, advocates of charters — independently run, nonprofit public schools — use research and other evidence to show how charters significantly boost the achievement of students, particularly poor and minority youngsters residing in urban communities, and increase their odds of success in college and beyond. On the other, they have pressed hard to eliminate the massive disparities in the funding that charter students receive when compared with their district-operated peers serving similar children.

Opponents of charter schools find data and research that show different trends. Research used by these opponents shows that not all charter schools have positive impacts on student achievement and enrollment. Enrolling more students in charter schools may financially harm traditional public schools and underserve disadvantaged students.

As a literature review, this report aims to present facts and research from multiple sources about the impact of charter schools on student achievement, school funding, and issues related to the de facto segregation after *Brown v. Board of Education*.

### **This Literature Review Consists of Five Parts**

1. Characteristics of Charter Schools
2. Charter Schools & Education Privatization
3. Charter Schools’ Impact on Student Achievement — Inconsistent & Inconclusive
4. Charter Schools’ Impact on Funding System — Complicated & Challenging
5. Charter Schools’ Impact on “Segregation” Issues — Controversial & Conceptually Confusing

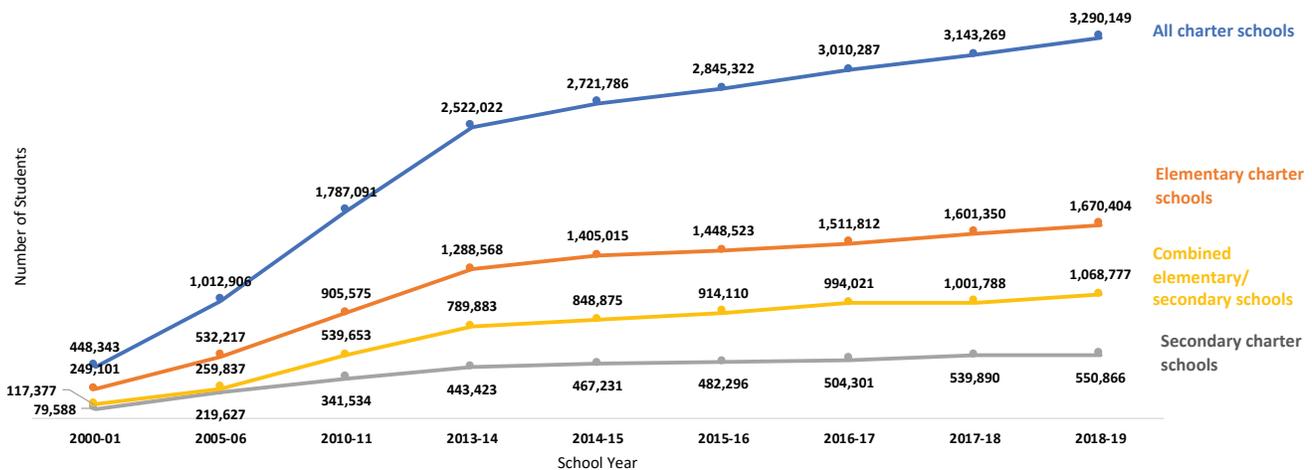
## Characteristics of Charter Schools

“Conceived over 25 years ago in Minnesota as a means to loosen red tape around public schools and free up educators to innovate, charters have since grown into a national movement that spans 44 states plus the District of Columbia, and includes around 7,000 schools and 3 million students, according to federal figures” ([Education Week, 2018](#)).

Data from the U.S. Department of Education (NCES, 2019) show that charter schools are more likely to be in urban areas, enroll more disadvantaged students, and the total number of charter schools and charter enrollment is growing fast.

- In school year 2016–17, about **56 percent of public charter schools were in cities**, compared with 25 percent of traditional public schools.
- A higher percentage of public charter schools had **more than 50 percent Black enrollment** (23%) and more than 50 percent Hispanic enrollment (26%), compared with traditional public schools (9% and 16%, respectively).

**Figure 1. Public charter school enrollment by school level; Selected years, fall 2000 through fall 2018**



SOURCE: [HTTPS://NCES.ED.GOV/PROGRAMS/DIGEST/D20/TABLES/DT20\\_216.20.ASP](https://nces.ed.gov/programs/digest/d20/tables/dt20_216.20.asp)

Currently, 45 states and the District of Columbia have [charter school laws](#). West Virginia’s charter school laws, created in 2019, are the newest. According to the U.S. Department of Education, as of the fall of 2016, among the 44 jurisdictions with legislative approval for public charter schools:

- California had the largest number of students enrolled in charter schools (603,000, representing 10% of all public school students in the state).
- The District of Columbia had the highest share of charter students in its public school system (44%, representing 37,200 students).

- Arizona had the next highest percentage of public school students enrolled in charter schools (17%, representing 186,000 students).
- Six states — Iowa, Kansas, Mississippi, Virginia, Washington, and Wyoming — had less than 1% of their public school students enrolled in public charter schools.

**Figure 2. United States K-12 Districts With Charter School Enrollment Greater than 10% in 2017.**  
(Circle size proportional to enrollment)



SOURCE: NATIONAL ALLIANCE FOR PUBLIC CHARTERS, 2017 (ADAMSON & GALLOWAY, 2019)

## Charter Schools & Education Privatization

Globally, research has shown that educational privatization in multiple forms has spread internationally in recent decades (Adamson et al., 2016; Chakrabarti & Peterson, 2009; Verger et al., 2016). Education privatization does not have one clear definition, but there is a broad yet reasonable explanation as follows (Belfield & Levin, 2002):

- ‘Privatization’ is an umbrella term referring to many different educational programs and policies.
- Overall, privatization means the transfer of activities, assets, and responsibilities from government/public institutions and organizations to private individuals and agencies.
- Privatization is often thought of as ‘liberalization’— where agents are freed from government regulations, or as ‘marketization’— where new markets are created as alternatives to government services or state allocation systems.

### **Is a charter school public or private?**

“This question is the source of a lot of debate and peoples’ answers hinge largely on which features one believes define a public school” (Education Week, 2018). According to the U.S. Department of Education, a charter school is a public charter school, which:

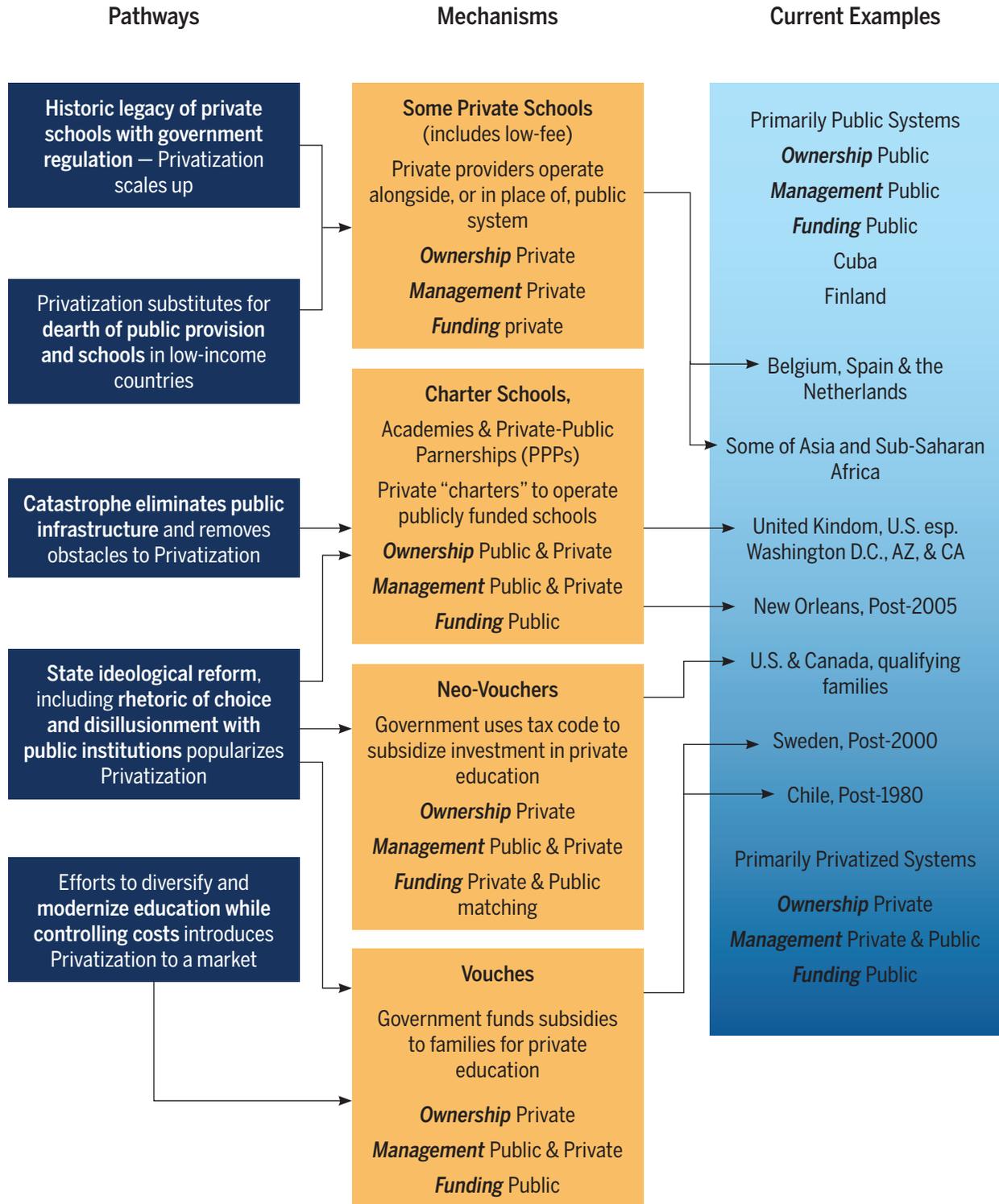
- Is publicly funded and typically governed by a group or organization under a legislative contract — a charter — with the state, the district, or another entity.
- Is exempted from certain state or local rules and regulations.
- Must meet the accountability standards outlined in its charter for its flexibility and autonomy.
- Has a charter that is reviewed periodically by the granting entity and can be revoked if guidelines on curriculum and management are not followed or if the accountability standards are not met.

By contrast, in some research (Adamson & Galloway, 2019), charter schools are considered within the education privatization spectrum. The reasons are cited as follows:

- Charter schools often are managed by private, non-governmental entities.
- Charters often are not required to hold open meetings, report salaries, or appoint/retain leaders and teachers with the same transparency as public counterparts.
- Recently adopted international human rights principles determined that education provision by privately managed and/or operated entities are not “public” schools ([Abidjan Principles](#), 2019).

Figure 3 shows that charter schools share some commonalities with public-private partnerships (PPPs) and academy schools in provision, management, and funding structures.

**Figure 3. International Education Privatization Pathways, Mechanisms, and Current Examples**



SOURCE: ADAMSON ET AL. (2016, 2019); CARNOY (2017); VERGER ET AL. (2016, 2019); WELNER (2008); WORLD BANK (2016)

## **Charter Schools' Impact on Student Achievement**

Research findings and evidence have been inconsistent and inconclusive regarding whether charters can improve student achievement better than traditional public schools. The National Report Card shows that on average, students in charter schools perform the same as their peers in traditional public schools in 8th-grade reading and mathematics scores on the National Assessment of Educational Progress (NAEP, 2017).

### **Charter students perform differently in different locations/grades/subjects**

Researchers have not come up with a definite conclusion on the effect of charter schools on student reading and math achievement. In some locations, grades, and subjects, charter students underperform their peers in traditional public schools. However, in other locations, grades, and subjects, charter students outperform their peers in traditional public schools (Betts and Tang, 2011). The lack of rigorous studies in many parts of the nation limits the ability to extrapolate either result.

- There are no negative effects of charter schools on elementary school reading and middle school math and reading. In some cases, evidence shows positive effects. Black and economically disadvantaged students experience slightly more achievement growth in North Carolina charter schools, particularly in reading, than students who are white and not economically disadvantaged.
- In urban areas, charter schools seem to have a larger effect on student achievement. New York City and Boston charter schools showed achievement gains larger than charter schools in most other locations.
- In urban areas, school districts with a large share of charters saw significant achievement gains in English Language Arts (ELA) and math for Black and Hispanic students. In suburban and rural areas, districts with a large share of charter schools saw significant achievement gains for Hispanic students, and Black students in rural districts also saw gains. Districts with a large share of charter schools did not see achievement gains for white students. (<https://files.eric.ed.gov/fulltext/ED601200.pdf>)

Nationwide, charter students perform differently. For example,

- In North Carolina, charter school effects on student achievement remain uncertain (e.g., small lottery studies on high-performing charters produce impressive results, but large observational studies on the full range of charter schools are less encouraging).
- In Arizona, although the performance of charter students has improved over time, traditional public schools still seem more effective than charters in raising student test scores (Chingos & West, 2015).
- In Massachusetts after a 2010 policy change (i.e., increasing the overall number of allowed charter schools, increasing the possible funding for charters in low-performing districts, and granting successful charters to build new campuses), on average, a year of attendance at a Boston charter middle school boosted students' math achievement by between 0.18 and 0.32 standard deviation and increased students' English achievement by about 0.1 standard deviation (Cohodes et al., 2019).
- In New Orleans, students who attend charter high schools were more likely to graduate from high school and attend, persist, and graduate from college (Harris & Larsen, 2016).

### **Simple comparisons between charters and traditional public schools may not tell the true story**

In March 2019, the Florida Department of Education published a report titled "Student Achievement in

Florida's Charter Schools." The report consists almost entirely of simple graphs comparing achievement levels, achievement gaps, and achievement gains on statewide tests among charter school students to those among traditional public school students. The report was [criticized](#) for merely presenting comparisons required by law without putting any policy "spin" on them.

- The simple comparisons reveal very little about the relative effectiveness of charter schools and still less about other policy questions.
- The report might encourage erroneous conclusions, as the simple comparisons were not discussed or explained.

### **High attendance rate and innovative learning approach lead to high student achievement**

Researchers found that for students attending Midwestern urban charter schools, student attendance rates were associated with students' academic performance ([Clarke & Burt, 2018](#)).

- Over the first three years, students who transferred to charter schools from traditional public schools and had lower attendance rates did not show academic improvement in math and reading.
- In the succeeding two years, those charter students improved their attendance rates and outperformed students attending traditional public schools in both reading and math.

Researchers also found that students who attended charter schools focusing on project-based learning had higher math scores than students attending charter schools where traditional lecture-style instruction was used ([Gilraine et al., 2019](#)).

### **Charter Schools' Impact on School Funding**

Charter schools are semi-autonomous public schools that receive public funds. They operate under a written contract with a state, district, or other entity (referred to as an authorizer or sponsor). Although 45 states and the District of Columbia have established charter school laws, the fast growth of charter schools complicates and challenges the current distribution of school funds and resources.

Charter schools are funded primarily by public money, similarly to the way that traditional public schools are funded. Like public schools, charters are funded by a combination of local and state dollars. It should be noted that in many states, most local funds are raised through property taxes. "This strategy historically has produced significant inequalities in the amount of funds available for school districts," according to the National Conference of State Legislatures (NCSL).

As Table 1 shows, charter schools are authorized by multiple education entities. States with different types of charter school authorizers often have complicated school funding formulas. For instance, in [Colorado](#),

- For charter schools authorized by local school boards, 100% of the per-pupil revenue flows to charter schools, less an amount for specified administrative costs based on actual district spending as reported to the state. The administrative amount is limited to 5%. In districts with 500 or fewer students, charter schools receive either 100% minus the administrative fees or 85% of the district per-pupil revenue, whichever is greater.
- For charter schools authorized by the state charter institute, 100% of the per-pupil revenue flows to charter schools, less up to 3% for the state charter school institute's administrative costs and up to 1% for the state department of education's administrative costs.

**Table 1. Charter school authorizer types.**

Types(s)	Number of States (including DC)
LEA only	13
SEA only	6
ICB only	5
LEA and SEA	5
LEA and ICB	3
LEA and HEI	3
ICB and HEI	1
More than 2 types	8

Notes: LEA is local education agency; SEA is state education authority; ICB is independent charter board; HEI is higher education institution. The table includes only the authorizers allowed by law but excludes authorizers with limited jurisdiction or available only for appeal. Compiled by the author from <https://www.qualitycharters.org/state-policy/multiple-authorizers/list>. \*Includes non-educational entities (NEG) and non-profit organizations (NPO).

**Table 2. Ten districts with the highest number of charter school students, ranked by charter enrollment share, 2016.**

	Charter school enrollment share	Total charter management organizations	Schools run by charter management organizations
New Orleans Public School System, LA	92%	9	30
Detroit City School District, MI	53%	20	66
District of Columbia Public Schools, DC	45%	13	47
Philadelphia City School District, PA	32%	7	29
Los Angeles Unified School District, CA	24%	14	94
Houston Independent School District, TX	22%	15	73
Miami-Dade County Public Schools, FL	16%	4	34
Broward County Public Schools, FL	16%	3	31
Chicago Public Schools, IL	15%	19	84
New York City Department of Education, NY	9%	18	59

Source: Modified from I. C. Rotberg and J.L. Glazer (Eds.), Choosing Charters: Better Schools or More Segregation, Table 4.3, p.47. Charter management organizations include for-profit and non-profit organizations. The number of schools managed by firms in Philadelphia was incorrect in the original table and has been corrected here.

SOURCE: TABLE 1 AND TABLE 2 [https://nces.ed.gov/programs/digest/d20/tables/dt20\\_216.20.asp](https://nces.ed.gov/programs/digest/d20/tables/dt20_216.20.asp)

As shown in Table 2, in school districts with the highest number of charter school students, there can be as many as 15 to 20 charter management organizations. These organizations add another layer of complexity to the school funding system. For example, the U.S. Department of Education awarded approximately \$65.9 million in new grants to 13 charter management organizations under the FY 2020 Charter Schools Program Grants for the Replication and Expansion of High-Quality Charter Schools Competition.

### **Are charter schools taking money away from traditional public schools?**

As publicly funded schools, charter schools receive money for the students they enroll. When a student enrolls in a charter school, the money follows the student from the resident school district. A primary difference between charter schools and traditional public schools is that **charters are granted budgetary autonomy in exchange for educational results.**

- [Ladd and Singleton \(2018\)](#) examined the fiscal impact of charter schools in one urban and five non-urban districts in North Carolina that have experienced significant charter entry since the 2011 removal of the statewide cap of 100 charter schools. Researchers found that in one urban school district, enrolling a student in a charter school costs \$500, which is more than enrolling a student in a traditional public school.
- In contrast, researchers from the Thomas B. Fordham Institute (2019) found large and continuing funding disparities between Ohio's charters and districts, with the most significant gaps in the state's "Big Eight" cities where most brick-and-mortar charters are located. Big Eight charters received an average of \$10,556 per pupil in total revenue versus \$14,648 for the Big Eight traditional public schools during FYs 2015–17.

Research for and against charter schools tends to provide divergent interpretations of data. There is no easy, simple answer to whether charter schools are taking away money from traditional public schools. A better way to answer the question is through looking at the challenges brought by charters to the system of public education.

#### **Challenge 1 – Adjusting to enrollment changes**

Research shows that a big concern for public education is whether charters take money away from traditional public schools. Although simply having one fewer student does not proportionally decrease the burden on a district, schools still need the same number of teachers and staff, the same facilities, and the same instructional materials. In other words, losing students to a charter school means a decrease in school revenues but schools still have the same expenses. A challenge brought by charter schools is that **traditional public schools may need constantly to adjust their budgets in accordance with the enrollment change.**

#### **Challenge 2 – Imposing fiscal burdens**

Public funding typically does not cover the capital costs of charter school facilities. It is a reason why charter school supporters often complain that charters receive far less funding per pupil than district schools. Researchers suggest that this claim can be highly misleading because their typical focus on revenues rather than on expenditure fails to recognize the differing expenditure responsibilities of the two sectors (Baker, 2014; DeAngelis et al., 2018).

In practice, charters often impose significant fiscal burdens on local school systems, as local school districts cannot easily reduce their spending in proportion to the revenue losses associated with the outflow of students to charters (Ladd, 2019). Factors that contribute to the negative fiscal burdens include:

- The share of students lost to charters.
- The budgetary issues related to students leaving traditional public schools for charters.
- The type of students who switch from traditional public schools to charter schools, including those who might otherwise have been home-schooled or attended private schools.

The competition for funding between charters and traditional public schools has been particularly challenging for districts facing severe budgetary pressures (Arsen et al., 2015; Bifulco & Reback, 2014; Ladd & Singleton, 2018). Many district expenditures are devoted to relatively fixed costs such as school buildings and central services. In the absence of new funding, a district would need to cut back its spending on variable inputs such as teachers and programs. Reducing investment in teachers certainly affects the quality of traditional public schools.

### ***Challenge 3 – Planning in a far more uncertain environment***

“Unless the local district is the sole authorizer of charters and is willing to set specific limits on the grades and sizes of each charter school, district policymakers face the challenge of planning in a far more uncertain environment than would be the case without charter schools” (Ladd, 2019). The following are some uncertain environments brought by charter schools.

- Charter schools can be closed permanently. In fact, many charter schools have shut down — some because of low academic performance — but in most cases for financial reasons and fiscal mismanagement.
- Charter students may return to the district schools for a variety of reasons, including a mismatch between the needs of the student and the approach of the charter school, high rates of school suspension, or the closure of the school.
- For a growing district, it is difficult to determine how many new schools it will need to build in the coming few years in the context of a changing number of charter schools and charter school students.
- For a declining district, the challenge is to determine whether the loss of students to charter schools is sufficiently permanent to justify closing one or more of its schools.
- Furthermore, districts face short-term planning challenges related to transportation and the hiring of teachers. These challenges are often exacerbated by the uneven and uncertain timing of charter school admissions decisions.

In summary, not all fiscal burdens are transitory. Researchers suggest that even if the size of the charter school sector within the jurisdiction stabilizes, some fiscal burdens will remain. At a minimum, the administrative expenses of running two separate systems will exceed those of running a single unified system.

### **How do charters complicate the system of school funding?**

In recent years, many lawsuits were filed regarding funding charter schools, which is a sign that education funding may become even more complicated with the increasing number of charter schools. While these constitutional challenges are highly state specific, they all share commonalities, that is, alleged inaccessibility to particular funds in a manner that the charter schools claim violate the state constitution. The charter school claims generally argue that the students and parents did not forfeit any constitutional protection by availing themselves to these alternative and innovative schools.

### **Lack of clear definitions and interpretations**

Much of the litigation has involved the definitions, interpretations, and manner of the state accounting system and local boards of education interpretations of the state department of public instruction's guidelines.

- In North Carolina, in *Sugar Creek Charter School v. Charlotte Mecklenburg Board of Education I, II, and III*, charter schools challenged the apportionment of local moneys to charter schools by the local board of education. Charter schools argued that based on the doctrine of “inclusion unius est exclusion alterius,” charters should receive the same amount of funding as traditional public schools. The court rejected this claim. Most notably among the rejections was the one pertaining to the constitutional challenge that charter schools are an integral component of the system of public education, and as such, had to be treated the same as the traditional public school system.
- In the lawsuit *Texas Taxpayers v. Williams*, the plaintiff charter schools complained that charter schools did not receive adequate facility support, and they should be treated the same as the traditional public schools, i.e. Independent School Districts (ISDs). ISDs traditionally provide school facilities primarily through voter-approved bonded debt. The Texas Supreme Court rejected the charter school claim as to the use of statewide averages in certain formula applications. It recognized that charter schools were not eligible for facility funding via general obligation bonds and debt service aid.

### **Statutory vagueness**

To date, several state supreme courts have examined the basic issue of whether any distribution of state moneys to charter schools violates the state constitution. The concept of these challenges was based on the allegation that charter schools were essentially private institutions wherein constitutional prohibitions prevent the funding of private schools. Research suggests that this argument was often caused by inarticulate statutory guidance, or statutory vagueness, that permeates charter school legislation ([Wood, 2019](#)).

- In Washington state, in a 2012 referendum, voters approved the creation of charter schools, but in 2015, the Washington Supreme Court ruled that the legislation was unconstitutional in that it operated outside the scope of normal schools. Normal schools rely on the public exercising local control and voting for school board members and local taxes to support education. The charter school legislation did not provide for local control. Nor did the legislation allow for elected school board members or local oversight of school operations. Later, the legislature passed the Charter Public School Act, which established a system of **charter schools funded in a different manner**. The system was to be funded by state appropriations from “Washington Pathways Accounts” that were derived from lottery dollars not earmarked for education. This legislation has been upheld by the Washington Supreme Court.
- In the state of New York, the concept of arguing that charter schools should have very similar funding as traditional public schools has so far been rejected. The New York Supreme Court reasoned:

- “The traditional system of public schools carried out the State’s constitutional mandate for more than 100 years before the legislature authorized a system of charter schools that operates independently of existing schools and school districts.
- Charter schools are not mandated by the State Constitution, but are independent creations of the legislature, fashioned for noble purposes, such as to enhance learning among students in general and at-risk youth in particular, to encourage academic innovation, and to offer choices beyond those offered in the traditional public schools.
- Although charter schools are deemed to be public schools under the auspices of the Board of regents, they are governed by an independent, self-selecting board of trustees and are exempt from a multitude of rules and regulations that are applicable to traditional public schools.”

In summary, a secure observation is that the framers of the controlling public elementary and secondary education clauses in state constitutions had not contemplated the creation of charter schools. Are charter schools to be funded exactly as the traditional public schools, that is, via the same exact education finance distribution formula? This issue is complex.

### **Can charter schools help public education to be cost-effective?**

An assumption for building more charter schools in public education is that charters help provide high-quality public education — improve student achievement and meet the need of students and parents — through competition and reduction of the education cost in this country. However, research does not show a clear sign to support the assumption. Extensive literature on the competitive effects of charters on the performance of district schools suggests that, while generally not negative, they are at most very small (Gill & Booker, 2018).

- A recent empirical study of charters in New York State concludes that efficiency gains may be large enough in the long run to offset the short-run fiscal burdens. However, the cost-effectiveness is only associated with student test scores. The researchers admit that the results may not be generalizable to other states with less comprehensive charter school authorization and oversight practices (Buerger & Bifulco, 2019).
- In Detroit (MI), 66 charter schools serve 47 percent of the students but are operated by 20 different management organizations, most of which are profit-seeking. Research suggests that using cost-effectiveness as a measure, the growth of charters has led to wasteful competition among schools, resulted in an excess supply of school spaces, inefficient use of facilities, and unproductive churning of students.
- Researchers at Duke University studied several North Carolina communities that have experienced substantial charter growth in recent years. The study concluded that, as a result of charter school growth, the local districts had between \$300 and \$700 less to spend on each remaining student at district-operated schools. Other studies have estimated a financial impact of between \$700 and \$1,500 per traditional public school student. However, researchers at the Center for Reinventing Public Education (CRPE), a research and policy analysis center at the University of Washington, question these figures and some of the assumptions that drive them. They argue that the financial challenges have less to do with charter schools and more to do with rigid structures that prevent districts from reducing costs as students leave.

In summary, cost-effective public education is an ideal, meaning that public schools not only provide high-quality education for every student but also use taxpayers' money efficiently. What we know is that the fast-growing charter schools challenge public education, making the complicated funding system even more complicated. What we don't know is to what extent charter schools have spurred public education to move towards cost-effectiveness.

## Charter Schools' Impact on "Segregation" Issues

"Public charter schools, which have dramatically expanded their reach since they were first established in 1992, now occupy a central role in the public debate over racial isolation in schools, with advocates and critics pitching the schools as either a potential cure for, or a key contributor to, segregation" ([Monarrez et al., 2019](#)). Research on charters' impact on issues related to segregation is often **controversial** and **conceptually confusing**.

- Charter advocates argue that decoupling school assignment from already intensely segregated residential neighborhoods should lead to more integrated schools.
- Charter critics worry that socioeconomically advantaged families may take advantage of school-choice opportunities and leave the most disadvantaged students behind in the worst schools. And thus, they allege, these public schools of choice drive "resegregation" (Ladd, 2019; Monarrez et al., 2019).

In 1954's *Brown v. Board of Education*, the Supreme Court ruled that separating children in public schools on the basis of race was unconstitutional. This marked the end of legalized racial segregation in the schools of the United States. However, since then, de facto segregation has never stopped. "Schools remain highly segregated by race and class, in part because of the segregation of neighborhoods, which largely determine where students enroll," according to [Monarrez, Kisida and Chingos](#) (2019).

Clearly, "segregation" that is widely examined in research that focuses on the demographics of charter students is de facto segregation. Charter schools, on average, serve different populations of students from traditional public schools: they enroll higher proportions of Black students than white students in elementary and middle schools and tend to enroll higher proportions of Hispanic students in middle and high schools. These enrollment characteristics largely reflect their locations:

- Charter elementary and middle schools are more likely to be located in census tracts with higher proportions of Black residents.
- Charter middle and high schools are found in areas with higher proportions of Hispanic residents compared to white residents.
- Charter schools tend to be located in tracts with lower median income and adult educational attainment.

### Do charter schools exacerbate de facto segregation?

Simply comparing the share of students' race/ethnicity in charter and traditional public schools is insufficient to answer the question. At least three factors are relevant and should be considered.

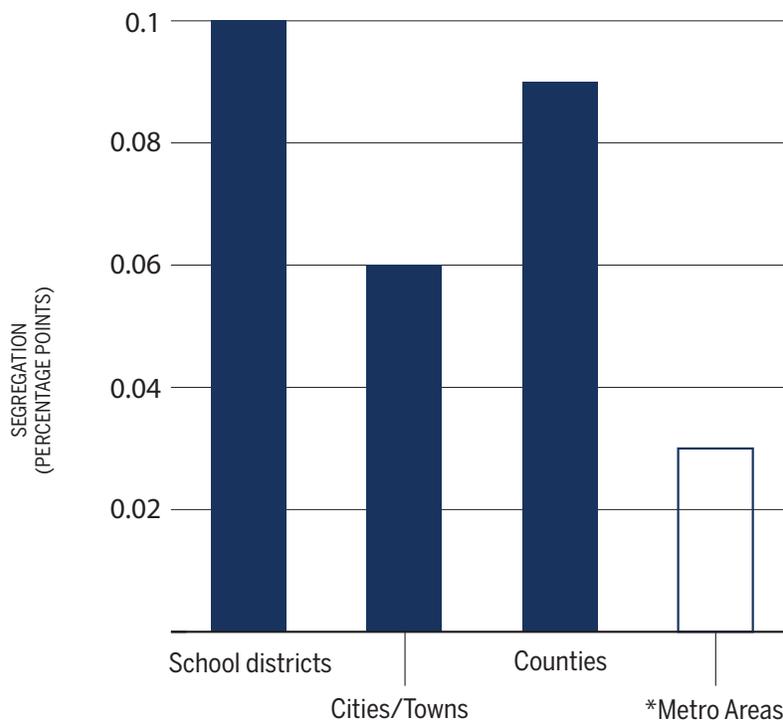
- Charter schools are not spread evenly across the educational landscape and their introduction may affect the ethnic composition of student populations in traditional public schools.
- Many charter schools are set out to serve students who are most in need of better education, and parental choice is at the center of the charter school movement.

- White students make up a shrinking share of [all students in the United States](#), from 62% in 1999 to 46% in 2020.

In 2019, the Urban Institute published a report on how charter schools affect school segregation. In this study, researchers use national longitudinal data on public school enrollment by grade level and race or ethnicity and provide a comprehensive examination of charter school effects on school segregation. The variance-ratio index or segregation index is used to measure how segregated a system is relative to how segregated it could be, given the demographic mix of students. The index ranges from zero (complete integration) to 100 percent (complete segregation). The findings show:

- The growth of charters has not been accompanied by rising levels of segregation, and critics are incorrect when they say that charters are driving a resegregation of American schools.
- Charter schools have led to small increases in school-district segregation (i.e., if the average district in the sample shut down all of its charter schools, we would expect its overall segregation of Black and Hispanic students to decline from 15.0 to 14.2 percent; if excluding districts that have never had a charter school, we would expect average segregation to fall from 19.1 to 17.8 percent).

### Effect of a one-percentage-point increase in charter enrollment

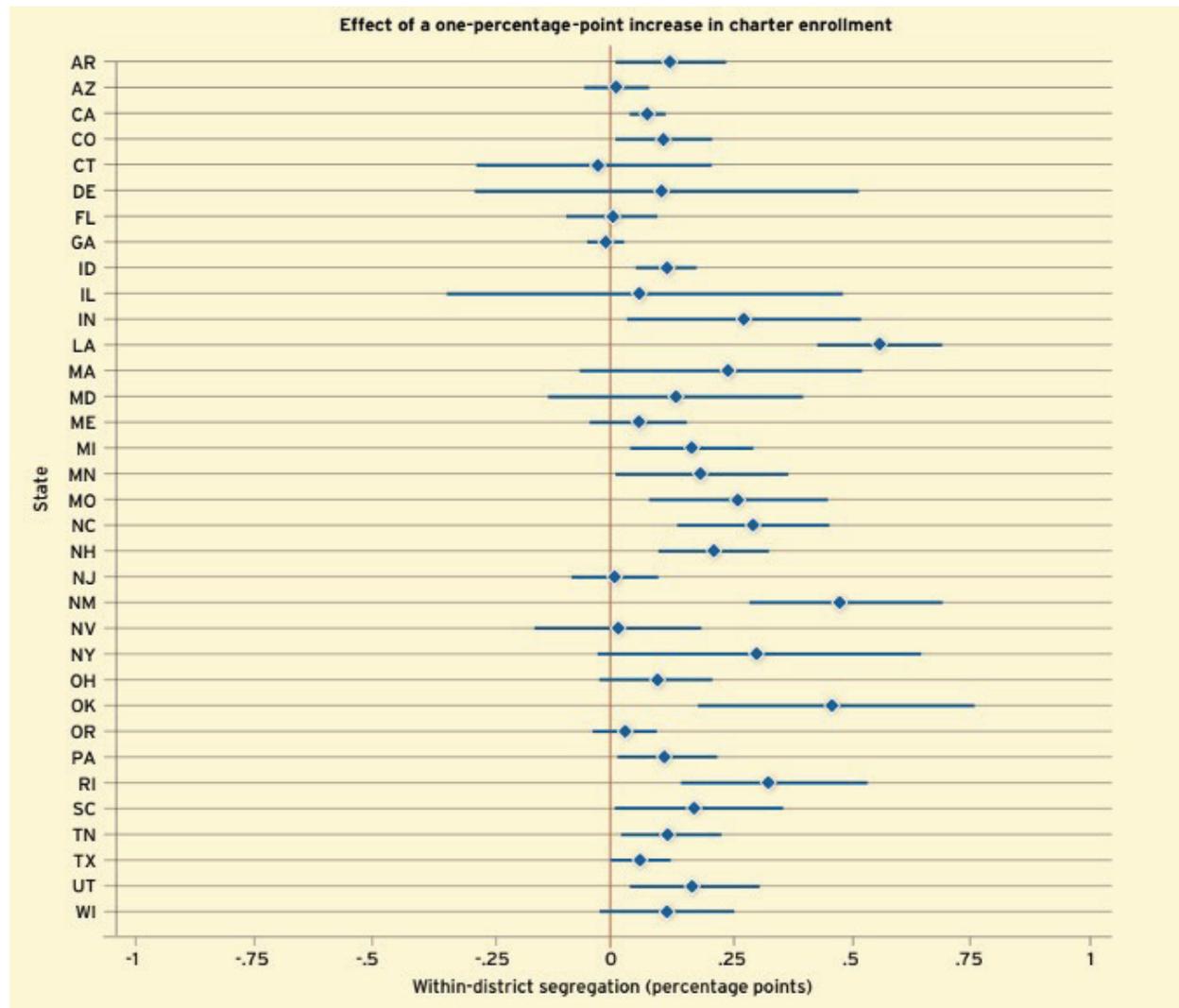


Note: Figure shows the estimated effect of a one-percentage-point increase in charter share of enrollment on segregation of Black and Hispanic students within different geographic units. The measure of segregation is the variance-ratio index. \*Empty bar indicates that the estimated effect on metro-area segregation is NOT statistically significant; effects at the other levels are significant at the 95 percent confidence level.

SOURCE: <https://www.educationnext.org/do-charter-schools-increase-segregation-first-national-analysis-reveals-modest-impact/#:~:text=their%20impact%20on%20segregation%20is,in%20the%20same%20metro%20area.&text=the%20evidence%20in%20our%20study,with%20wide%20variation%20across%20states>

### Do charter schools promote integration?

The report from the Urban Institute also points out that charter proponents are incorrect to assume that freeing public schools from neighborhood boundaries will necessarily enhance racial integration. Evidence shows that, on average, charter schools lead to slightly higher levels of racial and ethnic segregation, with wide variation across states. However, as shown in the following chart, in states such as Arizona, Florida, Georgia, New Jersey, and Oregon, charters have had little or no effect on segregation. In other words, charter schools in these states are more likely to have “complete integration.” It should be noted that in some states such as Delaware, Illinois, and Nevada, the degree of integration varies greatly within the state.



SOURCE: <https://www.educationnext.org/do-charter-schools-increase-segregation-first-national-analysis-reveals-modest-impact/#:~:text=their%20impact%20on%20segregation%20is,in%20the%20same%20metro%20area.&text=the%20evidence%20in%20our%20study,with%20wide%20variation%20across%20states>

***“As charter schools hit significant market share ... School boards and superintendents are faced with a situation where they lose enrollment so quickly that the only thing they can do is close schools, lay off teachers ... increase class sizes, and slash their central office staffing and support levels. In some cities, districts also face an increasing concentration of the students hardest and most costly to educate, those with severe special needs, those who speak little to no English, those with the most severe behavior and mental health challenges and the least parental support. This combination of factors often triggers a slow death spiral...” (Robin Lake, Director, Center on Reinventing Public Education)***

### **Do charter schools benefit disadvantaged students?**

Evidence shows that on average, the rise of charter schools over the last 20 years has led to slightly higher levels of racial and ethnic segregation. However, these results need to be interpreted in the context of the purpose of charter schools. One of the early arguments for charter schools was that they would benefit disadvantaged students by expanding educational options beyond their low-quality local neighborhood schools.

It should be noted that many charter schools were founded and specifically tailored to serve students from vulnerable backgrounds. Many have accomplished the goal of improving the learning outcomes of disadvantaged students. “Dozens of studies of public charter schools have reached a consistent conclusion: their presence benefits disadvantaged students who attend them as well as the students who don’t” (Eden, 2020).

- A national study of 41 urban areas estimated that charter schools provide **Black students in poverty** with an additional 59 days of learning in math and 44 days of learning in reading per year.
- In a review of 15 randomized control trial studies on academic effects of urban charter schools, 12 showed significant benefits in reading and math, three showed no effects, and none showed negative effects.
- Studies in three states have demonstrated that attending charter high schools boosts college entry and persistence.
- Studies in two districts have shown that attending charter schools decreases criminal activity.

At the same time, researchers remind policymakers and educators that even if charters do improve educational opportunities and academic achievement of disadvantaged students, the outcome may not be found for every student. In other words, some disadvantaged students are likely to be further left behind because they were attending low-quality charter schools or charter schools with high percentage of students who need more resources.

- In the Tennessee achievement zone, which relied heavily on charter schools, charter operators found it hard to succeed in an environment in which they were required to serve all students (Glazer et al., 2018).

- In New Orleans, students' test scores have increased since almost all schools became charters (Harris & Larson, 2016). The context of this transformation is a dramatic decline in the total number of students, a significant rise in external funding for new school buildings, and the displacement of existing local black teachers by a younger and less expensive group of white teachers. Therefore, the New Orleans model may not fit school districts in other cities.

In brief, using charter schools as the major component of school- or district-wide turnaround strategies to improve opportunities for disadvantaged students is not a sustainable strategy. In the end, it cannot meet the needs of every student.

## Policy Implications

Every student deserves equal access to an excellent K–12 education. Yet the quality of their educational opportunities shouldn't hinge on zip codes, family backgrounds, or the type of school they attend. However, expansion of the charter school sector poses significant challenges to the ability of local education systems to stabilize student enrollment and ensure adequate funds and resources.

Research shows that the effect of charter schools on student achievement varies depending on location, grades, and subjects. Nationwide, the average performance of charter students is not significantly higher than that of their peers from traditional public schools. In fact, good charters and traditional public schools share common characteristics, such as high school attendance rates, good teachers, and innovative instructional approaches. Research suggests that policy makers should focus on the elements of building a high-quality school rather than polarizing the public education system.

For charter schools, researchers' recommendations can be summarized as follows:

- Improve data collection and transparency about schools and programs, and collect feedback from teachers, students, and parents on a regular basis.
- Clarify charter school statutes in funding and duties, imposing stronger accountability and transparency requirements to assure that the existing charter schools are promoting the public interest and not just the interests of the students they attract or the for-profit and not-for-profit organizations that operate them.
- Implement a [cost-adjusted funding formula](#) to leverage charter schools and incentivize charters to effectively serve disadvantaged students.
- Expand charter market share in black and Hispanic communities to reduce racial achievement gaps.

For school districts, researchers' recommendations ([Monarrez et al., 2019](#)) include:

- "Centralize school-choice options into common enrollment systems, which research has found reduce the burden of choosing a school and increase the proportion of disadvantaged students entering charter schools."
- Encourage diversity using strategies such as weighted admission lotteries and targeted recruitment efforts. "For example, San Antonio, Texas, is pursuing a holistic enrollment approach that includes district-authorized charter schools, magnet schools, and traditional public schools in common enrollment systems and weighted admission lotteries, while also strategically locating new schools of choice and increasing funding for transportation for participating students."

## References

- Adamson, F. & Galloway, M. (2019). Education privatization in the United States: Increasing saturation and segregation. Retrieved from <https://pdfs.semanticscholar.org/ad25/c99948687fc4ad223e7add11dd6f056569d2.pdf>.
- Betts, J. & Tang Y. E. (2011). The effect of charter schools on student achievement: A meta-analysis of the literature. Retrieved from <https://fordhaminstitute.org/national/research/rising-tide-charter-market-share>.
- Bifulco, R. (2019). NEPC review: Student achievement in Florida's charter schools (Florida Department of Education, March 2019). Retrieved from <https://scholar.colorado.edu/concern/defaults/gf06g357c>.
- Clarke, F. C. & Burt, W. L. (2018). A study of the effects of charter schools on student achievement, attendance, and selected mitigating factors in a midwestern state's midsize urban school districts. Retrieved from <https://journals.sagepub.com/doi/abs/10.1177/0013124518785015>.
- Cohodes, S., Setren, E., & Walters, C. R. (2019). Can successful schools replicate? Scaling up Boston's charter school sector. Retrieved from <https://www.reachcentered.org/research/can-successful-schools-replicate-scaling-up-bostons-charter-school-sector>.
- Eden, M. (2020). Issues 2020: Charter schools boost results for disadvantaged students and everyone else. Retrieved from <https://www.manhattan-institute.org/issues-2020-charter-schools-benefits-for-low-income-minority-students>.
- Eden, M. (2020). Charter school advocates will have to ditch bipartisanship for success. Retrieved from <https://www.manhattan-institute.org/charter-school-advocates-will-have-ditch-bipartisanship-success>.
- Gilraine, M., Petronijevic, U., & Singleton, J. D. (2019). Horizontal differentiation and the policy effect of charter schools. Retrieved from [https://www.maxwell.syr.edu/uploadedFiles/econ/GPS\\_Charters\\_Syracuse%20-%20Gilraine%20paper.pdf](https://www.maxwell.syr.edu/uploadedFiles/econ/GPS_Charters_Syracuse%20-%20Gilraine%20paper.pdf).
- Griffith, D. (2019). Rising tide: Charter school market share and student achievement. Retrieved from <https://fordhaminstitute.org/national/research/rising-tide-charter-market-share>.
- Ladd, H. F. (2019). How charter schools threaten the public interest. Retrieved from <https://onlinelibrary.wiley.com/doi/abs/10.1002/pam.22163>.
- Ladd, H. F. & Singleton, J. D. (2018). The fiscal externalities of charter schools: Evidence from North Carolina. Retrieved from [https://www.mitpressjournals.org/doi/full/10.1162/edfp\\_a\\_00272](https://www.mitpressjournals.org/doi/full/10.1162/edfp_a_00272).
- Monarrez, T., Kisida, B., & Chingos, M. M. (2019). Do charter schools increase segregation? Retrieved from <https://www.educationnext.org/do-charter-schools-increase-segregation-first-national-analysis-reveals-modest-impact/>.
- Prothero, A. (2018). What are charter schools? Retrieved from <https://www.edweek.org/ew/issues/charter-schools/index.html>.
- Singleton, J. D. (2019). Incentives and the supply of effective charter schools. *American Economic Review*, 109(7): 2568-2612.
- Wood, R. C. (2019). Charter school constitutional funding challenges: North Carolina and Texas may serve as harbingers for the future. Retrieved from <https://muse.jhu.edu/article/738159/pdf>.



The National School Boards Association (NSBA) is the leading advocate for public education. For 80 years, we have been leading the effort to support and enhance public education. We are succeeding in creating the best possible environment in which students can realize their dreams.

NSBA is a federation of 49 state associations and the U.S. territory of the Virgin Islands, representing their more than 90,000 school board officials. These local officials govern more than 13,600 local school districts serving more than 50 million public school students. Working with and through our state associations, and serving as their Washington, D.C., office, NSBA advocates for equity and excellence in public education through school board governance.

We believe public education is America's most vital institution. It is a civil right necessary to the dignity and freedom of the American people, and all children deserve equal access to an education that allows them to reach their potential.

In pursuit of these beliefs, NSBA and our members will continue to lead the national conversation about public education, advocate for public policies that ensure all students everywhere have access to a great public education where they live, create a better understanding of the importance of school boards and the benefits of local governance, and enhance the effectiveness of school boards.