

## IMPROVING URBAN EDUCATION: GETTING CHARTER SCHOOLS RIGHT

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According to the National Center for Education Statistics, the 100 largest public school districts in the United States, almost all of which are located in cities, enroll about 23 percent of the nation's students. The wide reach of these urban school systems magnifies the impact of their poor performance. Researcher Christopher Swanson found that the high school graduation rate in the fifty largest cities averaged 51.8 percent. Many students who do manage to graduate from urban schools can neither read nor do math at a basic level.

Reviving America's cities requires improving urban education. Illiterate, innumerate kids are at high risk of becoming illiterate, innumerate adults who require costly government services. Ensuring future prosperity requires laying a foundation of human capital in the present. No matter how low a city's crime rate or how beautiful its parks, it will never succeed in reversing the suburban flight of its wealthier residents (i.e. the tax base) without demonstrating significant reform of its education system.

Expansive school choice in the form of vouchers and charter schools is the most attractive option available for improving urban schools. A wide body of evidence accumulated over the last decade shows that school choice helps kids, increases the effectiveness of public schools, and saves taxpayer dollars.

Though mayors often have little control over city public school systems, they can create a political environment conducive to school choice reform by pushing their state legislature to enact or strengthen laws authorizing charter schools and promoting vouchers targeted to special education students.

Charters are public schools that operate outside of the rules and regulations of a local school system—they essentially function as their own school districts. Charter

schools already exist in many cities and laws authorizing them are currently on the books in forty-one states.

Charter schools can dramatically improve the education provided to a city's students. For instance, Stanford University economist Caroline Hoxby found that students attending charter schools in New York City performed much better in both math and reading than they would have had they remained in the public schools. The KIPP charter school network, which currently operates charter schools in nineteen states and the District of Columbia, has had phenomenal success improving student proficiency and sending overwhelmingly low-income students to college.

However, not all charter schools are created equal. Though no convincing research suggests that charter schools perform worse than do surrounding public schools, charter schools are less effective in some areas than in others. One reason for this variation in performance is that the laws under which charter schools operate in some states can impede their ability to provide a high quality educational alternative.

Adopting a charter school law is not enough to improve urban education. Nearly all existing charter school laws can be substantially improved. States—and public officials pushing to expand charters—should keep the structure of their charter-authorizing law in mind. This is crucial for laying a foundation for more (and more successful) charters which, in turn, have the potential to improve their competitors in the established public school systems.

With that concern in mind, the nonprofit Center for Education Reform has evaluated charter school laws in states across the nation and given out only three "A" grades. Seventeen states were given a grade of "D" or "F." To improve urban education, states should consider the

four criteria that CER used to evaluate their own charter school laws: whether public school authorities have sole power to authorize charters, whether growth of charters is capped by the authorizing law, the degree of autonomy granted to charter schools, and whether established charters are adequately funded.

Determining which entities may authorize charter schools is the first thing to take into account when crafting a charter school law. In some states the school district itself is the only body empowered to legally authorize charter schools. Where this is the case, authorities prefer applications for charters which will serve students that the district is uninterested in (e.g. dropouts) since these schools will compete for both students and resources. Districts also have a clear incentive to keep the most effective charter schools out; students may be enticed to leave. Allowing school districts to authorize charter schools is like letting the local McDonald's franchise decide which restaurants may open in its neighborhood. Under effective charter school laws, districts are only one of several authorizing entities. Other potential authorizers include universities, independent boards, and mayors.

Skeptics, opponents, and entrenched interests employ a variety of methods to inhibit the transformation of urban school systems and ration access to high quality charter schools. Arbitrarily capping the number of allowable charter schools reduces pressure on public schools to improve in order to compete for students and resources. Several states, observing the benefits of charters, are now bumping up against caps on the number of schools their authorizing laws allow. These laws are keeping good schools from expanding. President Obama has called on all states to remove caps on charter schools.

Critics also seek to stymie the spread of charters by writing authorizing laws in ways that limit the autonomy of each school. Some states insist that charter school teachers belong to the local teachers union, and some laws actually hold charter schools to the school district's collective bargaining agreement. Requiring unionization keeps charter schools from offering a true alternative to the public school system.

Setting an appropriate funding level is also important when adopting a charter law. Most states provide charter schools with only a fraction of the per-pupil resources allocated to public schools. It is quite reasonable for charter schools to receive fewer dollars since the inefficiency of urban public schools is often the primary justification for adopting charter schools. However, the resource disparity

can be quite large. In several instances, charter schools have received no funding for capital outlays.

Charter schools are a well-known reform with the potential for outsized impact on the quality of education in most cities. Though less well-known, special education voucher programs are also attractive and can be just as effective at reforming urban education. These, like charters, affect cities disproportionately but require state authorization.

The portion of the nation's students who are in special education has grown by 63 percent since a 1976 federal law mandated that schools offer disabled students an acceptable level of education. As of 2007, 13.6 percent of the nation's public school students received special education services. That number is often much higher in urban school systems. Since kids in special education require additional services, the growth in enrollments has been quite expensive for cities. On average, Washington D.C., provides schools with an additional \$10,917 per special education pupil.

Special education voucher programs allow disabled students to use taxpayer dollars to pay private school tuition. Laws authorizing these programs are currently on the books in Florida, Utah, and Georgia. Ohio has a voucher program that is exclusive to autistic students. Several other states have introduced bills to adopt these programs with varied levels of success.

Florida's McKay Scholarship program—the first and by far the largest such program—offers an attractive template. Under the program, every child placed in special education and enrolled in a public school for at least one year is eligible for a voucher that is worth the lesser of the tuition at the desired private school or the amount the public school would have spent educating the child. Students with more severe disabilities receive vouchers that are worth more money.

A survey of Florida parents with experience in the program found that kids received more services in the private school than in their previous public school. Perhaps the most dramatic illustration of the program's popularity is that 90.7 percent of parents surveyed whose children had used a voucher before returning to the public school system—parents who, for whatever reason, felt that the program was not right for them—said that they believed the program should remain available to others. Further, recent research shows that Florida's public schools have

responded by improving education for their remaining disabled students.

Unlike other costly interventions like reducing class sizes, the educational benefits of special education vouchers come with considerable cost savings for taxpayers. Since vouchers are worth only up to the amount that a public school would have spent on a student, these programs are at least cost neutral. It never costs more to give a kid a voucher. Most often, however, private schools educate disabled students at a far lower cost than do public schools. In 2008, the average special education voucher given out in Florida was worth \$7,500—that's less than what the state spends to educate a regular enrollment student. The money saved from allowing disabled kids to attend their chosen school could be allocated toward improving public school programs or expanding any number of other services.

Though not uncontroversial, special education voucher programs are more politically palatable than general voucher programs. That's because they serve a particularly vulnerable population that taxpayers are often willing to help (or at least unwilling to abandon) and that almost everyone agrees is not well served by the current system. And unlike programs targeted to students in low performing public schools, special education reaches across the income and demographic spectrums.

School choice offers a way to improve urban education and save scarce taxpayer dollars. Mayors and advocates of improved urban schools should work toward expanding the educational options available to urban students and ensuring that the laws governing these programs contribute to an environment of success.