

Charter School Expansion



Executive Summary

The number of public charter schools in Missouri has almost doubled since 2008. Seventy-three public charter schools currently operate in only two Missouri public school districts – Kansas City and St. Louis. Supporters of charter school expansion argue that having more schools gives families the opportunity to choose what best fits their needs, while putting pressure on low-performing schools to improve or close. Opponents argue that increasing charter school density does not increase academic achievement but, rather, increases school segregation and leads to inefficient spending of limited resources. A substantial body of research explains what we know about the effects of charter school expansion on student achievement, spending and equity.

Highlights

- There is no evidence that, on average, increasing school choice options via charter school expansion leads to significantly better academic achievement (e.g., test scores) in charter schools or traditional public schools.
- States typically increase education spending as school density increases. Despite higher costs, funding for public non-charter schools often decreases as more charter schools open.
- Charter schools are typically associated with increased segregation by race and income. While many minoritized families support school choice, these groups tend to be limited by school location and are disproportionately affected by charter school closures.

Limitations

- There is not enough research to determine the “optimal” number of school buildings within a district. This figure likely varies based on the regional context, the features of charter school systems (e.g., funding, authorization, accountability), and the availability of other forms of school choice (e.g., magnet schools, private school vouchers).
- It is difficult to establish a causal relationship between charter school openings and changes in student performance. Enrollment biases occur based on the location of new buildings and whether the school enrolls a disproportionate number of low- or high-achieving students.

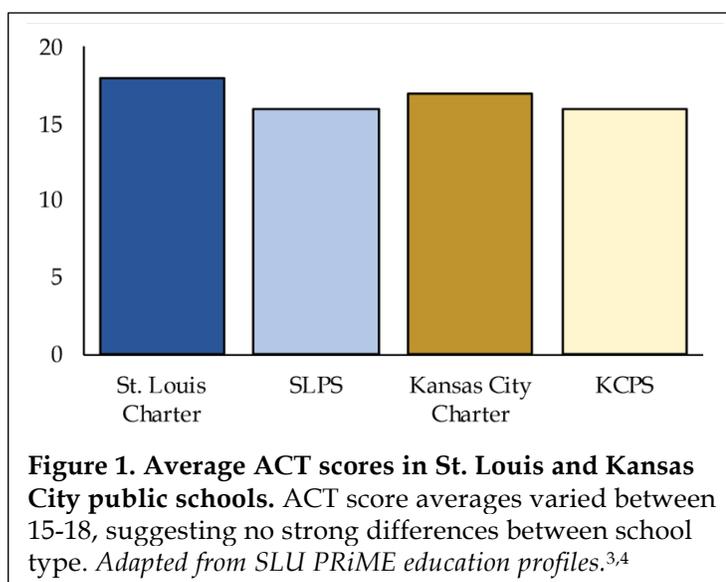
Research Background

Do charter schools improve student outcomes in Missouri?

The establishment and expansion of school choice within a district increases the available school options and provides families with educational choices outside of their neighborhood schools.

This science note was prepared by MOST Policy Initiative, Inc. a nonprofit organization aimed to improve the health, sustainability, and economic growth of Missouri communities by providing objective, non-partisan information to Missouri’s decisionmakers. For more information, contact Dr. Brittany Whitley, Education & Workforce Development Fellow – brittany@mostpolicyinitiative.org. This was prepared on 11/17/20.

This approach is based on the free-market principle that if consumers (parents/guardians) can choose where their education dollars go, the market (schools) will respond to competition by improving their services and providing better educational quality. In most cases, student achievement in public charter schools does not significantly differ from student achievement in traditional public schools.¹ In Missouri, ACT scores do not significantly differ between charter schools and neighborhood public schools (**Figure 1**).



State assessments suggest that, on average, Math and English & Language Arts (ELA) proficiency during elementary and middle school is slightly higher (between 3-10%) in charter schools. However, individual school data shows that this increase can be attributed to a handful of specific charter schools, while most charters perform at or below the non-charter average. While some districts report minor positive or negative effects on charter school student outcomes, the effects are inconsistent and difficult to causally attribute to charter school number or quality. For example, these data cannot distinguish whether differences in test scores are based on charter schools providing better, more innovative education opportunities or if more high-achieving students are choosing to enroll in charter schools.^{2,4}

What are the fiscal impacts of charter school expansion for districts and states?

In Missouri, the Department of Elementary and Secondary Education (DESE) calculates and distributes the local revenue due to each charter school's local education agency and then deducts that amount from the local district's state funding amount.⁵ As school density increases, the amount of local revenue due to charter schools will soon surpass the total state revenue due to Kansas City and St. Louis Public Schools. This will likely result in the inability of states to fully distribute the local revenue owed to charter schools. There is also evidence that charter schools decrease spending on non-charter students, although these effects may be countered by state reimbursement to non-charter schools.⁶ In addition to overall state and local funding levels, a recent review of the Kansas City Public School system shows that, compared to the Springfield Public School District which serves around the same number of students, Kansas City's public school system has dramatically higher spending, particularly due to administrative, building and transportation costs associated with the large number of school buildings.² This is consistent with research in urban areas across the United States with a high density of charter schools. In New Orleans, for example, contracting most public education to nonprofit charter schools increased overall education spending primarily by adding administrative costs (number and salaries of

administrators), while instructional spending and teacher salaries decreased.⁷ Similarly, a recent analysis of charter school spending in Texas showed that, on average, the state pays an extra \$1,500 per student who transfers to a charter school.⁸ In North Carolina, the average spending difference for urban charter school students is closer to \$500.⁹

What is the impact of charter school expansion on equity and school segregation?

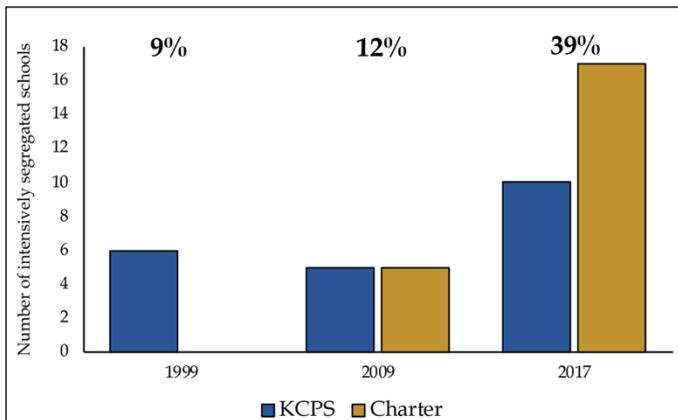


Figure 2: Number and percentage of intensively segregated schools in Kansas City. The number of schools who serve more than 90% free and reduced lunch and 90% Black/Hispanic students has increased between 1999 (no charter schools) and 2017. The percentages above each year indicate the total percentage of segregated schools within the district. *This figure was adapted from the System Analysis by KCPS.²*

Charter school expansion is often associated with increased school segregation in charter schools compared to traditional public schools, especially for African American students.^{1,10,11} There is evidence that parents tend to choose schools with higher proportions of students of the same race.¹² For example, between 2011 and 2016, increased sorting by race was observed in new Kansas City charter schools.¹³ Further, the number of very segregated schools has increased as the number of charter schools has increased (**Figure 2**).² There is evidence that, especially without lottery systems, the selection criteria for some charter schools favors students with higher academic performance and limits access for “high-risk” students (e.g. English

language learners, special education).¹⁴ As school building density increases within a region, schools must compete for students, causing low-performing and/or low-enrollment charter schools to close. These closures disproportionately affect students of color.¹⁵

Interestingly, minoritized families in Missouri tend to support school choice compared to other demographics, perhaps due to the relatively poor public school quality in their districts.¹⁶ However, there is not equal access to information about the full range of choice options and school performance, causing some minoritized groups to be excluded from fully exercising their choice. Proximity to schools can often be an additional determinant of school choice decisions for low-income families, especially when new schools not opened in the neighborhoods that could benefit most.¹⁷ Lack of complete information, difficulty accessing information (i.e., language barriers, community sessions overlapping with work obligations), geographical access and the impact that other students and families have on choice decisions suggest that the free-market principles that underlie school choice may not hold true within our existing public education systems.

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