

# CHARTER SCHOOLS GROW UP

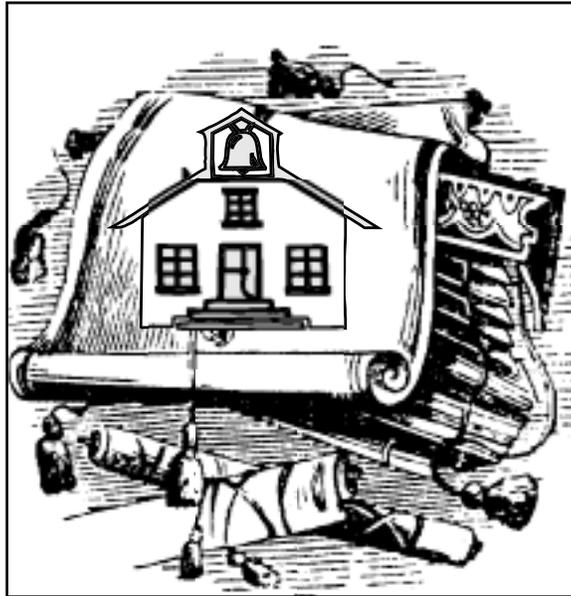
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Over the past decade, lawmakers in Arizona have promoted a number of alternatives to traditional public education. These include a \$500 private school tuition tax credit, statutory encouragement for homeschooling, and most notably, a thriving system of charter schools. In the 1990s, a conservative Governor and Republican legislatures were unable to achieve passage of a

school voucher system similar to those in Milwaukee or Cleveland. By default, then, charter schools became the primary outlet for legislators and parents interested in educational choice. As it turns out, many were interested; six years after initial passage of the state's charter school law, Arizona is now home to 20% of the nation's charter schools and 18% of the nation's charter students.<sup>1</sup> Thus, though charters were born in Minnesota, they have come of age in Arizona.

## Charter Schools In Arizona — Why We Are Where We Are

The charter school law passed in Arizona in 1994 has some unusual features that help account for the state's impressive network of charters. First, the law allows for the creation



of new charters, of course, but also for the conversion of existing public and private schools into charter schools. Of the 37 states with a charter school law, only ten have similar conversion provisions. Wisconsin is one of the ten, though its charter law allows conversion of private schools into charters only in Milwaukee.<sup>2</sup>

Second, Arizona places no limit on the number of charter schools that may exist within the public school system. Only 13 other states have no limits on charter schools — again, Wisconsin is one of the states without a limit. The remaining states limit the number of charters that can be created within each district, or that can be created statewide, or that can be created during a given year.

Third, Arizona grants its charters for a term of 15 years, with a review required every five years. Only the District of Columbia matches Arizona for length of charter term. Wisconsin grants charters for a term of up to five years. In this respect it is like the 31 other states with charter terms between three and five years. The remaining four states have a

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variety of different term structures, though the longest is 10 years.

Finally, individuals, groups, or organizations seeking a charter in Arizona can do so in a variety of venues — local school boards, the State Board of Education, and the State Board for Charter Schools. In 14 states, including Wisconsin, only local school boards can grant charters. In another seven states, only a state-level agency is authorized to grant charters. In the remaining 16 states, multiple agencies may grant charters. Aside from Arizona, however, there are only four states with as many as three charter-granting agencies.

As these details suggest, Arizona is the nation's charter school leader in part because its laws make receipt of a charter hassle-free — at least in comparison with other states. Thus, it is no accident that in the four most recent school years for which data is available (1995/1996 — 1998/1999), Arizona has created more charter schools than any other state in the nation, even those like California that dwarf its population.<sup>3</sup> Currently, Arizona has 408 charter schools. By way of comparison, Wisconsin has only 95 charter schools, though its population is nearly 10% larger than Arizona's.<sup>4</sup> Arizona also leads all states with an impressive 5.6% of its public school students in charters. This represents about 50,300 total charter school students, a number roughly seven times that of Wisconsin's charter school population.<sup>5</sup>

### **Charter School Performance — Demographics And Diagnostics**

For a time, policymakers in Arizona were content with a charter school system that was the biggest. More and more, however, they are concerned that it be the best as well. Thus, they are paying increasing attention to charter school performance, measured in several different ways.

One measure of performance is the demographics of charter school student populations. Policymakers do not want charters to become racially and/or economically segregated enclaves; instead, they should serve a cross-

section of Arizona students. This is good education policy — educational choice in public schooling should not be confined to certain segments of the population — but it is also good politics, ensuring that charters do not become vulnerable to the charge that they are outposts of discrimination or elitism.

On demographic measures, Arizona's charters perform quite well. Their racial composition nearly matches that of traditional Arizona public schools when it comes to white student enrollment — 55% of charter school students are white, while 54% of traditional public school students are. Racial composition varies among other groups — charters have more blacks, fewer Hispanics, and more American Indians than non-charters — but charters clearly have not created a problem of resegregation.<sup>6</sup> Charters also have roughly the same percentage of lower-income students as traditional public schools (43% vs. 40%), and have somewhat fewer limited English proficiency students (7.8% vs. 11.9%).<sup>7</sup>

Another measure — parent satisfaction — also shows strong performance by Arizona's charters. The Morrison Institute for Public Policy is the state's official evaluator of the charter school program. In its most recent evaluation, issued in March 1999, Morrison found that 55% of charter student parents believed their child was doing "a lot better" at their charter than at their previous school; 60% said the child's attitude toward learning was "a lot better;" and 58% said that the child felt "a lot better" about his teachers in comparison with those at his previous school. Also, 65% or more of parents surveyed said that, in comparison with their child's previous school, they had more communication with the school, more opportunities to be involved, and more input into decisions made by the school. And 69% and 70%, respectively, said that the school's attempts to communicate with parents and its response to parent problems were "better" than the previous school.<sup>8</sup>

A final measure, and to many, the one that matters most, is student achievement. The Morrison evaluation analyzed charter and tra-

ditional public school student scores on the Stanford Achievement Test, 9th Edition (SAT-9). The results of this analysis were complex and mixed, but charter school students appeared to be scoring similar gains on the SAT-9 test as their traditional public school counterparts, though sometimes from a lower initial level of performance.<sup>9</sup> This was not a controlled experiment, however, and the two groups of students therefore were not comparable. In fact, the charter students may have been at somewhat of a disadvantage in the comparison; about 40% of charter schools in Arizona target students who have previously been unsuccessful in school.<sup>10</sup>

### Lessons For Wisconsin

The results to date in Arizona are encouraging, but the news is not all uniformly positive. In some of the less happy developments, one can find lessons for Wisconsin on the potential pitfalls of a maturing charter school system.

First, what is known about charter school student performance in Arizona is limited because the law includes no requirement for a traditional experimental evaluation. This would involve random assignment of students to a charter and to a traditional public school, respectively, and then comparison of their test results. One cannot, of course, randomly assign students to schools of one's choosing. One can, however, take advantage of the fact that some charters are oversubscribed, and that spots in those schools are apportioned by lottery, effectively simulating random assignment. The school choice program in Milwaukee shares this feature and has produced valuable experimental data as a result. Wisconsin lawmakers should ensure that the charter school system is capable of yielding the same kind of data.

Second, unlike most traditional public schools, charter schools can fail and close, and some have. In Arizona, the most recent data available indicates that, as of September 1999, 16 charter schools had ceased operating. That represents a failure rate of roughly 6%.<sup>11</sup> While failures of this sort are to be expected — Milwaukee has wrestled with the same issue in its parental choice program — they also are detrimental to student performance. Though charter school failures in Wisconsin have been extremely rare, the state should create mechanisms to diagnose and address charter difficulties early, and to speed and smooth the transition of students to new schools if all else fails.

Third, parents and students in Arizona have complained about the relative insularity of charters vis-à-vis other public schools and universities in the state. Specifically, they have expressed concern about difficulties in transferring credits from charters to traditional public schools, about the insufficiency of charter school courses in meeting university admissions requirements, and about the lack of extracurricular activities that often make

students more attractive to colleges and universities.<sup>12</sup> Obviously, state-level policies and agreements on transfer of credits and minimum curricular thresholds are needed to ensure that charter school students are not unfairly disadvantaged as they progress through the education system. Furthermore, in Wisconsin as in Arizona, the charter granting institution should encourage charter applicants to commit to sports programs, school clubs, and other extracurricular activities for students.

Finally, and perhaps inevitably, one of the major concerns expressed by charter school parents, teachers, and directors is the insufficiency of funding for school facilities and oper-

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ating expenses. In the face of such concerns, last spring lawmakers passed on to voters a proposed 0.6% increase in the state sales tax to fund public education. Voters approved the measure, instantly creating an additional \$450 million for public schools in the next year alone. Thus, demands for more choice in education were matched by demands for more money, which were ultimately met. Wisconsin policymakers take note — even in the context of an exciting reform like charter schools, some things never change.

### Notes

1. Calculations from Center for Education Reform: Charter School Highlights and Statistics: <http://edreform.com/pubs/chglance.htm>.
2. The information on state charter school laws in this section comes from United States Department of Education, *The State of Charter Schools 2000* (Washington, D.C.: United States Government Printing Office, 2000).
3. *Ibid.*
4. Center for Education Reform: Charter School Highlights and Statistics: <http://edreform.com/pubs/chglance.htm>.
5. *Ibid.*, and unpublished data from the Arizona Department of Education.
6. United States Department of Education, p. 33.
7. *Ibid.*, pp. 34, 8.
8. Morrison Institute for Public Policy, *Arizona Charter School Progress Evaluation* (Tempe, AZ: 1999), pp. 13, 4.
9. Morrison Institute, pp. 29-35.
10. Morrison Institute, p. 2.
11. United States Department of Education, pp. 10, 1.
12. Morrison Institute, pp. 14, 18.