

## THE IMPACT OF CHARTER SCHOOLS ON STUDENT ACHIEVEMENT IN THE UNITED STATES

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### ABSTRACT

The purpose of this paper is to discuss charter schools in the United States and how it is different from the traditional public schools in terms of student performance in math and reading subjects. Several empirical studies have been discussed in this paper to provide support for charter schools in the United States. There are currently more than 6000 charter schools that represents about six percent of the U.S. public school system. Charter schools focus on personalized approach including smaller class sizes, more individual attention to and strong parental involvement. Out of 41 areas from 22 states, 26 areas' post learning gains for charter schools is more than traditional public schools. In reading, 23 regions have larger learning gains than traditional public schools. Charter school students outperform traditional public school students in state standardized tests. The charter schools produce 40 percent better results in both math and reading scores per dollar spent.

**Keywords:** Charter schools, traditional public schools, United States, student performance.

### INTRODUCTION

Charter school is defined as a school providing free public elementary and/or secondary education to eligible students under a specific charter granted by the state legislature or other appropriate authority (U.S. Department of Education, 2013). A brief overview of charter schools would be important before a discussion of these types of schools and the advantages of expanding charter school options in the United States. Chartering provides an alternative to public schools and is usually supported by non-profit groups, universities, and some government entities. Charter schools can be founded by teachers, parents, or other supporters who feel that public schools are not the only options. Charter schools can be run by public school systems, by nonprofit organizations, by private schools, or by religious organizations (Tschampl-Diesing, 2010). Charter schools receive public funding but are allowed more flexibility in curricular decision than public schools (Holmes, Desimone, & Rupp, 2003).

### TYPES OF CHARTER SCHOOLS IN THE UNITED STATES

There are two types of Charters school operate in the United States: conversion charter schools and open-enrollment charter schools. Conversion charter schools have some flexibilities in terms of operation, it is administered by school leadership and conversion charter schools only allow students in their boundary lines of district while open-enrollment charter schools are administered independently (Office for Education Policy, 2012). A main difference between conversion charter and open-enrollment charter schools is, an existing public school that has been converted into charter schools is known as conversion charter schools while an open-enrollment charter school is a newly-developed public school run by a non-government organization (Arkansas Public School Resource Center, 2015).

### CHARTER SCHOOLS IN THE USA

Charter schools are rapidly growing since their first legislation in the 1990s. Charter schools are unevenly spread throughout the United States. California is a leading charter schools with more than one thousand charter schools, followed by Texas with more than 600 and Florida with more than 500 charter schools (U.S. Department of Education, 2013)

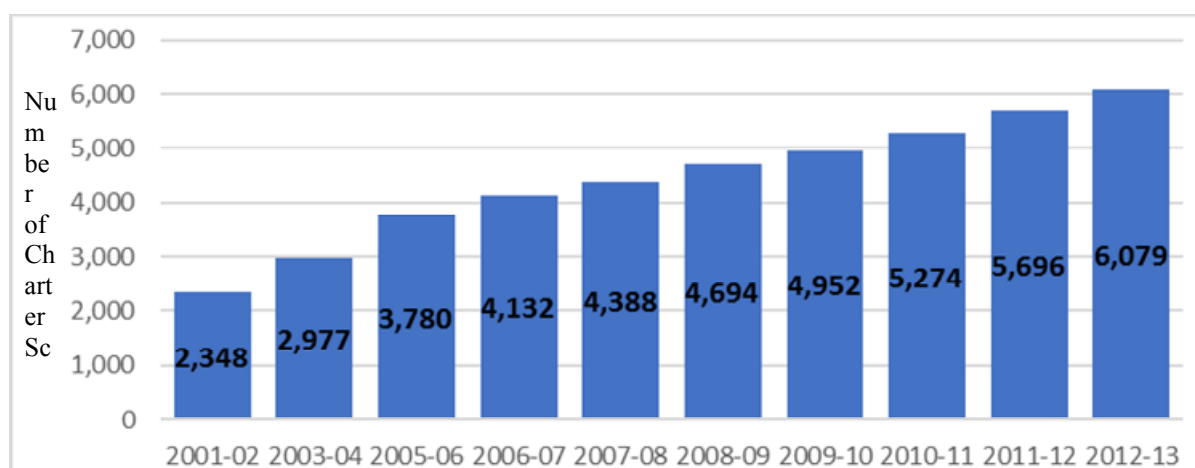


Figure 1: Growth in the number of the US Charter Schools  
 Data Source: National Center for Education Statistics (NCES)

Currently, there are total 6,079 charters schools that represents only six percent of the U.S. public school system of 98,454 elementary, middle and high schools. A majority of charter schools have been established as elementary public schools. Whereas, less than 20% these schools have been established as either middle or secondary charter schools. 55% of the charter schools are located in urban areas and cities, while about 16% charter schools are located in rural areas.

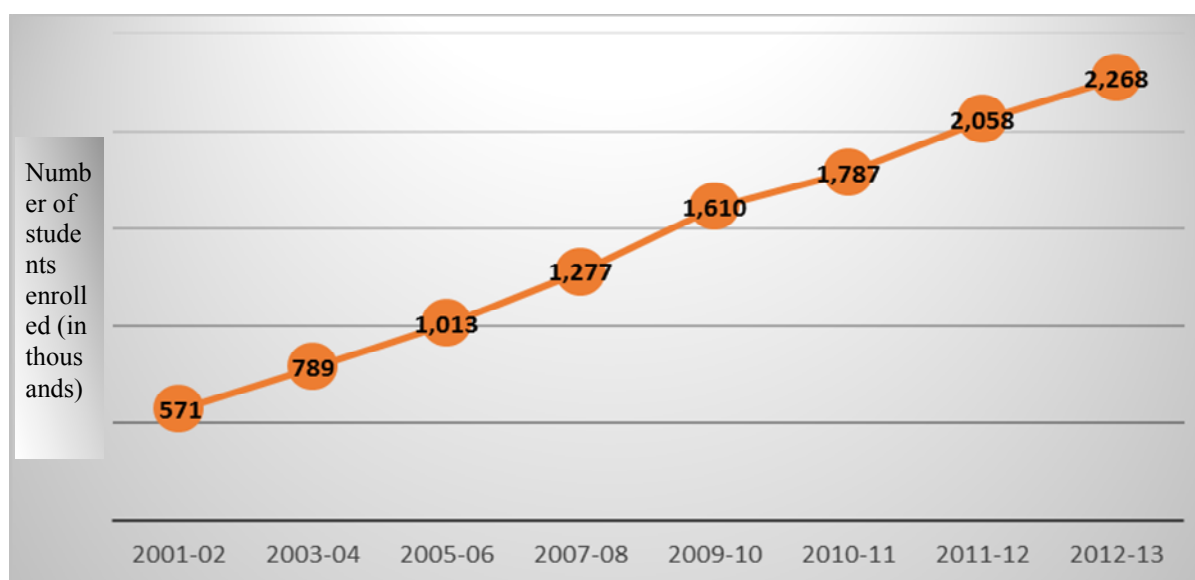


Figure 2: Growth of Enrollments in Charter Schools  
 Data Source: National Center for Education Statistics (NCES)

From year 1999–2000 to 2011–12, the number of students enrolled in public charter schools increased from 0.3 million to 2.3 million students and the percentage of public school students who attended charter schools increased from 0.7 to 4.2 percent (U.S. Department of Education, 2013).

### REASONS TO CHOOSE CHARTER SCHOOL

A study conducted by the National Study of Charter Schools of the U.S. Department of Education (1997) stated that three most cited reasons for creating a charter school are to 1) realize an educational vision, 2) gain autonomy, and 3) serve a special population. Parents and teachers choose charter schools because of the school's academic standards, relatively small class size, and innovative approaches to education. Charter schools focus on personalized approach including smaller class sizes, more individual attention to and strong parental involvement.

### EVIDENCE TO SUPPORT CHARTER SCHOOL SYSTEM

Holmes et al. (2003) argue that charter schools increase competition by "... an infusion of competition into the public education system that provides an incentive for traditional schools to increase quality. This follows the standard economic argument that competition forces firms to increase quality and/or lower price. When a charter school opens, the traditional public school, which previously held a monopoly on public education in a feeder district, faces the prospect of losing students to the new competitor. To the extent that the school's agent (ostensibly a principal) experiences disutility from a decline in enrollment, this might lead to an increase in the traditional school's quality in order to retain students. Such disutility might result from a decline in stature of the school in the community, lessened prospects for career advancement, a loss of personnel and budget provided by the funding agency, or a decrease in job satisfaction." (p.2). That is, charter schools increase competition by allowing more choices for parents and students to choose the type of school system they prefer.

Holmes et al. (2003) found that having a choice between charter schools and traditional schools improve the performance of the traditional public schools in the surrounding area by a one percent increase. Therefore, there is support that charter schools also increase traditional school performance. Solmon, Paark, and Garcia (2001) found no statistical significance within the first year of students attending a charter school when compared to traditional public schools. However, students who do attend charter schools for two or three years do experience gains in reading and math that are significantly greater than those students enrolled in traditional public schools.

Hanushek, Kain, and Rivkin (2002) analyzed student achievement gains for Texas cohorts of students in grades 4-7 from 1996-2001. The sample includes over 6,600 students in charter schools and more than 800,000 students in total from traditional public schools and charters. In Texas academic achievement is measured annually using a criterion referenced test titled the Texas Assessment of Academic Skills (TAAS). Their longitudinal data model contained controls for how long the charter school has been in operation and student mobility. Hanushek, et al. (2002) found similar results to Solmon, et al. (2001) that students who are in charter schools for the first year have lower math and reading scores, but these effects shrink quickly. Similar findings were revealed by Mills (2013) when examining 10 years of achievement scores from grades three to grade eight in Arkansas State. Mills (2013) study concluded that charter schools have small negative impacts on student achievement in both math and reading scores. However, such negative effect tend to gradually decline over the years of charter schools operation.

That is, as charter schools mature the differences between math and reading scores for traditional public schools and charter schools disappear. Hanushek, et al. (2002) also found that higher-quality charter schools are usually just as good as or better than traditional public schools.

Sass (2006) found that new charter schools initially tend to have lower achievement, but the long-run performance of charters is important. By their fifth year, charters become even with traditional public schools

in math and begin to produce reading scores that are better than traditional public schools by 10 percent based on annual achievement gains. Sass (2006) states "Charter schools are quite diverse; some are similar to traditional public schools while others seek to serve niches by targeting particular types of students (e.g., special education or at-risk students) or emphasizing particular programs (e.g., music, art, and languages). They also vary in their management structure, where most run as nonprofit entities but a significant number operated by for-profit management companies. Charter schools that target special education and at-risk students tend to have lower student achievement in math than non-targeted charters or the average traditional public school (holding student characteristics constant). The fact that parents willingly place their children in these schools (and keep them there) suggests that special education and at-risk charters may provide other valuable services beyond the core math and reading instruction tested on standardized exams, such as behavior management, development of social skills or oral communication skills" (p. 119). Many research findings suggest that charter schools have a positive impact on student achievement (Abdulkadiroglu et al., 2009; Dobbie & Fryer, 2009; Tuttle et al., 2010).

#### **META-ANALYSIS ON VALUE-ADDED EFFECT OF CHARTER SCHOOLS**

Meta-analysis study was also conducted on the effectiveness of charter schooling. The first meta-analysis conducted by Betts and Tang (2011) investigated the value-added effects of charter schools by analyzing 25 empirical studies. The research concluded that overall effect sizes ranging from .020 to .055 in favor of charter school students' mathematics and reading achievement scores.

Another meta-analysis study was conducted by Center for Research on Education Outcomes (CREDO) in 2013 using student achievement data from Charter schools and traditional public schools in 25 states. The researchers found statistically positive effect in favor of charter schools. Based on the above mentioned meta-analysis studies, the researcher concluded that charter schools are showing small but positive effect on student performance. In one of the most recent study conducted by Stanford University's Center for Research on Education Outcomes (CREDO) found that urban charter schools perform better than traditional public schools in urban areas (CREDO, 2015). The study was conducted at 41 urban areas in 22 states. According to CREDO's (2015) report, in mathematics, 26 region post learning gains for charter schools students that is more than their traditional public schools counterparts. In reading, 23 regions have larger learning gains than traditional public schools.

Charters schools produces about 40 percent better results in both math and readings scores per dollar spent (Wolf, et al. 2014). In their study, Wolf, et al (2014) found that Charter schools tend to show more productivity than traditional public schools. Charter schools are cost effectively and produces better student results. Across 30 states and the DC, charter schools receive 28.4 percent less funding than other public schools, a gap of more than \$3,814 per pupil. (Batdorff et al., 2014).

#### **CHARTER SCHOOL AS MARKET-BASED REFORM**

Charter schools are usually referred as market-based reforms because they introduce competition into the traditional public school system. Thus traditional public schools have to enhance their educational system to keep students from going to other schools, in which the traditional public schools would lose funding for that student. A market-based reform creates competition among schools. However, this competition can lead to negative consequences. Such that, traditional public schools losing students and funding to reform schools and not being able to provide an adequate education to other students. That is, successful schools may become more selective in which students they enroll and less-successful schools may lose resources when competing with the more elite schools. This would cause more tension between the schools.

#### **CHARTER SCHOOL ACCOUNTABILITY**

Charter schools have more autonomy in school-based decisions with compare to traditional public school system. The extra autonomy in charter schools also demand more accountability. If charter schools do not

perform well or cannot enroll enough students to stay open, then the school faces being shut down. Therefore, charters do have more accountability than traditional public schools, because charter schools have more to lose than the other traditional public school. Also, charters are held to higher standards for student performance than traditional public schools.

#### PRACTICAL PLAN

Given these previously mentioned studies and the positive impact that charters can have on students, not only in achievement scores, but also socially and behaviorally. It is recommended that expanding the charter schooling in the United States is a good idea and should be implemented. However, before policy and legislatures are enacted, there should be more research about proper implementation of charter schools. Empirical evidences should be considered before implementing charter schools to make it more effective schooling. Garrison and Holifield (2005) state that the effectiveness of charter schools starts with a strong charter school law that is developed by the state. The Center for Education Reform states that the each state should "(a) permit an unlimited or substantial number of charter schools; (b) allow a number of entities in addition to the local school board to authorize charter schools; (c) permit a variety of individuals and groups both inside and outside the existing public school system to start charter schools; (d) permit new schools to start up from scratch; (e) permit charter schools to be started without proving specified levels of local support; (f) provide automatic blanket waivers from most or all state education laws and regulations; (g) permit charter schools to be independent legal entities; (h) guarantee 100 percent of per-pupil state funding to charter schools; (i) permit charter schools to control their funds; and (j) give charter schools complete control over personnel decisions." (Garrison and Holifield, 2005:90).

#### CONCLUSION

Given the empirical evidence in this policy brief, it is recommended to implement the expansion of charter school options in the United States. This brief provided supporting evidence for the use of charter schools, by using empirical research and looking at different states that have implemented and studied the effectiveness of charters. Based on different research designs and performance assessments between charter and traditional public schools, it is not possible to get an accurate comparison (Tschampl-Diesing, 2010). Because there is no common Charter law across the states. Each state is independent to plan their own charter rules and regulations. In addition, charter schools have a higher number of disadvantaged students than the traditional public schools, this diversion in two forms of schooling also makes it difficult to yield precise comparison. However, considering the evidence presented, expanding charter options in the United States seems to be an effective way for teaching students, not only in academics, but also socially and behaviorally. Also this policy brief provided documentation on how to implement state policy effectively, so charter schools have the greater chances of success.

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