

# Charter Schools in Action: What Have We Learned?

Executive Summary, July 1996

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This report contains the findings of the first year of a two-year Hudson Institute study of U.S. charter schools, focusing on their start-up problems, solutions to those problems, and the policy environments in which such schools are most apt to thrive or falter. Field work in 1995-96 consisted of site visits to 43 charter schools in seven states and the gathering of substantial data on 35 of those schools, which comprise a cross-section of the approximately 225 charter schools operating during this year. The three-person research team conducted approximately 600 school-linked interviews and some 107 more with state-level people. The result is the most extensive information presently available about the nationwide charter school movement.

This summary briefly recaps key findings and recommendations but does not substitute for the full report. It tracks the five major sections of the report, which also includes several appendices, including profiles of schools and states included in the 1995-96 sample.

## **1: Introduction and Overview**

Students attending charter schools are diverse; 63 percent of the nearly 8,400 students in our sample are minority group members. The numbers of boys and girls are almost equal. Eighty-one percent had been enrolled in public schools immediately before coming to the charter schools, 8 percent came from private schools, 2 percent were home-schooled, and 4 percent had dropped out of school. The charter movement in the United States has spread rapidly. Twenty-five states and the District of Columbia now have charter laws. The country may have as many as 350 functioning charter schools in 1996-97. Some, however, barely qualify for the designation. We have seen examples of "charter" schools that remain subordinate to district administrations and school boards in many important matters.

## **2: Charter School Accomplishments**

Charter school founders are a varied band of parents, laymen, professionals, and organizations. The schools are educationally diverse and remarkably imaginative in their approaches. They include schools for at-risk youngsters and special populations, "distance learning" (or "virtual" schools), teacher cooperatives, and contract-managed schools, as well as many other educational and organizational innovations. Students, many of whom had been unsuccessful and unhappy in other schools, seem generally satisfied with the education they are receiving, citing especially the charter schools' clear academic expectations, safety, individualized instruction, committed teachers, and family-like atmosphere. Charter schools are attracting terrific, often unconventional teachers, who fulfill many other functions within the schools. Teachers expressed particular satisfaction with their freedom to teach, the school's autonomy, its familial atmosphere, sensible management decisions, dedicated colleagues, and

enhanced institutional and personal accountability. Parent and student satisfaction is manifest in a number of ways, including the fact that nearly all charter schools have pupil waiting lists. There is evidence of much parent involvement, and parents say that they feel welcome in charter schools and that the schools are responsive to their concerns. (Many charter schools were begun by parents.) Other reasons for parent satisfaction are related to high student expectations and the schools' coherent curriculum, minimal bureaucracy, dedicated teachers, and family-like atmosphere. Though local superintendents and school boards are most frequently hostile to charter schools, some find promise in them because of the student needs they meet, especially for at-risk youngsters; the competitive stimulus they provide; the desirability of educational alternatives; and the possibility of innovating under the charter law in ways that cannot be done under regular statutes, regulations, and union contracts. Some school districts profit financially from their charter schools. Though nearly all charter schools receive less money per pupil than conventional public schools-and some charter teachers are paid less than teachers in conventional schools-some schools have used their fiscal autonomy creatively to get extra mileage from available funds. This has produced some extraordinary improvements in efficiency and productivity.

### **3: Major Start-Up Problems**

#### *Kids with Problems*

More than half of all charter schools encounter unexpectedly difficult challenges from the students who attend them, primarily from the large numbers of disadvantaged and at-risk pupils who enroll. A high proportion of charter students can be termed "square peg" kids who do not fit the round holes of conventional public schools. Charter schools, in general, are welcoming such youngsters, adapting to their circumstances, and serving them well.

#### *Fiscal Woes*

For a host of reasons, nearly all charter schools receive less funding than conventional public schools. Yet they are expected to demonstrate better results. Fiscal issues are often the greatest concern facing charter schools, particularly at the outset. The lack of capital funds and start-up funds is a particularly severe problem, as are uneven cash flow, burdensome paperwork, and school finance formulas insensitive to the peculiar circumstances of charter schools.

#### *Regulatory and Political Hurdles*

Most charter laws still make it needlessly difficult to launch viable charter schools. Many restrictions arise in response to political pressure from charter opponents. Others come from unanticipated laws and regulations as well as inadvertent failure to eliminate or waive statutory and regulatory provisions.

### *Governance and Staffing*

Governance problems, although not widespread, cause grave difficulties for charter schools where they arise. Bad board-staff relations appear to be the most common governance difficulty. Charter schools have peculiar leadership needs that generally require the talents and background of several kinds of people. Staff turnover in charter schools does not seem greater than in similar "start-up" organizations. Charter schools are amply supplied with qualified and often unusual candidates for teaching and other staff positions. Yet some charter schools encounter staffing problems, especially in achieving a proper "fit" between personnel needs and individual staff members. Slightly more than half of all charter teachers come directly from teaching positions in other public schools. Twelve percent come from outside the normal K-12 teaching universe. The vast majority of charter schools hire only, or primarily, certified teachers (even when this is not required by law). Approximately 70 percent of charter schools pay "comparable" salaries to most or all of their teachers.

## **4: Dilemmas for Policymakers**

### *State Charter Policies*

Charter schools are more likely to come into existence, and to succeed, in states with "stronger" charter laws. Ten factors are identified that distinguish such laws. The most important of these are sponsorship options other than local school boards, openness to diverse charter applicants, automatic exemption from laws and regulations, and true fiscal and legal autonomy for charter schools.

### *Special Education*

Nineteen percent of the students in charter schools in our sample have disabilities or impediments of which the school is aware that affect their education. Thus it appears that, contrary to some forecasts, charter schools are serving proportionately more disabled youngsters than are conventional schools. Many disabled youngsters in charter schools are being educated in ways that do not conform to the formal procedures and classifications of U.S. special education, yet such children appear to be well-served, and they and their parents are pleased.

### *Teacher Unions and Charter Schools*

At the state level, without exception, the unions' primary objective vis-a-vis charter schools is to keep the program as small, weak, and limited as possible. Charter school-union relations take many forms. Where union master contract provisions apply to charter teachers, there are generally waivers or informal

understandings that things can be done differently. In states where charter teachers are allowed to organize their own union local, we found no instance where this opportunity has been seized. We did, however, find some schools where this may happen in the future.

### *Finance Policies*

District leaders often view all public education funds as "their" money. This leads many to resist such funds going to charter schools, even when the latter educate some of "their" students. Hence most charter schools do not receive their share of public education funds. Charter sponsorship and oversight carry real costs, and charter schools are not a cost-free reform for the state as a whole. Serious support of charter schools will entail revising many aspects of U.S. public education finance.

### *Accountability and Evaluation*

State charter laws are stronger on theory than practice when it comes to accountability and evaluation. No state yet has in place a fully satisfactory plan, though several are making good progress. Charter accountability criteria generally include reasonable progress in meeting each school's goals for its students; proper use of public funds; and general probity. A well-functioning accountability system will have clearly delineated content and performance standards; exams that mirror those standards; timely, understandable, and comparable results, including academic and nonacademic indicators of success; and real stakes for all. States face the dilemma that conventional tests and other standard instruments may not suit the programs or philosophies of charter schools. Individual schools accept the need for accountability and many are working on specific standards, measures, and mechanisms that feature real consequences for everyone involved.

### *School Failure and Its Prevention*

Some charter schools will fail and close or be closed. This is a plus for educational accountability and a model for public education generally. Public authorities have an obligation to minimize harm to students. This calls for an adequate monitoring program to provide early warning of troubled schools and a multifaceted intervention strategy. Policymakers should not, however, put charter schools on "life-support" systems. Failure should be tolerated, even welcomed.

### *Federal Policy Issues*

Most charter schools are not now getting their "share" of federal categorical aid. Many features of federal education programs are poorly suited to charter schools. Many charter schools, for diverse reasons, are not seeking to maximize their participation in federal programs or to request "waivers." In a number of cases, charter schools are carrying out the spirit of federal programs without following all the fine print.

## 5: Conclusions and Recommendations

### *Conclusions*

Charter schools may be the most vibrant force in American education today. No one can say with confidence how large this movement may grow, but the demand for charter schools currently exceeds the supply. It is too early to say anything definite about their educational effectiveness, but there is a growing body of positive evidence. Particularly attractive features of charter schools include their intimate scale; clear, focused mission; freedom from excessive regulation and control; and the fact that students, teachers, and parents have chosen to be there. Charter schools are often havens for people who need and want alternatives to schools that have served them poorly. Genuine educational innovation is occurring in charter schools. Charter schools establish a much-needed prototype of educational accountability. Charter schools serve the public more like the voluntary institutions of "civil society" than like conventional public schools.

### *Selected Policy Recommendations*

Provide a nonlocal sponsorship option or a strong appeals process for charter seekers. Allow any individual, group, or organization to submit a charter school proposal. Make charter schools legal entities in their own right. Set no (or very high) limits on how many charter schools there can be. Allow private schools to "convert" to charter status. Keep charter restrictions and regulations to minimum health, safety, and nondiscrimination provisions. Automatically exempt charter schools from other state and local laws and regulations. Beware of "stealth" restrictions built into other statutes and regulations. Spare charter schools from union "master" contracts and allow noncertified people to teach in them. Allow charter schools to educate disabled (and other at-risk) youngsters as their parents and those within the school think best. Provide capital and start-up funding for charter schools. Give charter schools the same per pupil operating funds (from both state and local sources) that conventional public schools receive, and deliver these funds directly to the schools, rather than through local districts. Conceive of charter school accountability as a triad consisting of standards, assessments, and consequences. Balance the state's interest in holding schools uniformly accountable against each charter school's legitimate interest in being judged in a manner consistent with its unique mission. Make available ongoing technical assistance to charter schools, and develop a range of approaches to faltering schools. Use the charter model to develop ways of holding all public schools accountable for their results.

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