

**Charter Schools Today:  
Annual Survey of America's Charter Schools**

2006 Data

FINAL

Page 1:

The first charter school opened in Minnesota in 1992, and heated policy debate over choice, charter schools, and efforts to offer alternatives to public schools have not waned.

While education reformers have enjoyed remarkable success against education bureaucracies, the overwhelming political and economic power continues to lie in the hands of those who argue on behalf of the status quo in public education. The Center for Education Reform (CER) believes that offering parents a range of educational choices for their children is the only way to help improve conventional public schools.

School choice and competition force schools to continually examine their curricula and improve their education services and overall educational delivery to give children a chance for improved academic achievement. Choice re-asserts the rights of the parent and the best interests of the child over the convenience of the system, infuses accountability and quality into the system, and provides educational opportunity where none existed before.

The story of charter schools, which is arguably in its early phase, is still unfolding. They survive, and succeed, because they operate on the principles of choice, accountability and autonomy not readily found in traditional public schools. Yet, charter schools continue to struggle to overcome obstacles conventional public schools do not have to face, such as lack of funding. The results of this survey highlight the innovation and progress charter schools have made, but also show the continuing obstacles and vocal opposition school choice and charter school supporters must overcome.

For the last few years, federal data issues have sparked debate about charter schools under-performing because they are not serving disadvantaged students. We knew that this false assumption was based on charter school participation in the free-and-reduced lunch program, and we wanted to set the record straight. For the first time in our annual survey, we asked charter schools about their participation in the program and the results confirm what we already knew; that charter schools do educate poor, at-risk populations, and these students are achieving.

CER has surveyed charter schools since 1997 to provide the public with unprecedented, first-hand information on the growing charter school movement. The results from the survey are then compiled and published in *The Annual Survey of Charter Schools*, ensuring that the true story of charter schools is told.

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## SUMMARY OF KEY FINDINGS

This report emphasizes the clear message of charter schools:

- Charter schools are public schools that use innovative practices to help students meet high standards.
- Even though they are public and are open and free to all students, charter schools still receive fewer public dollars than other public schools.
- There are more charter schools in states that allow various state-approved entities to sponsor them, and do not limit their existence to the single power of a school board.
- Charter schools provide parents an opportunity to choose from among a number of public school options.
- Charter schools remain smaller than conventional public schools and use innovative practices to help students meet high standards.
- Charter schools continue to serve a disproportionate share of at-risk and minority children, who are most adversely affected by the status quo.

## SIZE AND SCOPE

### Growing Interest

In the 2006-07 school year, there are 3,940 charter schools serving over 1.16 million students in 40 states and Washington, D.C.

Charter schools have experienced double-digit annual growth since the mid-1990's. This year was no exception with an 11 percent increase in the number of schools across the country.

### Meeting Parent Demands for Smaller Schools

Charter schools enroll on average 328 students, nearly 40 percent less than conventional public schools. According to the National Center for Education Statistics, in 2003-04, the average number of students per public school was 521. Research has shown that smaller schools can be advantageous for learning, creating an intimate environment to better serve the individual needs of students within the school.

While the number of charter schools across the country continues to grow at a rapid rate, the interest in these innovative schools also continues to rise. Sixty-one percent of schools that responded said that they have significant waiting lists, averaging 150 students in length.

### Expanding the Number of Chartering Authorities

In 2006, 12 states had authorizers other than local school boards that approved and managed charter schools. An additional 8 states had strong binding appeals processes that allow applicants an open and objective avenue to seek a charter if it is initially denied by the local school board. In 2007, there will be 14 states with multiple authorizers, increasing the total number from 20 to 22 states with multiple authorizers and/or a strong binding appeals process. States with multiple chartering authorities

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Comment: Changes made; numbers fixed

have almost 4 times more charter schools than states requiring only local school board approval. Local boards, however, are more likely to grant charters when state laws permit multiple authorizers. Seventy-nine percent of the nation's charter schools are in states with multiple authorizers or a strong appeals process. These states are also home to the highest quality charter schools.

## DEMOGRAPHICS

### Reaching Children Most in Need

It has been suggested by some researchers in their analysis of government data that the degree of poverty in charter schools is less than conventional public schools in comparable neighborhoods. Using the free and reduced lunch program to guide their poverty conclusions, researchers and critics have issued reports and statements that suggest charter school achievement is actually lower than other public schools because their scores, when adjusted for a lower poverty rate, are less than what they would expect from children with more advantages. But according to the CER survey, while 54 percent of all charter school students qualify for free and reduced lunch, 37 percent of all charters do not participate for a variety of administrative, financial and political reasons, not because they do not qualify.

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Comment: Added more information to F&R lunch section.

Thus the prime indicator used by statisticians to determine poverty and thus compare achievement of like students is deeply flawed. For the first time, CER offers evidence that should put to rest the notion that charter students are less poor – and achieving less – than other public schools. As shown in myriad achievement statistics, despite being poorer, these students are achieving (Addendum 1).

### Education Opportunities for the Under Served

Contrary to the flawed data that has been released over the years, charter schools do not “cherry pick” the best students from conventional public schools. Half of charter school students fall into categories defined as “at-risk”. Charter schools serve students who are largely under served in the conventional public school environment: minority students, at-risk students, and low-income students. Conventional public schools do not provide the individualized attention and tailored curricula that charter schools can offer these students.

Charters continue to target services to students at both ends of the instructional spectrum who are being failed by a “one-size-fits-all” education system: teen parents, special education students, adjudicated youth, English language learners, and gifted and talented students.

## OPERATIONS

### Ensuring Accountability

All charter schools must test to the requirements of their state or district. Ninety-four percent of survey respondents report administering a specific standardized test, and

most schools require more than one test. The 6 percent of schools that do not require a standardized test likely provide alternative learning programs with non-traditional assessments for students that have dropped out of school or serve only pre-school age children.

### **Providing Innovative, Quality Choices**

Charter schools provide multiple curricula options, responding to the demand for better and more focused curricula that meet the needs of each school's student population. Of the survey respondents, 82 percent said that they have a particular theme or curriculum focus to their school, ranging from focusing on specific disciplines (math, science or the arts), or built around students' futures (college preparation or school-to-work).

One of the most innovative, yet simple values provided by charter schools is increased instructional time. Few conventional public schools have gone beyond the traditions of school 180 days a year for 6.5 hours a day. Among survey respondents, 32 percent have increased instructional time.

## **MANAGEMENT**

### **Doing More With Less**

Charter schools spend less and receive fewer dollars than conventional schools. Among reporting charter schools, the average per-pupil cost was \$7,155, and the average revenue per-pupil was \$6,585. According to the National Center for Education Statistics, the total per-student expenditure for public schools in fiscal year 2004 was \$8,310, with revenue of \$9,518. On average, charter schools spend more money than they receive and are forced to find creative ways to increase their revenues and raise money.

### **Maximizing Resources**

Unlike conventional district schools, most charter schools do not receive funding to cover the cost of securing a facility. Of charter schools that responded, only 25 percent receive some funding specifically targeted towards facilities. Charter schools improvise by converting spaces such as retail facilities, former churches, lofts and warehouses, into classroom, cafeteria, assembly and gym space. Sixty-three percent of survey respondents rent their school facility.

An effective balance between teachers and administrators is key to ensuring schools meet their primary responsibility, to educate children. Charter schools generally maintain high ratios of teachers to administrative personnel, averaging 19 full-time teachers to 4 full-time administrative staff.

## **SIZE AND SCOPE**

## CHARTER SCHOOLS GENERATE INCREASING INTEREST AND GROWTH

Charter schools are one of the fastest and most successful growing reforms in the country. The first charter school opened its doors in St. Paul, Minnesota in 1992 and now, 15 years later there are 3,940 charter schools serving over 1.16 million children across 40 states and Washington, D.C.

The number of charter schools grew modestly until the mid-to-late 1990s, as more state legislatures passed charter laws. Since then, charter schools have experienced enormous annual growth, and this year the number of charter schools grew by 11 percent from the previous school year (Figure 1). States with strong charter school laws, such as California, Minnesota, Ohio, Arizona, and Michigan have experienced some of the largest growth (Figure 2).

Unlike conventional schools, charter schools face enormous challenges to open and survive, and of the over 4,000 charter schools that have ever opened, 11 percent have been closed for various reasons. Closure may be due to academic, financial or management problems, or in some cases consolidation or district interference. Charter schools are and should be held accountable for their academic and managerial performance.

Figure 1. Growth in Operational Charter Schools 1992-2006

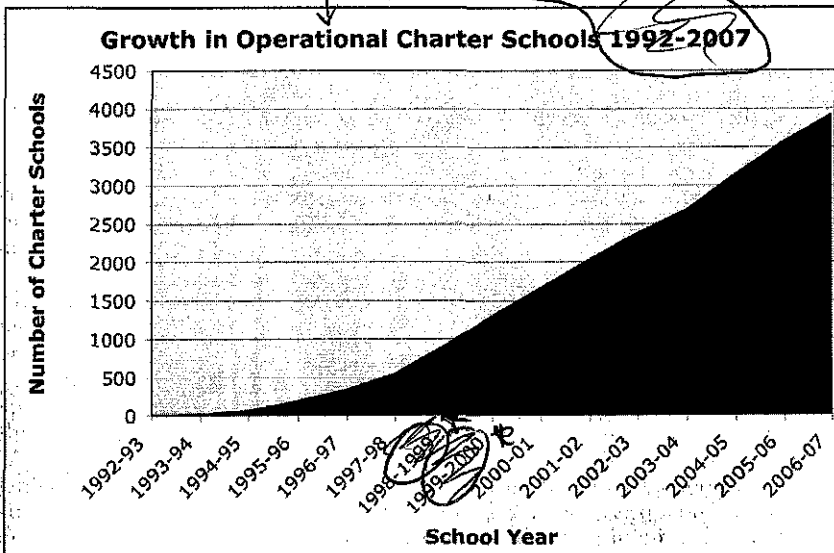


Figure 2. Charter School Enrollment and Closures, by State (whole page)

State	Total Schools Operating	Enrollment	Average Enrollment	Closures Since 1992
Alaska	24	4,814	201	5
Arizona	462	105,422	228	83
Arkansas	15	3,998	267	4
California	637	219,460	345	83
Colorado	132	47,443	359	6
Connecticut	19	3,577	188	4
<i>DC</i> DC	68	19,143	282	13
Delaware	19	7,826	412	2
Florida	347	96,007	277	53
Georgia	59	25,882	439	4
Hawaii	27	5,538	205	0
Idaho	28	9,384	335	1
Illinois	55	21,343	388	8
Indiana	38	8,274	218	2
Iowa	8	1,249	156	0
Kansas	26	2,588	100	8
Louisiana	46	17,315	376	8
Maryland	23	4,870	342	0
Massachusetts	60	21,987	366	6
Michigan	241	96,200	399	22
Minnesota	137	23,455	171	24
Mississippi	1	367	367	0
Missouri	27	11,134	412	4
Nevada	22	5,979	271	5
New Hampshire	8	388	49	1
New Jersey	53	15,381	290	17
New Mexico	62	10,034	162	2
New York	95	23,972	252	7
North Carolina	99	29,070	294	27
Ohio	301	87,288	289	20
Oklahoma	15	4,606	307	1
Oregon	71	10,105	142	8
Pennsylvania	120	55,760	465	9
Rhode Island	11	2,723	248	0
South Carolina	31	5,844	189	8
Tennessee	12	1,891	158	0

Texas	283	94,429	334	27
Utah	54	18,985	352	1
Virginia	3	241	80	3
Wisconsin	198	32,667	165	18
Wyoming	3	235	78	0
<b>TOTAL</b>	<b>3,940</b>	<b>1,156,874</b>	<b>267</b>	<b>494</b>

Data current as of March 2007

#### MEETING PARENT DEMANDS FOR SMALLER SCHOOLS

On average, charter schools enroll 328 students, nearly 40 percent less than conventional public schools. According to the National Center for Education Statistics (NCES), the average number of students in a conventional school in 2003-04 was 521. Research has shown that smaller schools may lead to higher achievement and can be more advantageous for learning, depending on the programs being used and what is expected.

Over 1.16 million students are enrolled in charter schools across the country, and 61 percent of survey respondents said that their school currently has a waiting list for one or more grades. The typical charter school waiting list has 40 students. Last year, the typical waiting list was 50 students, and this change can be attributed to an increased number of charter schools and spaces available for students (Figure 3).

Figure 3. Charter School Enrollment and Waiting List

	2006	2005
Average Enrollment	328	297
Percentage of Schools with Waiting Lists	61	56
Average Number of Students on Waiting List	149	166
Number of Students on a Typical Waiting List	40	50

#### MULTIPLE CHARTERING AUTHORITIES

In 2006, 12 states had authorizers other than local school boards that approved and managed charter schools. An additional 8 states had strong binding appeals processes that allow applicants an open and objective avenue to seek a charter if it is initially denied by the local school board. States with multiple chartering authorities have almost 4 times more charter schools than states requiring only local school board approval. Seventy-nine percent of the nation's charter schools are in states with multiple authorizers or a strong appeals process. These states are also home to the highest quality charter schools. The goal is to give parents the most options and having multiple sponsors helps reach this goal (Figure 4).

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Figure 4. Percentage of Charters Approved by Various Authorizers

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	2006	2005
Local School Boards	48%	42%
State Boards of Education	28%	30%
State Chartering Boards	10%	14%
Universities/ Colleges	9%	9%
Other (nonprofits, etc.)	3%	4%
Mayor or City	2%	1%

Some states with non-school board authorizers have reached their cap on the number of schools that can be authorized, hence the reason some of the various authorizers' numbers have gone down since last year.

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## DEMOGRAPHICS

### CHARTERS SERVE STUDENTS MOST IN NEED

For the last few years, federal data issues have sparked debate about charter school achievement. The National Center for Education Statistics (NCES) issued a report in which researchers argued that charter schools are under-performing because they are not serving disadvantaged students. Using the free and reduced lunch program to guide their poverty conclusions, researchers and critics have issued reports and statements that suggest charter school achievement is actually lower than other public schools because their scores, when adjusted for a lower poverty rate, are less than what they would expect from children with more advantages. Thus the prime indicator used by statisticians to determine poverty and thus compare achievement of like students is deeply flawed. For the first time, CER offers evidence that should put to rest the notion that charter students are less poor – and achieving less – than other public schools.

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**Comment:** Added more information to F&R lunch section.

According to the survey, 54 percent of all charter school students qualify for free and reduced lunch, so charter schools definitely educate and change the lives of disadvantaged children. However, 37 percent of all responding charter schools said they do not participate in the federal free and reduced lunch program for a variety of reasons. Of that 37 percent, 23 percent choose not to apply to participate because of the paperwork, bureaucratic red tape and other difficulties involved (Figure 6). This is consistent with what CER has found in over ten years of outreach to charter schools. In many cases, charter schools do not fail to qualify for such programs – they instead choose not to participate.

**Figure 6. Why Charter Schools Do Not Participate in Free and Reduced Lunch Program**

School does not have the facilities	42%
Other reason (cyber school, half day schedule, etc.)	26%
Chose not to apply because of bureaucratic difficulties	23%
School feeds students with own resources	10%
Not enough eligible students	6%

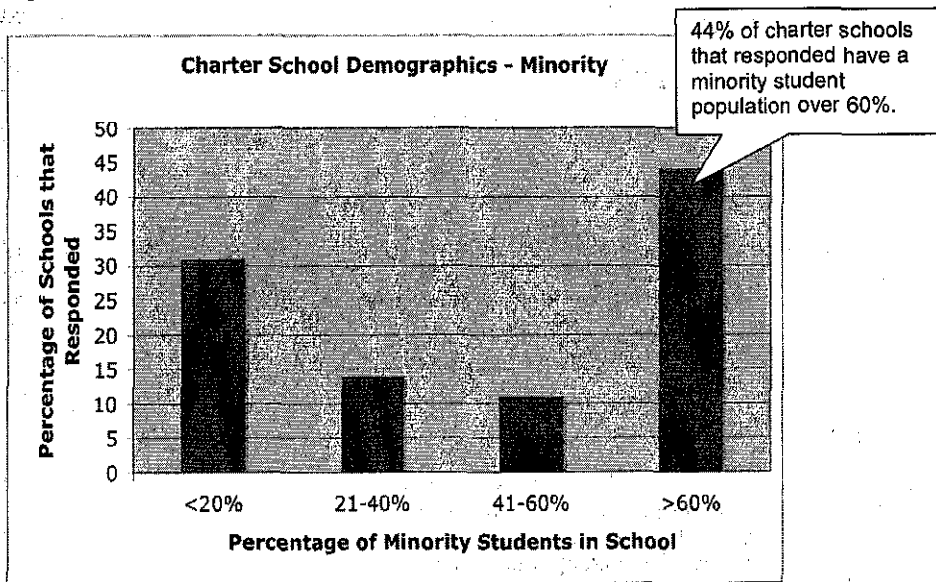
### EDUCATING UNDER SERVED STUDENTS

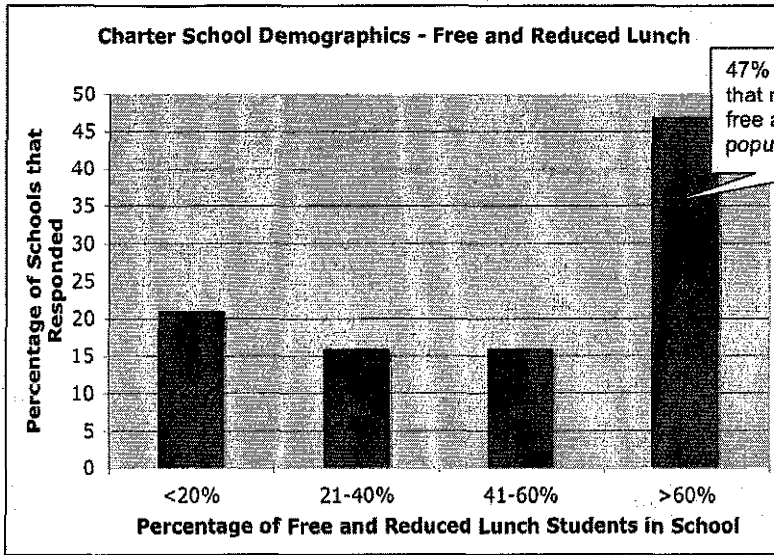


Contrary to myths and the flawed data that has been released over the years, charter schools do not "cherry-pick" the best students from conventional public schools. Half of charter school students fall into categories defined as at-risk (51 percent), minority (53 percent), or low-income (54 percent). Conventional public schools do not provide the individualized attention and tailored curricula and programs that charter schools can offer these students to improve their odds for academic success. In the following figures, it is clear that the majority of charter schools have minority, at-risk, or low-income populations that comprise 40% or more of their overall student body (Figure 5).

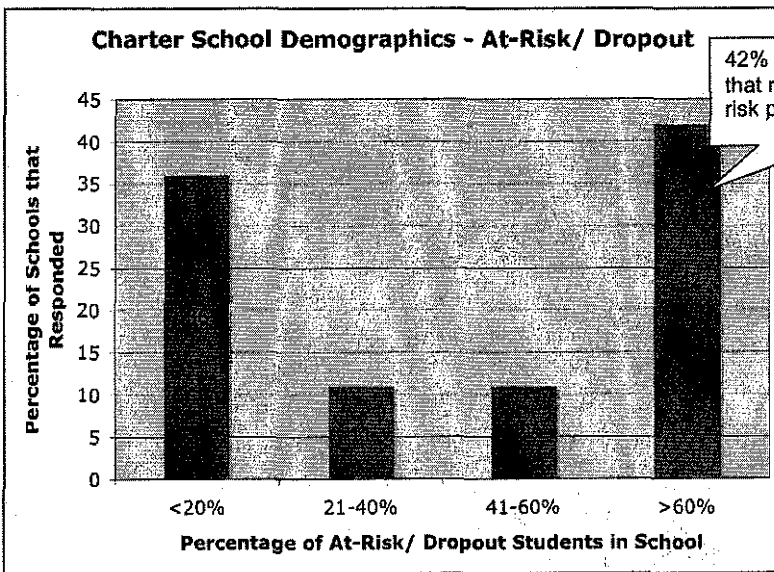
Indeed, charter schools seem to better address the needs of students at both ends of the educational performance continuum. According to survey respondents, charter schools serve a variety of students and are able to use their freedom to develop curriculum and programs to adapt to their students' needs. Twenty percent of students are English-language learners, 15 percent have special needs, and 8 percent of the charter school population is comprised of teen parents.

**Figure 5. Charter School Demographics: Percentage of Charter Schools Serving Selected Populations**





47% of charter schools that responded had a free and reduced lunch population over 60%.



42% of charter schools that responded had an at-risk population over 60%.

## OPERATIONS

### CHARTERS ENSURE ACCOUNTABILITY

Contrary to a common belief about charter schools, all must test to the requirements of their state or district. Ninety-four percent of survey respondents report administering a specific standardized test, and most schools require more than one test. This is why the numbers in the following figure will add up to over 100 percent (Figure 7).

The 6 percent of schools that do not require a standardized test likely provide alternative learning programs with non-traditional assessments for students, such as dropouts, or serve only pre-school age children. Examples of other standardized tests not mentioned by name are often assessments developed by each school to measure the student's progress in subjects such as reading or math over the school year.

Figure 7. Charter School Testing Requirements

	<u>2006</u>	<u>2005</u>
<u>Respondents that administer a specific standardized test</u>	<u>94%</u>	<u>93%</u>
<u>Require a state-specific test</u>	<u>85%</u>	<u>64%</u>
<u>Require the Terra Nova</u>	<u>20%</u>	<u>20%</u>
<u>Require the Stanford 9</u>	<u>15%</u>	<u>27%</u>
<u>Require the Iowa Test of Basic Skills</u>	<u>14%</u>	<u>13%</u>
<u>Require the California Achievement Test</u>	<u>6%</u>	<u>12%</u>
<u>Require the California Test of Basic Skills</u>	<u>3%</u>	<u>5%</u>
<u>Requires another standardized test</u>	<u>43%</u>	<u>36%</u>

### CHARTER SCHOOLS PROVIDE INNOVATIVE CHOICES

Charter schools provide multiple curricula options, responding to the demand for better and more focused curricula that meet the needs of each school's student population. Eighty-two percent of survey respondents said their charter school has a particular theme or curriculum focus. The curricula programs offered vary considerably (Figure 8). Some focus on specific disciplines (arts, math and science, Montessori), while others are built around students' future plans (college preparation, school-to-work, or finishing high school). Twenty-six percent of schools selected other as their instructional focus and some examples are: health and wellness, experiential learning, environmental education, and Native American culture.

Conventional public schools are less likely to specialize because the instructional methods and curricula for the entire district are usually centralized.

Figure 8. Curriculum/ Instructional Focus

<u>College Preparatory</u>	<u>23%</u>
<u>Back to Basics</u>	<u>11%</u>

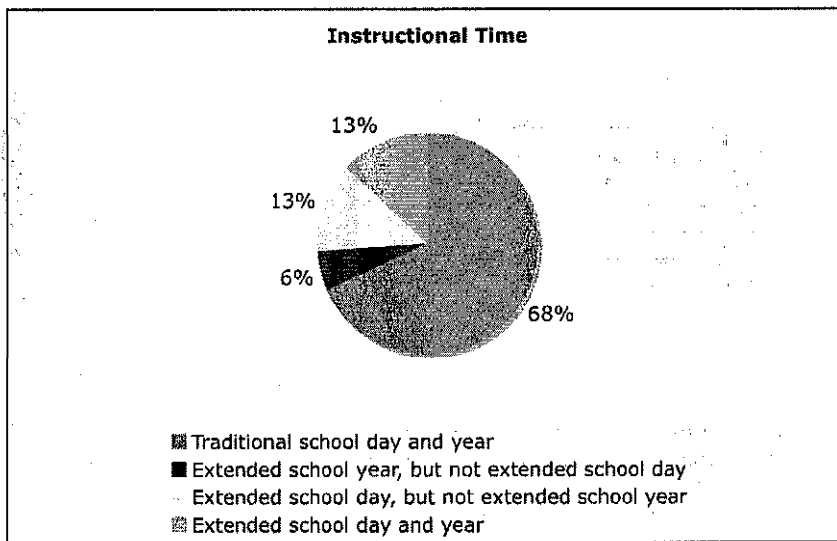
Arts	7%
Science/ Math/ Technology	6%
Constructivist	6%
Bilingual	5%
GED/ High School Completion	5%
Montessori	4%
School-to-Work/ Vocational	4%
Home/ Independent Study	3%
Other	26%

### CHARTERS PROVIDE MORE INSTRUCTIONAL TIME

Perhaps the most innovative, yet simple, value provided by charter schools is increased instructional time for their students. Few conventional public schools have stretched their hours beyond the traditions of 180 days a year, 6.5 hours per day. Many charters are able to provide additional time because of their innovative ways to allocate resources (Figure 9).

Among survey respondents, 32 percent go beyond the "typical school year" or "typical school day".

Figure 9. Instructional Time



### MANAGEMENT

**CHARTER SCHOOLS DO MORE WITH LESS**

Charter schools appear to spend less and receive fewer dollars than conventional schools. Among the 547 responding charter schools, the average cost per pupil was \$7,155. The average per-student expenditure for conventional public schools in fiscal year 2004 according to the National Center for Education Statistics (NCES) was \$8,310. Forty-one percent of charter schools reported that they spend on average, between \$4,500 and \$7,000 per pupil. In addition to salaries, benefits, supplies and purchased services, total expenditures include capital outlays for school construction and equipment (Figure 10).

**Figure 10. Average Cost-Per-Pupil Breakdown**  
**Average Cost Per Pupil: \$7,155**

Surveys reporting a cost-per-pupil amount between:

Range	Number of Surveys	Average Cost	Percentage of Charter Schools
\$0-\$4,500	61	\$3,453	11%
\$4,500-\$7,000	221	\$5,735	41%
\$7,000-\$9,500	164	\$7,960	31%
\$9,501+	91	\$11,618	17%

Charter schools also appear to receive less money than conventional public schools. Among the 612 charter schools that responded to the survey, the average revenue per pupil was \$6,585, compared with the conventional public school average revenue per pupil of \$9,518, according to the NCES for fiscal year 2004. Fifty-two percent of reporting charter schools said that on average, they receive between \$4,500 and \$7,000 per student (Figure 11).

**Figure 11. Average Revenue-Per-Pupil Breakdown**  
**Average Revenue Per Pupil: \$6,585**

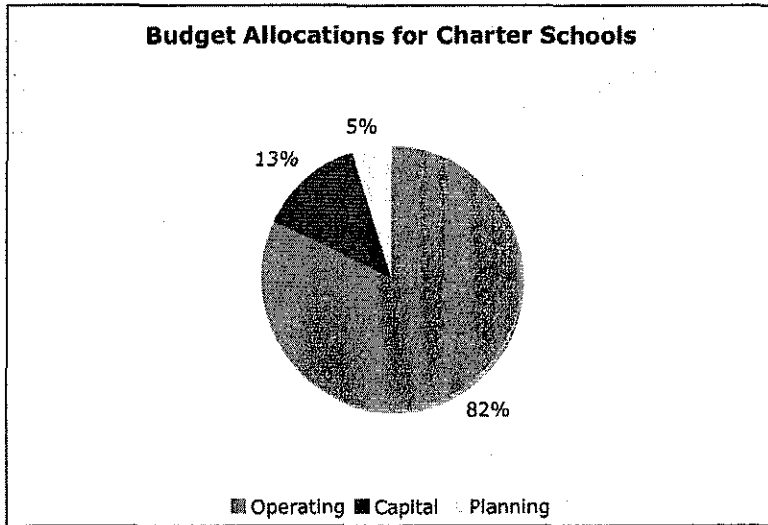
Surveys reporting a revenue-per-pupil amount between:

Range	Number of Surveys	Average Revenue	Percentage of Charter Schools
\$0-\$4,500	80	\$3,458	14%
\$4,500-\$7,000	319	\$5,807	52%
\$7,000-\$9,500	142	\$7,909	23%

\$9,501+	66	\$11,290	11%
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Charter schools report spending similar percentages of their budgets on capital, planning and operating costs from the previous survey report (Figure 12).

**Figure 12. Budget Allocations for Charter Schools**

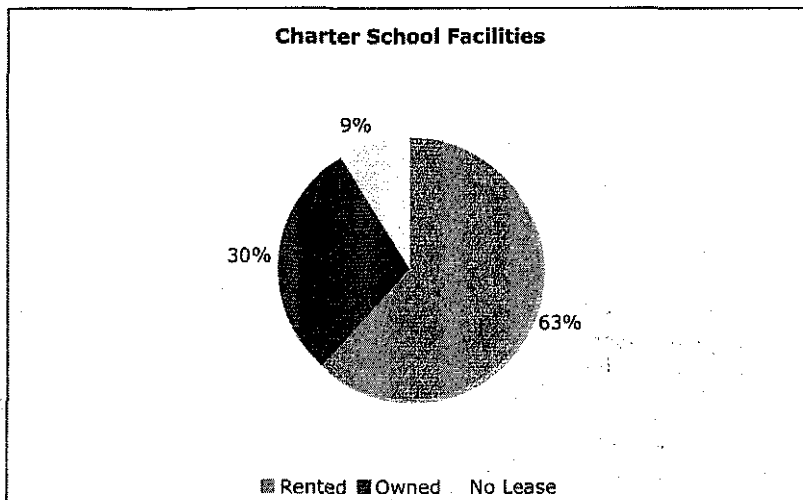


#### MAXIMIZING RESOURCES

Unlike conventional public schools, most charter schools do not receive funding to cover the cost of securing a facility. Of charter schools that responded, 25 percent receive some funding specifically targeted towards facilities, but that funding only averages 9 percent of their total budget.

Charter school operators improvise when finding a location for their school and often convert spaces such as retail facilities in shopping malls, former and current churches, lofts, or portable trailers into classrooms, cafeteria and gym space. Sixty-three percent of survey respondents rent their school building and only 30 percent own their facility. Charter schools rent their buildings from a variety of people and businesses. About 40 percent rent space from churches and other nonprofit organizations, but slightly over 30 percent rent their space from private commercial businesses (Figures 13-14).

**Figure 13. Charter School Facility Acquisition**



**Figure 14. Property Owners of Rented Charter School Facilities**

Private Commercial	31%
Church	20%
Other Nonprofit (not church)	16%
District	15%
Individual/ Residential	11%
Other Local Government (not district)	3%
State	2%
University/ College	2%

An effective balance between teachers and administrators is key to ensuring schools meet their primary responsibility, to educate children. Charter schools generally maintain high ratios of teachers to administrative personnel, averaging 19 full-time teachers to 4 full-time administrative staff, which is similar to the results of the last survey (Figure 15).

**Figure 15. Average Number of Employees**

Administrative Part Time	2
Administrative Full Time	4
Teacher Part Time	6
Teacher Full Time	19

**METHODOLOGY AND DATA NOTES**

In November 2006, CER distributed survey instruments to 3,900 operating charter schools. The survey posed general questions about educational programs and operations, standardized testing, and demographics. Through January 2007, 920 charter schools returned their surveys, representing a 24 percent return rate. CER compiled and tabulated the data presented in this report.

CER maintains and regularly updates a database of information on charter schools. Figures 1 and 2 represent a snapshot of charter school information taken in March 2007. Figures 3-15 are drawn from the most recent survey data.

#### **ADDENDUM 1: CHARTER SCHOOL ACHIEVEMENT DATA**

All across the country charter schools are continuing to provide parents with an exceptional choice, and kids a chance for improved academic achievement. While parental satisfaction is important, local and state measures offer the depth and validity in studying charter school success. The following is a sampling of key findings from around the states:

From the States:

- In 2006, 56 percent of the New Mexico's charter schools made AYP compared to 45 percent of the conventional public schools statewide. Charter schools improved 9 points from the 2004-2005 academic year. With New Mexico's tradition of poor academic performance, these results illustrate the promise, over time, that charter schools are improving public education.
- In Massachusetts, almost 75% of charter schools outperformed their host districts in English and math on the 2006 state assessment test, with average proficiency rates that were almost 8 percentage points higher than neighboring district schools.
- During the 2005-2006 school year, 2 out of 3 New York City charter school students in grades 3-8 met or exceeded grade level standards on the state math exam. Charter school students scored 13% higher than public school students within the same districts. 56% of students at 35 New York City public charter schools were proficient in reading and 66% were proficient in math, compared with 48% proficiency in reading, and 53% proficiency on state math exam, achieved by students in grades 3-8 attending traditional public schools located in the same districts as the city's charter schools.
- Charter students in the District of Columbia now account for 26 percent of all public school students, the highest in the nation. The 65 charter schools are also scoring higher in reading and math. Fifty-four percent of DC charter students are proficient in math, a full 10 percent higher than conventional schools. In reading 45 percent of charter students are proficient compared to 39 percent of students in conventional public schools.



- The percentage of charter school students in Florida who tested proficient in the state's reading assessment has grown faster than the gains posted by conventional public school students – charter school students rose from 55 percent to 58 percent, compared with an increase of 54 percent to 56 percent among conventional public school students.
- In 2006, Georgia charter schools made AYP at an unprecedented rate. As in 2004 and 2005, Georgia charter schools made AYP at a higher rate than traditional public schools, but in 2006 the gap between charter schools and traditional schools increased substantially. In 2006, 87.8 percent of Georgia charter schools made AYP compared to 78.7 percent of traditional public schools.
- Michigan's charter public schools exceed the average scores of their host districts on 23 of 27 state assessment tests in 2006, once again improving on their performance from the previous year. In addition, the number of schools "beating the odds" climbed from 25 last year to 40 this year. These primarily urban schools meet a state formula requiring at least 60% proficiency in math and English language arts, with at least half of the students qualifying for free-and-reduced lunch.