



### BRIEFLY

After the legislature adopted charter school legislation, opponents gathered the signatures required to put the measure before the voters. Referendum 55, if adopted, would affirm the legislature's action and Washington would become the 41st state to allow charter schools.

# Referendum 55: Charter Schools

This November voters in Washington will determine the fate of charter school legislation. The legislature passed House Bill 2295 in the 2004 session, allowing the state's first charter schools. The governor signed the bill. Subsequently, opponents of charter schools organized to place the issue on the ballot in what is now Referendum 55. A "yes" (approve) vote on the referendum would affirm the legislature's actions and charter schools would be authorized. A "no" (disapprove) vote would override the legislative action, and stop charter schools.

### What is a charter school?

A charter school is a public school that operates under a set of guidelines, commonly known as a "charter." These guidelines typically involve a contract to meet fiscal and legal requirements, to show satisfactory student progress, to not discriminate on enrollment, and so forth. Although initially local school boards can use discretion regarding charter approval, generally charter schools operate outside of their control, being governed by the school organizers. As a result, charter schools are more autonomous than traditional public schools, with more internal control of staffing and budget, and with the ability to own property, to sue and be sued, and to control enrollment numbers.

At present, 40 states and the District of Columbia allow charter schools. Washington would be the 41<sup>st</sup> state.

### Washington's charter school legislation:

- Allows for 45 new charter start-ups. Five new charter schools are to be introduced in each of the first three years, and ten in each of the subsequent three years.
- Permits existing public schools to become charter schools. Conversions are possible if an existing school has failed to meet the No Child Left Behind Act (NCLB) provision for Adequate Yearly Progress (AYP) three years consecutively, or if the office of Superintendent Of Public Instruction deems a school qualified for "improvement assistance" the local school board may authorize a school to convert. There is no limit to the number of conversion schools.

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- Requires charter schools to complete the Washington Assessment of Student Learning (WASL) and the Iowa Test of Basic Skills. The Academic Achievement and Accountability Commission (A+ Commission) will measure the progress of the students. Compliance with the No Child Left Behind Act is mandatory. Charter renewal is contingent upon the progress of the students.
- Allows the local school district to sponsor charter organizers seeking to create a new charter school. Sponsors would receive detailed financial and academic reports at a minimum of once a year. These reports determine whether the charter school is compliant with education and financial standards. If the school district does not approve a new charter school, the applicant can appeal to the Superintendent of Public Instruction in an appeals process.
- Prohibits discrimination. Charter schools cannot discriminate. Every applicant is to be accepted regardless of race, religion, income, national origin, disabilities, gender, and English proficiency. Also, charter schools cannot charge tuition. Admittance of students is only contingent upon the student slots available and age.

Charter school legislation is usually classified as either "strong" or "weak." The strongest legislation allows charter schools complete self-governance, gives parents freedom to choose schools, and does not cap the number of charter schools. Weaker legislation requires teacher bargaining units and incorporates more regulation by the school district to oversee curriculum, fiscal planning, and legal operation. Washington's charter legislation is approximately in the middle.

According to the study "Charter School Laws Across the States: Ranking and Scorecard 8th Edition," charter school strength (or weakness) significantly correlates with academic progress. Across the country, there are 26 strong charter laws and 15 weak charter laws. "Charters in states with strong laws . . . have produced the highest gains."<sup>1</sup>

Charter schools have been taken to the ballot previously, however they proposed stronger legislation than HB 2295:

- In 1996, Initiative 177 placed no limits on the number of charter schools that could be opened, and local school boards would have had almost no discretion when it came to charter approval.
- In 2000, Initiative 729 proposed up to 20 new charter schools in any year for a four-year period, for a maximum of 80. Also, I-729 called for teacher bargaining units in new charter schools to be totally separate from other bargaining units in the district. HB 2295 also calls for

separate bargaining units in a new charter school, but for only five years, after which the employees vote whether to join the district bargaining unit.

Opposition to HB 2295 includes the Washington Education Association (WEA), which led the signature drive to place R-55 on the ballot, and the League of Women Voters. Dr. Dolores Gibbons, Superintendent of the Renton School District, stated in a recent WRC forum on charter schools that "governance and financing" are the most important issues when considering implementing charter schools. Dr. Gibbons believes neither would be satisfactory if charter schools are instated. Dr. Barbara Mertens of the Washington Association of School Administrators says that if charter schools are allowed to operate outside of locally elected school boards, they would be in violation of the Washington State constitution's "general and uniform system" requirements.<sup>2</sup>

In regards to financing charter schools, WEA president Charles Hasse said, "We should not be distracted by expensive experiments with charters." Hasse would prefer education dollars be spent to reduce class sizes and fund current school programs.<sup>3</sup>

Prominent supporters of HB 2295 include Governor Gary Locke, Senator Stephen Johnson, Republican Chair of the Senate Education Committee, Representative Dave Quall, Democratic Chair of the House Education Committee, the Washington Roundtable, and the Association of Washington Business. Advocates say that, as charter schools *are* public schools, the "general and uniform system" would still exist. Having governance separate from the local school boards allows for more autonomous decision-making, provides parents with more school choice, and also allows charter schools to tailor their curriculum planning to specific goals and objectives. Gov. Locke said, "I'm a strong supporter of alternatives in education by offering a variety of viable, responsible choices for our parents and our educators," affirming his support for charter schools.

Proponents argue that real accountability exists within charter schools because funding is tied to performance. Therefore, money would not flow to failing schools. Since federal grants and charitable money are available for charter schools, much of the funding and original start-up costs would be paid without the need to raise taxes. "Since charter schools receive state funding based on the number of students attending, the school has the ultimate motivation to succeed," Senator Johnson says.<sup>4</sup>

A New York Times article, "Nation's Charter Schools Lagging Behind, U.S. Test Scores Reveal," received wide distribution recently. The article cited data that appeared to contradict proponents' claims of charter success. National Assessment of Education Progress (NAEP) data, released by the American Federation of Teachers (AFT), showed fourth graders in charter schools performing behind traditional public schools. The article attributes the lack of performance to a lack of

accountability, and claims accountability is a major drawback of the charter school system.

The AFT report came under intense scrutiny that undercut much of its initial impact. For example, three researchers from the Program on Education Policy and Governance at Harvard<sup>5</sup> noted that the data on charter schools was collected "at a single moment in time," and therefore did not reflect student progress. "First year schools often have difficulty" they add, noting that having brand new staff, teachers, lesson plans, etcetera, are typical problems associated with start-up operations.

Caroline Hoxby, professor of economics at Harvard University, finds that the AFT study is "not at all persuasive" because it improperly compares the performance of charter students with the average of all regular public school students. The two populations are quite different.<sup>6</sup>

In fact, when the AFT narrowed in on black and Hispanic students, they found no differences between charter and public schools.

Hoxby's own study finds that charter students perform better than comparable public school students.

For the entire U.S., I found that charter students were 3.8% more likely to be proficient on their state's reading exam and 1.2% more likely to be proficient on their state's math exam than students in the nearest regular public school. These differences rise to 5% in reading and 2.8% in math if we compare charter schools to the nearest public school with a similar racial composition.

### **Financial Impact and Funding.**

The Office of Financial Management (OFM) estimates that 2,510 students would be enrolled in charter schools by fiscal year 2006, 3,580 by fiscal year 2007, and 5,720 in 2008. Enrollment increases in charter schools cause a decrease of enrollment at non-charter schools. Since funding is contingent upon enrollment, funds are transferred with the student (approximately \$5,500 per year). Funding would follow the student just the same as if a student changed districts today.

District-sponsored charter schools would be eligible for levy funding if they were created prior to passage of a local levy so that voters can approve the allocation of levy funds to the new school. Conversion schools – public schools that became charter public schools – would receive levy funding, as they had prior to their conversion.

Schools would also receive categorical and non-basic education funds. The Department of Education offers special education grants for those children with disabilities. In addition, the federal government is offering three-year grants to assist charter schools with start-up costs.

Charter public schools are expected to draw in "crossover" students, students transferring from home schools or private schools, who would bring with them new costs as well as new support from the state budget. According to the Office of Financial Management, new state expenditures for fiscal years 2005-2009 would be \$14,044,000.

In 2006, the new state expenditures would be approximately 0.025 to 0.026 percent of the education budget to public education (using 2004-2005 total funds budget allocation of \$6.15 billion per fiscal year).<sup>7</sup>

### **Comments.**

About Initiative 729, the Washington Research Council said, "Charter schools are no longer very controversial. The approach taken in the initiative allows for a controlled, incremental introduction of charters schools into the state. [The initiative] preserves the state's commitment to education reform and accountability, while expanding the choices available to parents and students in the public school system."

At the polls, the public rejected the measure. And lawmakers went to work, crafting a bipartisan measure that won legislative majorities and the signature of the governor. This year's charter school measure poses no threat to the financing or governance of the public schools. Those citing such threats rely on fears of privatization and vouchers that have no relevance to the legislation adopted or the referendum on the ballot.

Next month, Referendum 55 now gives the voters an opportunity to affirm the legislature's cautious, incremental, and responsible effort to expand the educational alternatives available to public school educators, parents and students.

### **Endnotes**

<sup>1</sup> A copy can be seen here: [http://edreform.com/\\_upload/charter\\_school\\_laws.pdf](http://edreform.com/_upload/charter_school_laws.pdf)

<sup>2</sup> WASA "Testimony: Opposition to 2SHB 2295"

<sup>3</sup> WEA website: <http://www.wa.nea.org/articles/2004-2/kickoff.htm>

<sup>4</sup> <http://www.src.wa.gov/News2003/JohnsonPR031303.htm>

<sup>5</sup> Howell, William; Paul Peterson; Martin West; "Dog Eats AFT Homework," Opinion Journal

<sup>6</sup> Caroline M. Hoxby, "Chalk It Up," Wall Street Journal, September 29, 2004

<sup>7</sup> <http://www.leg.wa.gov/senate/scs/wm/publications/2004/cgsb.pdf> (Page 4)