Chapter 13
Charter Schools: Hype or Hope

In the last decade charter school enrollment has grown from close to zero to almost 700,000 students in 3000 schools. In many states, the number of students enrolled in charter schools is substantial. Florida has over 53,000 charter school students; Michigan over 60,000 (with close to 20,000 in Detroit alone); Arizona and Texas both over 70,000; and California tops the list with over 150,000.[1] While there is some evidence that their growth is slowing, charter schools continue to attract the attention of scholars and policy makers, many of whom support charter schools fervently, and many of whom oppose charter schools with equal passion.

The mantra of today's world of education research is "evidence-based reform"—the desire to find out what really works and then to build schools on a stronger foundation, cutting through the ideologies, the hype, and the (often inflated) hopes that have historically driven so much of the education research and the education reform "industry". At the same time, the push for charter schools shares a different mantra: that through the expansion of choice and competition, the "magic of the market" can be tapped to enable charter schools to provide better educational alternatives, raise student achievement, and leverage change across the entire system of schooling in the United States.

These two trends—one demanding rigorous evidence and the other demanding more charter schools—may be on a collision course. Like so many other school reforms, we believe that the push for charter schools has been characterized by many promises that are not supported by evidence.

[1] These data are from the Center for Education Reform as of December 29, 2004. The CER keeps a running total that can be downloaded from
http://www.edreform.com/index.cfm?fuseAction=stateStatChart&psectionid=15&cSectionID=44

As we noted in the opening chapter, even the most basic descriptions of charter schools are often infused with hype. In turn, the creation of charter schools has become more than a reform, it has become a *movement*. Therefore, it is perhaps not surprising that we find charter schools are associated with high hopes on the part of policy makers looking for better schools and trying to avoid infusing large amounts of money into existing (and failing) schools and school bureaucracies. Perhaps even more importantly, the charter school movement has instilled high hopes among parents who feel that their children are being ill served by traditional public schools and who are desperate for better alternatives.

We fear that the hype has inflated student, parental and societal hope regarding what charter schools can do. And we fear that these hopes will be dashed because the movement has promised more than charter schools as a whole can reasonably deliver.

"Facts are Stubborn Things"

So John Adams once observed. Recall that according to the US Charter Schools web site, charter schools are supposed to:

- Increase opportunities for learning and access to quality education for all students;
- Create choice for parents and students within the public school system;
- Provide a system of accountability for results in public education;
- Encourage innovative teaching practices;
- Create new professional opportunities for teachers;
- Encourage community and parent involvement in public education;
- Leverage improved public education broadly;

We endorse these goals wholeheartedly and we wish that charter schools were unquestionably reaching them. But too many of the facts we have documented in our research suggest that, at least viewed through the eyes of the students and parents who are the customers of charter schools, many are falling short. And since these facts are indeed stubborn things, we believe that a decade or so into the charter school "movement," it is time to consider carefully

the promise and the limits of charter schools. Our evidence suggests that wishing that competition and choice will somehow unleash the "magic of the market" that in turn will produce better educational outcomes ignores the extensive infrastructure necessary to make markets work. And assuming that charter schools are a panacea for the ills of urban education flies in the face of the evidence that we (and others) have assembled. With this in mind, we review some of the most important empirical findings of the preceding chapters.

Satisfaction

Many advocates of charter schools believe that school choice will transform the current system of education, improve school performance, increase student achievement and raise consumer satisfaction. As we noted in Chapter 9, higher satisfaction is an outcome that should flow from an expanded system of choice such as embodied in charter schools, since parents and students get to choose schools that deliver more of what they want from education. In turn, increased satisfaction is one of the most common positive results cited by charter school advocates to support the push for expanded choice.

Given the importance of this outcome, we spent considerable time and energy exploring parental satisfaction with their children's schools. Reflecting the hopes of parents, their expectations and their prior beliefs in the quality of charter schools, our empirical analysis showed that charter school parents *begin* their experience with high evaluations of almost all aspects of their child's school. As the reader will recall, charter school parents assign higher grades to their children's teachers, principal, and school facilities, and to their school overall. They are also more satisfied with a whole host of other dimensions of their child's educational experience, including school size and the level of discipline. We also showed that these

differences were remarkably durable in the face of rigorous tests for biases caused by self-selection or by choosers donning "rose-colored glasses."

However, in Chapter 10, we also found that as experience with the schools accumulates, the charter school advantage erodes, so that by the end of just a few years, charter school parents appear to be no more satisfied with their child's school than are their counterparts with children in traditional public schools. We believe that this pattern may result in part as the hopes parents have about the quality of charter schools meet the stubborn facts of urban education.

Larry Cuban has observed that, "No sure-fire solutions have yet appeared to reduce the enormous test score gaps….the grim statistics of ghetto life take their toll on schools." (2005, 4) Richard Rothstein links this harsh reality to the future of charter schools as laboratories of innovation: "[A]s charter schools face the same problems regular schools confront, they will find themselves, perhaps to their own astonishment, developing remarkably similar solutions." (1998, 60) To the extent this convergence of solutions happens in response to the stubborn facts of urban life, convergence of parental attitudes across sectors should be expected.

We also found that the *students* in charter schools, the "customers" with the most direct day-to-day experience with this reform, feel no differently about their schools than their peers in the traditional public schools. They are no more proud of their schools and no less likely to wish they attended a different school than their counterparts in traditional public schools. And peer groups seem to be pretty much the same across the two sectors. In short, if charter schools are supposed to change the dynamic of student life, we found no evidence of this.

Social Capital and Effective School Communities

We have argued that a good education requires the cooperation of students, parents, and the professional staff of schools. We found, as we did with our satisfaction measures, that charter

schools have the *potential* to build strong foundations for school-based social capital and for building the cooperative relationships necessary for effective education, but the hope of accumulating social capital over time has not been realized.

We found that on a number of indicators of social capital, charter schools outscored traditional public schools. Of equal importance, we found *no* indicator where charter school parents view other parents or teachers in their child's school more negatively than do parents in the traditional public schools. We believe our data present a picture of parents bringing to their schools expectations, hopes and other raw material that can be tapped to create vibrant communities. Unfortunately, we also found that, by and large, charter schools did not seize this opportunity: over time any value added to social capital by charter schools erodes.

We should note that even in the cross-sectional analysis, the charter school advantage is not overwhelming. And the contribution the charter school experience has to the building of social capital appears to be limited to the school community with little or no evidence of spillover from school-based social capital to broader domains.

This apparent failure of charter schools to add value is even more disappointing since the smaller size of charter schools gives them an important structural advantage over traditional public schools in building effective school communities. Hallinan (1994) has argued that it is far easier to create a vibrant school community in small schools than larger ones and Hill et al. (1990) show that creating consensus on educational principles and educational practices is also much easier to do in a small school compared to large ones (also see Wasley et al. 2000, Nathan and Febey 2001 on the advantages of small schools).

Charter schools have other structural advantages over traditional public schools—for example, many have parent contracts requiring parental participation and others have been

granted waivers from broad educational mandates so as to create "niche" schools tightly focused on the needs of their students (Teske, Schneider, and Cassese 2005). But according to our data, even with these advantages, charter schools experienced only a small and transient advantage over the traditional public schools in generating school-based social capital.

Building Good Citizens

Another outcome we studied was the differential ability of schools to create the foundations for citizenship. In this phase of our study, we found differences between students in the charter schools and in the traditional public schools in terms of instilling democratic values, skills, or confidence. While these differences all favored charter schools, they were small in magnitude and not uniform across all measures. And while many advocates argue that charter schools will be able to create an atmosphere that produces the same kinds of gains that have often been found among students in Catholic schools, our evidence did not support this hope.

We have argued that charter school "customers" constitute a core constituency for the future of the charter school movement. However, if charter school parents are no more satisfied with their schools than traditional school parents then they might not provide a strong foundation to help charter schools weather the storms and controversies that will inevitably confront those schools in the future. And if charter schools are not nurturing social capital among parents that translates into broader political practices, these parents will fail to develop the political skills to protect charter schools in the face of inevitable challenges.

Thus, the failure of charter schools to fully develop the civic capacity of their constituent consumers may present problems for the movement—and perhaps for school reform in general. Braatz and Putnam argue that "revitalizing American civic engagement may be a prerequisite for revitalizing American education." (1998, 37). Clarence Stone similarly argues that "the

connections between the level of civic capacity and degree of effort at education improvement seems quite solid." (1998, 261). From this perspective, education reform can succeed only if there is long term political engagement by parents who are drawing on a healthy stock of civic capacity. This is particularly important because the political cycle is short and most politicians cannot wait for systemic education reform to work. Therefore, building strong constituent support and keeping politicians engaged over the long haul is essential to success (Sexton 2004; Hess 1999). Put these observations together and we can see that the failure of charter schools to build civic capacity may reduce one of the pillars necessary to support charter schools and perhaps other future educational reforms.

Achievement

This book is not about test scores as measures of academic achievement. However, we did touch on this issue in Chapter 4, where we waded into the tempest over the extent to which charter school students are easier or harder to educate than students in traditional public schools. We showed that on a variety of indicators, there are no differences between the inherent ease (or difficulty) of educating students in either sector, at least in our population of students in Washington, D.C. For us, this means that the fights we have observed over test scores, fights in which partisans say that because charter school students are harder to educate, we should expect lower scores, and charter school opponents say that since the overall charter schools student body is, if anything, the result of creaming, test scores should be higher, are not useful.

Clearly, some schools (regardless of sector) have harder to educate students, others don't. It is the composition of *individual* schools, not the overall composition of the sectors, that matters for helping us identify which schools add value. Below, we return to the importance of

moving beyond the “main effects” of charter schools to get inside the school to learn what works and what doesn’t.

“First Do No Harm”

If these comments seem critical, they are a reaction to the hype that has surrounded the creation and growth of charter schools. To be fair, on *every one* of the numerous comparisons we conducted throughout our research, charter schools *never* fared worse than the traditional public schools—and they quite often did better. While we do not study achievement scores, the same could probably be said of what we know about test scores. For example, according to the National Center for Education Statistics analysis reported in *Results From the NAEP 2003 Pilot Study*, “for students from the same racial/ethnic backgrounds, reading and mathematics performance in charter schools did not differ from that in other public schools….”(NCES 2005).

Couple the comparisons we have presented in this book with these NAEP data on achievement and it seems that, on the whole, charter schools pass the most fundamental test of policy analysis that we discussed in Chapter 1: they are Pareto superior. But before accepting that as an endorsement of charter schools, we ask a simple question:

> *Given the promises put forth by the charter school movement, is it really sufficient to say that we should endorse charter schools because they pass such a minimum test?*

Building Markets for Education

In Chapter 1, we argued that charter schools were created to increase competition and choice, fundamental building blocks of a market for schools, from which greater accountability and higher achievement should flow. In Section 2, we explored the role of parents as consumers, highlighting some of the conditions that are needed to support choice. We found mixed evidence of the ability of parents to exercise choice and to use market forces to improve schools. Perhaps

most importantly, we documented the importance of race in how parents shop for schools. That parents weigh the racial composition of schools heavily when choosing their children's school should come as no surprise given how segregated schools are; however, survey evidence has consistently indicated the importance of academic performance and teacher quality in parent choice and dismissed the importance of race.

Our evidence, consistent with the handful of existing studies focused on actual parental behavior, showed that while parents will hardly ever say that they care about race when choosing schools, their behavior shows the opposite.

Our data also documented other patterns in parental search procedures—some of them supportive of the idea that parents can effectively shop for schools and others less so. Following Schneider, Teske and Marschall (2000), we relied on the idea of the marginal consumer to help explain how the market for schools might still work given so little active shopping by parents and given that they have so little accurate information. Using different methods and measurements than Schneider et al., we explored the idea that a small number of parents with effective search procedures can make choices that could lead to better schools overall.

Of perhaps greater importance, we also documented the fact that good information about alternative schools *does* increase the propensity of parents to change schools. So, theoretically, better modes of disseminating information could increase the quality of parental choice and could increase the pressure on schools to improve.

However, we identified two problems with this argument. First, among the parents of Washington DC, where there is probably more choice than in any other city in the country, most parents still did not have very good information about their schools—and our efforts to disseminate more information (via our website DCSchoolSearch.com) were less than successful.

In short, while more information can encourage more shopping, getting that information into the hands of parents is not easy.

We identified a second problem that may be hardwired into the architecture of the human mind—the process of "hot cognition." Relying particularly on the work of the noted political psychologist Milton Lodge, we argued that even the most skilled consumer might perceive information in an inaccurate fashion, due to entrenched opinions or biases. Indeed given the hype and the hope surrounding charter schools it is not hard to envision how hot cognition and its "cousin" motivated reasoning could help explain the initial high expectations and evaluations that parents assign to the charter schools. These same mechanisms can also help explain why repeated exposure to the reality of the school may lead, albeit slowly, to an updated evaluation that is more realistic and more grounded in empirical reality. Among the most important implications of these studies is that getting good information out to consumers is important, but getting it to them is difficult and predicting how such information will be used is no easy task.

Policy makers face the same difficulties as researchers in trying to disseminate information about schools. Sexton describes the barriers to effective parental involvement in the schools when he documents the mobilization strategy the Pritchard Committee used in Kentucky to increase parental involvement with the public schools (Sexton 2004, 103-4):[2] The barriers the Pritchard Committee identify and the logic of their intervention should come as no surprise to the reader:

[2] The Pritchard Committee was formed in the late 1990s to monitor and work toward improving the quality of education in the state of Kentucky. Its influential report "Teaching for Kentucky's Future" was issued in October 1999, in which researchers documented the positive impact that high-quality teaching has on academic performance and identified a host of mechanisms for improving the schools. Kentucky has ranked high on academic improvement in recent years: Quality Counts 2004, for instance, gave Kentucky the third highest score in the nation for teaching quality. Similarly, Kentucky earned a fifth-place ranking in the National Council on Teacher Quality's evaluation of 20 states. Not surprisingly, the Pritchard Committee has gained national visibility for its thoughts on effective school reform.

- High achievement requires outside pressure and assistance, particularly from families;
- The most credible communication with the public about school reform is one-on-one communication. And the most common form of one-on-one communication is between parents and teachers. This is the main source of information about education and reform;
- Useful communication between parents and teachers is inhibited by such well-known barriers as school schedules or educational jargon;
- This communication is also limited by how little information parents have about schools—they know very little about their child's academic achievement except what they see in school report cards and hear in conferences. They need more information to act effectively.

The Pritchard Committee invested considerable resources informing parents about many aspects of school achievement through "specially prepared user-friendly reports" on their child's school. This data, reported by race, SES, and gender, according to Sexton, allowed parents to understand better the performance of the school and its students. This was a time-consuming and resource intensive process, but in so doing, Sexton argues that the amount of information put in the hands of parent/consumers increased, allowing parents to pressure schools to perform better.[3]

DCSchoolSearch.com was our effort to provide more information and make it more accessible to parents facing an ever-expanding array of school choices. However, as we documented in Section 2, this was a difficult undertaking and the lessons to be learned further highlight the hard work of building the foundations for choice (also see Schneider and Buckley 2000; Schneider 2001). Thus, despite the evidence that information matters, and despite the

[3] Much of the data (and the groups for which the data were reported) resemble the reporting requirements of the No Child Left Behind Act. However, how to present these data to increase its usefulness to parents is still a major issue.

importance of information to any theory of markets, we believe that choice and charter school advocates have still not addressed the issue of the flow of information adequately.

Indeed, we think that charter school proponents have in general not paid enough attention to the fact that markets do not spring up instantaneously; rather, as economic historians, such as Douglass North, and as political scientists concerned with institutions, such as Eleanor Ostrom, have shown perhaps the real magic of the market is that they exist at all (Eggertsson1990; North 1990; Ostrom 1990; Alston, Eggertsson et al. 1996). We think that analysts need to identify more thoroughly the basic building blocks of education markets and the kinds of rules, regulations and supports policy makers need to institute to make choice work. Henig (1994) argued that we have to move beyond the market metaphor when thinking about school choice. We agree, but we also believe that the challenge he laid down has not been adequately addressed.

An Equity/Efficiency Trade-off?

Some of our findings also highlight an equity/efficiency trade-off that is built into the market for schools. We need to be particularly concerned how, to use Arthur Okun's term, this "big trade-off" plays out given the particular importance of schooling in a democracy committed to equality of access and opportunity.

Many advocates believe that choice can pressure schools to deliver better education more efficiently. Moreover, in a system of choice, parents should be able to place their children in schools that emphasize the aspects of education they embrace. Clearly these gains are desirable. But if, as our data indicate, many parents' decisions are likely to be influenced by race, then a "pure" open market-like choice plan for schools can increase segregation.

Moreover, stratification can also increase if parents with higher levels of education are more likely to exercise choice than less educated parents and are more likely to engage in higher

quality search activity to gather information about their options. Given the importance of good information to school choice, and given its unequal distribution, special efforts must clearly be made to increase the flow of information to lower status parents. Our experience with DCSchoolSearch.com suggests how difficult it is to expand the flow of information to a broader set of parent/consumers.

Combining the inequality in access to information with the deep-seated concern for the racial composition of schools evident in parent search behavior leads us to a complicated conclusion about markets and school choice. While we believe that the market mechanisms built into expanded choice can increase efficiency, we have two fundamental concerns.

First, at the level of parent behavior, we are concerned that unregulated choice may increase the importance of student demographics in the choice behavior of parents, including the choices of more highly educated marginal consumers who are essential for the effectiveness of any option demand systems, including charter schools. Second, this in turn can lead to an adverse outcome at the level of the schools: to the extent that choice is driven by demographics rather than academics, unfettered choice may actually *decrease* the pressure on schools to improve their academic performance and one of the most basic promises of choice may dissipate.

We believe that the task facing advocates of choice is to design a system that can produce a socially acceptable trade-off between a more efficient school system and one that mixes together children of different races and classes. While less theoretically elegant and ideologically appealing than proposals for unrestricted choice, racial and income requirements can be introduced and enforced in choice plans. Indeed, "controlled choice" has been implemented in a number of cities and school districts and is common in admission decisions to magnet schools (see, e.g., Henig 1994; Henig 1996). However, controlled choice plans all impose regulations

that limit choice and may therefore fail to attract the passionate support of the most ardent (and pro-market) proponents of choice. But in every market, we have to strike a balance between equity and efficiency—and the market for schools is no different.

Who Chooses Whom?

Like most researchers, we have gone about our analysis with the implicit assumption that the driving force in this market for schools are the consumers of education, the parents and their children who have a growing number of schools from which to choose. Indeed, when researchers talk about school choice, they almost always mean the process of how students and parents as *consumers choose schools.* But schools are not passive actors in the choice process, and researchers have neglected the fact that *schools choose students.* Ignoring this aspect of the "market" can lead to big holes in our understanding of how charter schools actually operate and the outcomes we observe.

Bifulco and Ladd (2004) present evidence that shows how charter schools can actively shape their student (and parent) population. Using data from the Schools and Staffing Survey, they show that parental involvement is higher in charter schools than in observationally similar public schools. However, they find that the specific programmatic characteristics of charter schools are not linked to active school communities; rather, charter schools tend to locate in areas with above-average proportions of involved parents—charter schools are choosing students by their locational choices. Researchers in other countries with choice systems have paid more attention to this issue and have demonstrated how schools use a variety of mechanisms to shape a student body that they want (on Chile see Parry 1996 or Gauri 1998; on New Zealand see Ladd and Fiske 2000).

In a perfect market, producers are “price takers, not price makers.” Yet in the imperfect market of school choice, schools may have far more latitude to be strategic actors. Clearly, further research needs to be undertaken about the extent of such strategic behavior and its consequences.

Back to Fundamentals

If schooling has always been about the “three R’s”, we have argued that the debate over charter schools is about “three C’s:” competition, choice, and community. By embracing these factors, proponents of choice argue that schools will earn two As, increasing accountability and achievement. As we conclude this book, we return to these fundamentals.

Clearly in many cities and states across the nation, charter schools have increased competition and choice. They have not necessarily created stronger communities, although we believe they have the potential to do so—parents walking through their doors *want* to participate and *want* to join in a more effective school community. Charter schools (indeed all schools) need to figure out how to tap this source of energy and concern to build stronger communities and through such more effective communities, achieve better student outcomes.

What about the two “A’s” of accountability and achievement? Parents are in some ways the ultimate source of accountability—they increasingly have the power to vote with their feet. However, even in Washington DC, where around 20% of the students are in charter schools, good schools are in short supply and even mediocre charter schools have waiting lists. Ultimately we cannot expect parents to exercise choice and enforce accountability without a supply of better schools.

The issue of how charter schools affect achievement will continue to be debated for the next few years. Our study was not designed to address this issue directly. We know what the

study to address this question should look like: longitudinal student-level data collected from individual students who are randomly assigned to charter schools or traditional public schools by lotteries executed in the face of over-subscription to the charter schools. The U.S. Department of Education through its Institute for Education Sciences has recently launched two studies with these design characteristics. That's the good news. The bad news is that it will take 3 to 5 years before we have even preliminary data on the effects of charter schools on academic achievement (measured by test scores). It will take even longer for us to learn whether charter schools affect the things that we really want schools to deliver (advanced degrees, better jobs, higher income, less crime, and so on), for which test scores are only a surrogate. If the debate over the data about voucher programs that used random assignment is any indicator, even when these data are released, it will take years of intense analysis and contentious reanalysis before consensus emerges on how much charter schools contribute.

Getting Inside the Black Box

As we await those results, we believe that there are factors that the research community must think about more carefully, factors that can help us understand how choice and charters can work better and factors that we believe future studies must consider. Right now we know much more about how charter schools are organized and governed than about what happens inside charter schools and their classrooms (Bulkley and Fisler 2002). We believe this must change, and thus, we issue a final challenge to the next generation of research. In this we are following the argument of Cohen et al. who believe that for education researchers the "overarching research question cannot be 'Do resources matter?'…The overarching question must be 'What resources matter, how, and under what circumstances?'" (2004, 134). To translate this charge into the issue we have studied in this book, the question is no longer "does choice matter?" rather we must

move on to ask: “what do schools do when given choice (or in response to choice) and do those responses matter?”

To return to the language of “treatment” we have used throughout this book, we need to recognize that neither charter schools nor traditional public schools are homogeneous treatments. The debate about charter schools up to now (and including our work) has overwhelmingly focused on the overall (or “main”) effect of charter schools on outcomes. This is a reasonable first step, since it tells researchers and policy makers alike whether or not charter schools are a dangerous reform that must be stopped or a reform that is so unquestionably good that we must push further ahead. Unfortunately the results of most policy reforms, perhaps especially those in the field of education, hardly ever point unambiguously to either outcome.

We have found that *overall* charter schools do no harm and in fact have the potential for doing good in many critical areas such as building social capital, increasing customer satisfaction, and increasing the civic skills of students. With this base established, we believe that the research community needs to move on to identifying the factors that translate the potential of charter schools into reality. We have plenty of evidence that charter schools are not a homogeneous treatment and therefore getting inside the black box to identify what works is essential. We need to cut through the hype surrounding the charter school movement to identify the programs, structures, and practices that increase accountability and achievement. We then need to test what works through a variety of methods and in a variety of settings. It is only by so doing can we ensure that the hopes that parents now bring to the schools, hopes that are now all too often unrealized, can be translated into reality.

Some Charter Schools Don't Make the Grade

Clearly, even a quick peek inside the black box shows an incredible range of schools delivering vastly different products and with vastly different levels of success. Consider the range of schools in Washington DC alone, where over 40 different charter school organizations run over 50 campuses and enroll 20 percent of the students in the city. Among these schools there are clear success stories but also clear failures.

Recall that around 15 percent of the charter schools that have opened in the city have already closed their doors. While it is better to close bad schools than to let them run on and on, this high failure rate may be indicative of other problems that affect parental evaluations of the schools and the quality of the education their children are receiving. A scan of local newspapers and media produces a smorgasbord of stories of mismanaged charter schools. We begin with the some of the sadder stories chalked up by the DC charter school movement.

The Village Learning Center

In November of 2003, Desmond Kirk Pierre-Louis, the director of the Village Learning Center in Northeast Washington, was arrested for sexually assaulting a 14 year old boy who spent several weekends at his home (Pierre-Louis was a respite foster parent). The school had a history of problems, including problems paying its lease and neglecting to pay federal taxes on teachers' salaries. In addition to fiscal mismanagement (and probably not surprising given that mismanaging money often goes hand-in-hand with mismanaging kids), test scores at the Village Learning Center fell below the requirements of the No Child Left Behind Act. The school was also charged with hiring teachers without college degrees (that allegation, unlike the others, could not be substantiated). In the spring of 2004, the Board of Education voted to close the school when a city audit found that the school spent hundreds of thousands of dollars on leased

space it did not occupy, credit card charges for apparel and gifts, and loan repayments that lacked documentation.

The Associates for Renewal in Education (ARE) Public Charter School

The Public Charter School Board closed the Associates for Renewal in Education (ARE) Public Charter School in June 2003 for failing to improve attendance and failing to provide federally required special education services. This closure culminated a two-year review of its special education program that showed only four of its 13 special education students had up-to-date individualized education plans (IEPs). The review also showed that the ARE school failed to provide paperwork to monitors who were legally charged with determining whether students were receiving required speech and language services or counseling.

The Mechanical, Industrial, Technical Public Charter School

Just months before the scheduled opening of the Mechanical, Industrial, Technical Public Charter School in Northeast Washington, it became publicly known that Mary Anigbo, a former charter school principal, was president of the board of trustees. The problem was that Ms. Anigbo was convicted in 1997 of assaulting a newspaper reporter and two police officers.

The bad news is that these events happened, but the good news is that these schools were closed down (or in the case of Mechanical, never opened). Unfortunately, these closures were sparked by egregious management behavior and not by the failure of the schools to meet high academic standards—a flaw in how charter schools are held accountable that even members of the charter school movement recognize.

Some Charter Schools Do Fulfill the Vision

While it may seem as though we are ending this book on a critical note, there are in fact reasons for hope. In our research, we have encountered some wonderful charter schools doing wonderful things. We highlight just a few.

Capital City Public Charter School: A School with a History of Success

Capital City Public Charter School was founded in 2000 by a group of DC public school parents. Its first home was above a CVS drugstore, although it has recently moved to a better facility. Like many other charter schools in the district, the school is small, enrolling around 175 students in kindergarten through grade 8. It is also diverse: about half African-American, a fifth Hispanic/Latino, and the rest Caucasian. Most of the students come from low-income families, about half receive reduced price or free lunch.

Capital City is also one of the highest performing charter schools in the city: 81 percent of the students scored at or above the basic level on the SAT-9 reading test and more than half did the same on the SAT-9 math test. According to the DC Public Charter School Board, students at Capital City improved in every measure in both reading and mathematics in 2003. The gain scores indicate that a large percentage of students improved by at least one year in math, while the majority made the expected progress in reading. Given these numbers, it's not surprising that Capital City is popular: it received 375 applications for 37 spaces last year and over 90% of the students re-enroll.

KIPP DC: KEY (Knowledge Empowers You) Academy Public Charter School

Opened in 2001, the KEY middle school is one of 31 KIPP (Knowledge is Power Program) Foundation schools in the country. The Foundation recruits, trains, and supports outstanding teachers to open college preparatory public schools in high need communities. It

helps arrange for facilities and operating contracts while training school leaders. Recruited from some of the nation's top universities KIPP principals enroll for a year's intensive training at the UC Berkeley Haas School of Business, where they learn how to manage a school budget, how to recruit students and teachers, and how to choose academic programs.

The defining characteristic of the school is the high expectations it has for its students and the intensity of the instruction it uses to get students to meet those expectations. There are strict codes of behavior, such as wearing the school uniform properly, walking in quiet, single-file lines, displaying correct gestures while listening, even not eating candy. In fact, the intense boot-camp approach sets the Academy apart from the rest of the charter schools. It also holds classes six days a week, 11 months a year. The school day is much longer than at most public schools. Students go home at 5 p.m., with 1 to 2 hours of homework left to complete—and the school gives all its teachers cell phones so that they can answer students' questions at night.

The school also emphasizes teaching "character" as well as academics. For instance KIPP students can earn weekly "pay-checks" based on behavior, which can be spent in the student store. In contrast, students who have misbehaved write letters of apology to other students. The atmosphere is such that being smart is socially desirable, counteracting the adverse peer group effects found in many schools.

The success of the school's boot-camp approach is in part due to its success in getting parents involved in their kids' education. The parents sign an agreement to check homework, try to read to their child every night, and limit the amount of TV they watch.

The school's approach seems to work. In 2003, 83% of the students scored basic or above on the SAT-9 reading test and 96% reached the same level in math.

The record of high student achievement has attracted some large donors. The KIPP DC: KEY Academy gets 18 percent of its operating funds from outside sources, including federal and private grants, enough to pay high rent on its new building. With good physical facilities, and more resources to expend per student, the Academy's success in educating its 242 (100% African American) students who mostly come from low income families convinced the Public Charter School Board to approve the KIPP Academy's request to open two new middle schools in 2005 and 2006.

Using Entrepreneurship to Fix Facilities

We also discovered how the challenges of creating and maintaining charter schools can mobilize entrepreneurs to attempt things that they would never attempt in a large bureaucratic system such as the traditional DC public schools. We highlight one of the most interesting charter school leaders we have met in Washington. And we focus on how this entrepreneurial leader is addressing the perennial challenge of poor facilities facing charter schools.

Josh Kern and The Thurgood Marshall Academy

Located in the poor southeastern quadrant of Washington D.C., the Thurgood Marshall Academy (TMA), a small high school currently with fewer than 250 students, was founded by a group of students from Georgetown University Law Center Street Law Clinic who, as part of the law school's clinic requirements, taught in neighborhood public schools. Based on their experience, these law students developed a proposal for the TMA charter school and submitted it to the Public Charter School Board in the Spring of 2000. The plan was quickly approved.

Since opening its doors in a temporary facility in 2001, the Thurgood Marshall Academy has been actively searching for a facility that would accommodate the school at full capacity of

300 students. In October, 2003, the District of Columbia agreed to sell the Nichols Avenue School property at 2427 Martin Luther King, Jr. Avenue, SE to the TMA.

Using his skills, his vision and his entrepreneurship, Josh Kern, one of the members of the original group of law students and now TMA's president, set about securing the money to turn this abandoned DCPS building into a modern educational facility. As of this writing, using his legal, financial, political and entrepreneurial skills, Kern has secured:

- A $1 million line item federal appropriation. Kern won this appropriation with the help of Andrew Rosenberg, a lobbyist. The appropriation was championed by Senator Mary Landrieu from Louisiana who is the ranking member of the DC appropriations committee and a powerful force in DC politics.
- A $1 million "city build" grant. This is money from the federal government that is funneled through the city. TMA was one of only five schools to get this grant to promote community-based schools.
- A $1.5 million allocation through the DC office of property management.
- A $1 million low interest rate loan from Building Hope, a 501(c)(3) offshoot of Sallie Mae.
- A $2 million low interest rate loan through the DC office of banking and finance.

- A $1 million Qualified Zone Academy Bond, a highly subsidized bond that is used to promote revitalization in targeted areas.[4]
- An $8 million construction loan.

[4] Qualified Zone Academy Bonds (QZABs) are a relatively new financing instrument that can be used to carry school renovations and repairs as well as other improvements. The federal government covers, on average, all of the interest on these bonds, thus enabling schools to save up to 50 percent of the costs of these qualified projects. The interest payment is actually a tax credit, in lieu of cash, provided to financial institutions that hold the bonds.

According to Kern, the $11 million of borrowed funds will be replaced by permanent financing using New Market Tax Credits (these were created in 2000 and provide private investors with federal tax credits when they invest in projects in targeted low income areas).

In addition, to raising funds for the renovation and addition to the old Nichols Avenue school, the TMA has engaged in extensive fund-raising activities to support its academic programs. In order to meet the specific programmatic needs of its student body, TMA raises and spends $4,000 more on each student than it can get from local public funds. These additional funds come from federal and foundation grants, fundraising events, and individual contributions.

It is the relative autonomy given to charter schools that allowed Kern to tap all these diverse sources of money to create what everyone believes will be a first class school facility.

Is the Glass Half Full or Half Empty?

We can cherry pick success stories, such as KIPP, and we can admire the entrepreneurial talents let loose by the charter school movement embodied in Josh Kern. These stories show how some schools can fulfill the promises of the charter school movement. Alternatively, we can harp on the bad news of charter schools and the intense disruptions to student lives when charter schools close their doors. We could also highlight the fact that far too many charter schools fail to deliver on the innovative and successful education they have promised.

In fact, given the intense debates surrounding charter schools, both criticism and complements will accrue simultaneously.

How these pluses and minuses eventually balance out (and how charter schools will be evaluated in the long run) depends on hard work by students, parents, policy makers, and researchers. While parents must exercise their choice holding schools accountable from the

bottom, schools must also be held accountable from the top, by serious efforts to gather evidence about what works and for whom.

Finally, the absence of consistent indictors of charter school success also should lead us to think more carefully about what is needed to support effective school choice. Chubb and Moe (1990) set much of the terms of the present debate concerning school choice, by linking the failure of traditional public schools to both the intrusion of democratic politics into school policy and to the power of teacher unions (and other education-oriented organizations) to thwart educational improvement. The prescription that Chubb and Moe advocated emphasizes school choice (specifically vouchers) to undermine the self-serving interests of these powerful groups. While charter schools do not embody market-like mechanisms to the extent that a fully developed voucher system would, charter schools are schools of choice and they do have considerable freedom from local school boards and often from the constraints of union contracts with teachers. If simply unleashing choice and market forces was all that was required, then the results we observe for charter schools should be uniformly better. The problems facing charter schools (which all too often mirror the problems of traditional public schools serving the same communities) suggest that more is at work than too much bureaucracy and not enough competitive markets.

Yes, markets are beautiful things, but they don't work without lots of information, without a developed infrastructure, and without an adjudicating and enforcement authority. And charter schools won't work without the corresponding mechanisms necessary to support school choice in ever-expanding market for education.

Of course, none of this is as easy as venturing forth to slay the dragon of low performing public schools waving a flag emblazed with the slogan "Markets Work!"