

INITIATIVE 1240: IMPROVING EDUCATION OPTIONS WITH CHARTER SCHOOLS

BRIEFLY

I-1240 would allow 40 public charter schools to open over five years, giving Washington parents and students an alternative to traditional public schools.

Washington is one of only nine states that does not allow for the operation of charter schools. That could change,

should voters approve Initiative 1240 in November. I-1240 would allow a limited number of public charter schools, which have more autonomy than traditional schools. The increased autonomy, say supporters of public charter schools, encourages innovation leading to improved educational outcomes.

The initiative states the case: “Public charter schools free teachers and principals from burdensome regulations that limit other public schools, giving them the flexibility to innovate and make decisions about staffing, curriculum, and learning opportunities to improve student achievement and outcomes.”

In Washington, the legislature has considered public charter schools numerous times since the early 1990s. The idea has also been put to voters three times: In 1996, voters rejected Initiative 177; in 2000, voters rejected Initiative 729; and in 2004, the legislature passed charter school legislation, but voters rejected Referendum 55. This may be the year, however, given the continued growth of charter schools nationally. What was once considered mildly controversial is now part of the national mainstream.

Charter Schools in the U.S.

Minnesota enacted the nation’s first charter school law in 1991. Acceptance of public charter schools has since become nearly

universal—41 states and the District of Columbia allow them. Along with Washington, the states that do not allow public charter schools are Alabama, Kentucky, Montana, Nebraska, North Dakota, South Dakota, Vermont and West Virginia.

According to the National Alliance for Public Charter Schools (NAPCS), there were 5,611 charter schools in the U.S. in school year (SY) 2011–12 (5.8 percent of total U.S. schools). (In SY 1999–00, charters made up 1.7 percent of total schools.) Students in charter schools represented 4.2 percent of all public school students, with 610,000 on waiting lists.

Of all charter schools in SY 2009–10 (the most recent year available for this data set), 52.2 percent were located in cities, 20.6 percent in suburbs, 7.7 percent in towns, and 16.0 percent in rural areas. (Meanwhile, of all non-charter schools, 24.5 percent were located in cities, 27.7 percent in suburbs, 14.4 percent in towns, and 33.1 percent in rural areas.)

The Effectiveness of Charter Schools

There is no consensus among researchers about whether charter school students outperform their peers in traditional schools. Some researchers have pointed to the paucity of rigorous research on the topic (Betts and Atkinson). Nevertheless, several studies have produced interesting results:

- A RAND Corporation study from 2009 found “no systematic evidence to support the fear that charter schools are skimming off the highest-achieving students,” nor are charter schools “dramatically affecting the racial mix of schools for transferring students.” Importantly, the study also found that “charter–high school attendance is associated with a higher probability of successful high-school completion

	Year Charter Law Enacted	Charters as a Percent of Public Schools, 2011-12
Minnesota	1991	6.8
California	1992	9.9
Michigan	1993	7.1
Colorado	1993	9.7
Wisconsin	1993	10.5
Massachusetts	1993	3.9
Georgia	1993	4.6
New Mexico	1993	8.5
Arizona	1994	24.1
Hawaii	1994	10.8
Kansas	1994	1.2
Louisiana	1995	7.0
Delaware	1995	9.6
Texas	1995	6.7
Arkansas	1995	2.9
Rhode Island	1995	4.8
New Hampshire	1995	2.3
Wyoming	1995	1.1
Alaska	1995	5.3
Florida	1996	13.2
South Carolina	1996	4.0
New Jersey	1996	3.3
North Carolina	1996	4.0
Illinois	1996	2.9
Connecticut	1996	1.3
District of Columbia	1996	44.2
Pennsylvania	1997	5.1
Ohio	1997	9.5
Nevada	1997	4.9
New York	1998	3.9
Utah	1998	8.3
Missouri	1998	1.8
Idaho	1998	5.9
Virginia	1998	0.2
Oregon	1999	8.4
Oklahoma	1999	1.2
Indiana	2001	3.5
Tennessee	2002	2.4
Iowa	2002	0.3
Maryland	2003	3.4
Mississippi	2010	NA
Maine	2011	NA

and an increased likelihood of attending a two- or four-year college.” (Zimmer et al.)

- A June 2009 study (often cited by charter school opponents) by the Center for Research on Education Outcomes (CREDO) at Stanford University looked at charter schools in 16 states. The study found that

A decent fraction of charter schools, 17 percent, provide superior education opportunities for their students. Nearly half of the charter schools nationwide have results that are no different from the local public school options and over a third, 37 percent, deliver learning results that are significantly worse than their student [*sic*] would have realized had they remained in traditional public schools.

That’s not the end of the story, as the results brighten for subsets of students: “Nationally, elementary and middle school charter students exhibited higher learning gains than equivalent students in the traditional public school system.” Additionally, poor students and those learning English “fare better in charters than in the traditional system. . . . These populations, then, have clearly been well served by the introduction of charters into the education landscape.”

The study also found “significant state-by-state differences in charter school performance;” further, “the academic success of charter school students was found to be affected by the contours of the charter policies under which their schools operate.” (CREDO)

- In October 2011, the University of Washington Bothell’s Center on Reinventing Public Education surveyed the charter school literature:

Focusing on math and reading scores, the authors find compelling evidence that charters under-perform traditional public schools in some locations, grades, and subjects, and out-perform traditional public schools in other locations, grades, and subjects. However, important exceptions include elementary school reading and middle school math and reading, where evidence suggests no negative effects of charter schools and, in some cases, evidence of positive effects.

The authors note that charter school

effects “are almost always higher in the urban subsample than in the overall sample.” As they conclude about the reasons for this, “One obvious possibility is that charter schools have more value to add in large urban districts if the traditional schools in these areas are under-serving their students more than their non-urban counterparts.” Further, “Compared to all other grade spans, the effect sizes are largest and most often positive in studies of middle school students. . . . This indicates charter schools are generally serving middle school students very well.” (Betts and Tang)

- An August 2012 paper found that students who win a lottery to attend a charter school “have significantly lower truancies after they learn about lottery outcomes but before they enroll in their new schools.” It also found “substantial test score gains from attending a charter school Our results contribute to current evidence that school choice programs can effectively raise test scores of participants. Our findings suggest that this may occur both through an immediate effect on student behavior and through the benefit of attending a higher-performing school.” (Hastings et al.)

The bottom (if inconclusive and rather unremarkable) line is that, although there is not extensive research into charter school performance, some charter schools simply have better results than others. This is, of course, also true of traditional public schools, which is why reform advocates seek additional options. A key to the performance question may be the strength of the underlying charter school law. As *The Economist* reported in July, “Bad laws make bad charter schools” (*The Economist*). Two decades of experience have guided I-1240 supporters in drafting this year’s initiative, as discussed below.

I-1240

I-1240 would allow up to 40 public charter schools to open over five years (only eight would be allowed each year). The public charter schools would be operated by non-profit corporations (which may not be sectarian or religious), and the operators would be subject to renewable five-year contracts. The schools could either be started from scratch or conversions of existing public schools. In order to convert an existing school to a charter, a supportive petition would have to be signed by either a majority

of the school's teachers or a majority of parents of the school's students.

The initiative would require public charters to adhere to a number of state and federal rules for traditional public schools. Public charter schools must:

- “Comply with local, state, and federal health, safety, parents’ rights, civil rights, and nondiscrimination laws applicable to school districts;”
- Provide basic education (including instruction in essential academic learning requirements and participation in the statewide student assessment system);
- Employ certificated instructional staff (in “exceptional cases,” charters—like traditional public schools—may hire non-certificated teachers “of unusual competence” if a certificated person supervises);
- Comply with employee record check requirements;
- “Adhere to generally accepted accounting principles and be subject to financial examinations and audits;”
- Comply with annual performance reports;
- Be subject to performance improvement goals; and
- Comply with the open public meetings act.

Charter schools are otherwise “not subject to and are exempt from all other state statutes and rules applicable to school districts and school district boards of directors, for the purpose of allowing flexibility to innovate in areas such as scheduling, personnel, funding, and educational programs in order to improve student outcomes and academic achievement.”

Charters, like traditional public schools, would not be able to limit admission or charge tuition. If a charter does not have the capacity to enroll all applicants, it “must select students through a lottery to ensure fairness.”

Charter school authorizers would handle charter school applications and contracts, and oversee the charters they authorize. They may include the Washington Charter School Commission (created by I-1240) or school district boards of directors. A charter’s contract “may be revoked at any time” if the school violates the contract or the law, fails to “meet or make sufficient progress toward the performance expectations,” or fails to meet fiscal management standards. Additionally, a contract may not be renewed if the school’s “performance falls in the bottom quartile of schools on the accountability index developed by the state board of educa-

tion.”

As with regular public schools, the superintendent of public instruction would allocate general apportionment, special education, categorical, and other non-basic education funds to charters. If a charter school has already opened, it must be included in “levy planning, budgets, and funding distribution” along with the other public schools in the district. Charters would be “eligible for state matching funds for common school construction.”

Washington public employees’ collective bargaining laws would apply to charter school employees, but any bargaining units established at a charter school would have to be limited to the employees at that school—separate from other bargaining units. Each charter school would be a separate employer from any school district. Additionally, “Years of service in a charter school by certificated instructional staff shall be included in the years of service calculation for purposes of the statewide salary allocation schedule,” but charter schools would not have to pay “a particular salary to its staff while the staff is employed by the charter school.” Charter school employees would be members of state retirement systems (if approved by the Internal Revenue Service and U.S. Department of Labor).

After five years of allowing public charter schools, the state board of education must recommend whether or not additional public charter schools should be authorized.

According to the Office of Financial Management’s (OFM) fiscal impact statement for I-1240, the initiative would “shift revenues, expenditures and costs between local public school districts or from local public school districts to charter schools, primarily from movement in student enrollment.” About \$3 million over five years would be spent implementing the initiative. (In the current biennium, the state will spend about \$13.6 billion dollars on K-12 education; implementation costs, then, are less than 0.005 percent of projected spending, effectively zero.)

The budget office also finds that fiscal impacts to local school districts and the state are “indeterminate, but non-zero.” For example, “To the extent charter schools attract students from private or home schools, overall state student enrollment in the K-12 public school system could increase, increasing state expenditures.” This is also the case if students from private or home schools choose to enroll in a traditional public school.

OFM points out that shifts of education

funding “occur under current law” because parents may currently move their children to schools outside their district or to public alternative schools. Importantly, “Charter schools provide another enrollment option, but they do not change current law that state funding follows the student.”

As a National Conference of State Legislatures report on charter school financing notes:

Simply having one less student does not proportionally decrease the burden on a district. It likely still needs the same number of teachers, other staff, the same facilities and the same instructional materials. However, losing students to a charter school or another traditional school have the same effects and traditional schools have always had to adjust to enrollment changes (Shen and Berger).

Discussion

Jerry Cornfield of the Everett *Herald* spoke with Todd Ziebarth of NAPCS in September. According to Ziebarth, if I-1240 is approved, “Washington would have one of the strongest laws in the country. By strong, we mean it would not only support the growth of charter schools but it would also support quality in the schools.” (Cornfield)

Research has shown that public charter schools can improve student outcomes. Proponents of the measure want to provide parents and students with an alternative to the traditional public schools. As *The Economist* notes, “Charter schools have been successful because they offer freedom to shape the school to the pupils, rather than the other way round.”

The sponsors of I-1240 have done their homework. The initiative is a modest, incremental approach to public charter school legislation. Drawing on the best information from the national public charter school experience, they crafted a proposal designed to improve education outcomes. If adopted, students in Washington will have available to them an important supplement to the traditional public education experience.

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