

# RAND Research Brief

EDUCATION

## How California Charter Schools Operate and Perform

Charter schools are independently operated public schools that enroll students through the choices of their families rather than residential assignment. Supporters argue that charter schools can improve student achievement, give families more choice, encourage innovation, and put competitive pressure on conventional public schools to improve. They have proven popular among politicians and parents, growing from no schools a decade ago to enroll over 500,000 students in some 2,700 schools in the 38 states that have passed charter laws. But hard data on how charter schools operate and perform are sparse. Seeking such data, policymakers in California asked RAND Education to analyze the state's charter schools, which enroll over 150,000 students. The results of that analysis have been published in *Charter School Operations and Performance: Evidence from California*.

The RAND study of California charter schools employed surveys, case studies, and existing statewide data on schools, teachers, and students to focus on four questions:

- Who attends charter schools?
- How does student achievement in charter schools compare to achievement in conventional public schools?
- How are charter schools monitored?
- Does the operation of charter schools differ significantly from that of conventional public schools?

### KEY DISTINCTIONS AMONG CHARTER SCHOOLS

By design, there is wide variation among charter schools: They are not intended to be all alike. In consequence, the answers to the study's four questions varied across different kinds of charter schools. The RAND researchers found that two key distinctions explain many of the differences among charter schools. First, "conversion" charter schools differ from "start-up" charter schools. Conversion schools previously existed as conven-

tional public schools, and they typically retain an existing facility as well as faculty and students when they become charter schools. Start-up schools, by contrast, are new entities that acquire facilities, faculty, and students at their inception. Second, the majority of charter schools that deliver instruction primarily in classroom settings differ from those that make extensive use of nonclassroom settings (such as students' homes). Nonclassroom-based charter schools represent an important subset of the charter universe.

As described below, differences between start-up and conversion charter schools and between classroom-based and nonclassroom-based charter schools can affect the accessibility, student achievement, operation, and governance of the schools. In fact, one of the most significant conclusions of the RAND analysis is that there is no single charter school approach and therefore no single charter school effect.

### WHO ATTENDS CHARTER SCHOOLS?

Because charter schools are schools of choice, it is important to examine whether they are serving the full range of the student population and whether they are doing so in integrated settings; indeed, California's charter law requires that schools make efforts to reflect the racial/ethnic distribution of their surrounding districts.

The study examined the access of different racial/ethnic groups to charter schools by comparing their student populations to student populations in conventional public schools in districts where charter schools are operating. Compared to students in conventional public schools in the same districts, California's charter school students are more likely to be black and less likely to be Hispanic or Asian but no more likely to be white. Although white students are underrepresented in conversion schools, they are overrepresented in start-up schools.

The study examined integration by assessing the proportion of charter and conventional public schools that deviate from their district averages in terms of racial/ethnic distribution. For blacks, conventional public schools are somewhat more likely than charter schools to deviate from the district. For whites and Hispanics, conventional public schools are slightly less likely to deviate and for Asians, they are very slightly more likely to deviate. However, the difference among groups is usually small.

## **HOW DOES STUDENT ACHIEVEMENT IN CHARTER SCHOOLS COMPARE TO THAT IN CONVENTIONAL PUBLIC SCHOOLS?**

Researchers addressed two issues in assessing student achievement:

- How does the academic performance of charter school students compare with that of similar students in conventional public schools?
- Does student performance vary by type of charter school?

The study used student- and school-level test results to examine these questions. Using multiple methods of analysis, the RAND research team generally found comparable scores for charter schools relative to conventional public schools. However, there are significant differences in achievement among different types of charter schools. Students in conversion schools that deliver their instruction in the classroom have average test scores comparable to those of similar students in conventional public schools, whereas start-up schools that provide instruction in the classroom have slightly higher test scores on average. In contrast, students in conversion or start-up schools that deliver at least some of their instruction outside the classroom have lower average test scores than do similar students in conventional public schools.

The results suggest that classroom-based charter schools can be at least as academically effective as conventional public schools, while offering a reason for concern about the academic performance of nonclassroom-based charter schools. The researchers call for caution in the interpretation of these findings, however. Although the analysis adjusts for the demographic characteristics of students that may affect their achievement, students in charter and conventional public schools may differ in other ways that would invalidate the comparison of their scores. Unmeasured differences in student characteristics could lead to either overestimating or underestimating the effectiveness of charter schools.<sup>1</sup>

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<sup>1</sup>If, for example, a charter school focuses its services on students who have had trouble in conventional public school settings, lower scores in the charter school might be attributable to the challenges associated with those students rather than to the effectiveness of the school. By contrast, if students who choose charter schools are unusually motivated, then

## **WHAT OVERSIGHT DO CHARTERING AUTHORITIES PROVIDE?**

Of the three types of chartering authorities (school districts, county boards of education, and California State Board of Education), most charter schools are authorized by school districts, and most districts have authorized only one school. Few petitions for charter schools are formally denied and, once authorized, only a handful have been revoked or closed. Compared with conventional schools, charter schools report greater control over decisionmaking (as the law intends), but among charter schools differences exist. Only a small fraction of chartering authorities collect accountability information such as student grades and promotion and dropout rates.

## **DOES THE OPERATION OF CHARTER SCHOOLS DIFFER FROM THAT OF CONVENTIONAL PUBLIC SCHOOLS?**

Operationally, charter schools and conventional public schools differ in several ways, beginning with funding. Charter schools, particularly start-up schools, report receiving less public funding per student than do conventional public schools. Part of the difference in resources is explained by charter schools' low rate of participation in categorical programs such as the state's transportation funding program and the federal Title I program. Charter school teachers have less experience and fewer teaching credentials than those in public schools, but they are more likely to participate in informal professional development.

In programmatic terms, charter schools report having more instructional hours in noncore subjects such as fine arts and foreign languages at the elementary school level, but they are less likely than matched conventional public schools to offer some types of programs (e.g., gifted). Start-up charter schools have a smaller proportion of special education students than do conventional public schools and are much more likely to mainstream their special education students—i.e., serve them in a general education classroom—than are either conversion schools or conventional public schools.

## **CONCLUSIONS AND RECOMMENDATIONS**

In sum, the variety of findings from the study suggest reasons for cautious optimism about charter schools. Even though charter schools receive less state and federal revenue and employ less-credentialed and less-experienced teachers, classroom-based charter schools are doing as well on average as conventional public schools in

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higher scores in charter schools might be attributable to the students' motivation rather than to the effectiveness of the school. Unmeasured differences in student characteristics may be especially acute for non-classroom-based charter schools, which may serve students who are quite different from those in conventional public schools.

reading and math while offering (in the elementary grades) a wider range of other subjects. There is reason for concern, however, about the performance of nonclassroom-based charter schools.

Researchers made a variety of recommendations to the state of California, many of which are relevant to policymakers in other states as well. First, to enhance the ability of chartering authorities to identify poorly performing schools for focused intervention, California should implement a statewide data system that can track the achievement of individual students longitudinally, as they progress from grade to grade. Second, to enhance fiscal

oversight, the state should require that chartering authorities collect and monitor fiscal information from charter schools. Third, to give the charter schools the best chance for long-term success, California should find ways to ensure that they have access to funding that is equivalent to that of conventional public schools. Such an effort might include modifying the block grants provided to charter schools and giving charter school operators better training and information so that they know which programs they qualify for. Fourth, the low achievement of students in nonclassroom-based charter schools warrants further investigation of these schools, including the nature of instruction and use of resources.

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*RAND research briefs summarize research that has been more fully documented elsewhere. This research brief summarizes work done within RAND Education and documented in Charter School Operations and Performance: Evidence from California by Ron Zimmer, Richard Buddin, Derrick Chau, Brian Gill, Cassandra Guarino, Laura Hamilton, Cathy Krop, Dan McCaffrey, Melinda Sandler, and Dominic Brewer, MR-1700-EDU, 2003, 312 pp., \$25.00, ISBN: 0-8330-3354-9, available from RAND Distribution Services (Telephone: 310-451-7002; toll free 877-584-8642; FAX: 310-451-6915; or email: [order@rand.org](mailto:order@rand.org)). Building on more than 25 years of research and evaluation work, RAND Education has as its mission the improvement of educational policy and practice in formal and informal settings from early childhood on. A profile of RAND Education, abstracts of its publications, and ordering information may be viewed at [www.rand.org](http://www.rand.org). Publications are distributed to the trade by NBN. RAND® is a registered trademark. RAND is a nonprofit institution that helps improve policy and decisionmaking through research and analysis; its publications do not necessarily reflect the opinions or policies of its research sponsors.*

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