

Best Practices in Massachusetts Charter Schools: What We Know Now

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Executive Summary

Despite ample evidence that Massachusetts's charter public schools are among the highest performing schools—charter or traditional—in the country, a 2016 ballot initiative to open more of them failed by a large margin. Rhetoric on both sides of the issue was driven by emotion rather than data, and charter school detractors successfully advanced several myths about the schools. The ballot question's failure is unlikely to halt charter school expansion in the future, but it does slow the pace of the movement's growth and speak to the work that charter supporters must do to educate the public.

Among the most common myths about charter schools are: 1) charters are quasi-public schools that advance private interests, 2) charters “drain resources from districts, 3) charters produce “bad” or “mixed” academic results, 4) and charters push out the most “difficult to educate students.” None of these myths are true, particularly in Massachusetts, where the more than 20-year-old charter school law has led to a highly effective charter authorization system.

Massachusetts's charter schools are open to all students who wish to attend. When a student attends a charter, the money that the district school they would have received for that student simply follows him or her to the charter. Districts are even reimbursed when a student leaves a charter to ensure that charters are not a “drain” on district resources.

And enrollment and funding are not the only things that make charter schools public: Charters are established and run by boards of trustees, comprised of community members, who hold them accountable for everything from academic performance to financial management. Charters are also highly *accountable* to the public; if for any reason they fail to fulfill the terms of their agreement with the Board of Elementary and Secondary Education (the state's sole charter school authorizer), charters can be closed. The same is not true for district schools.

This type of strict accountability has proved beneficial for Massachusetts's charters, which include some of the highest performing schools in the country, helping students achieve unprecedented academic outcomes. Those that have failed to do so have closed. And charters do not achieve such results by pushing students out or refusing to education subsets of students. Data show not only that charter schools are educating a population of students strikingly similar to their district counterparts, but also that they serve those students better.

Despite clear evidence, myths about charter schools persist. This paper considers each of the myths described above and provides the best data and information to demonstrate why each is not true. It summarizes several white papers published by Pioneer Institute throughout 2016 and leading up to the November initiative.

Introduction

In November of 2016 Massachusetts voters voted to keep the stringent cap on charter public schools. Despite ample evidence that the Commonwealth's charters are the highest performing in the nation, the opposition—funded almost entirely by the Massachusetts Teachers' Association (MTA)—convinced the electorate that more charter schools would be “bad for public education.”¹

The opposition's argument rested on a number of false premises. First was the idea that charter public schools exist to advance private, corporate interests. The campaign to “Save Our Public Schools” ran numerous ads claiming that even though charters receive public dollars, they are backed by wealthy donors, often from other states, who have an interest in expanding the charter school movement.²

This is far from true. Massachusetts's charter schools are fully funded on the public dollar, and they are open to anyone who wants to attend. Like many public schools, charters fundraise to provide students with extra programming and resources. And since charter schools receive far less funding for facilities than district schools, most have to fundraise to pay rent or the mortgage on the buildings that house their students. This is one reason why charter schools often develop relationships with banks and wealthy donors.

This myth directly relates to another: that charter public schools “drain” districts of much-needed funding by siphoning away students, and the state-and-local funding that accompanies them. But Massachusetts has a sensible system for ensuring that when students leave districts for charter schools, state and local money follows them to their new school. Moreover, districts are generously reimbursed for the students they “lose.”

While some false claims were easy for charter detractors to highlight, others were more difficult. With ample research to show that charter schools produce incredible academic outcomes, it was difficult for the opposition to refute charter schools' academic success. Instead, the MTA advanced the idea that charters are only successful because they push out the most “difficult to educate students” (English language learners and those with special needs). They claimed that attrition from charter schools, particularly among these students, allows charters to achieve strong results while making it more difficult for districts to realize similar outcomes.

In making these claims, the MTA was again advancing propaganda rather than facts. Research shows that attrition from the Commonwealth's most successful charter public schools is equal to or less than in the districts where charter students would otherwise attend. Research also shows that students with special needs and English language learners attend district and charter schools at similar rates as the overall student population.

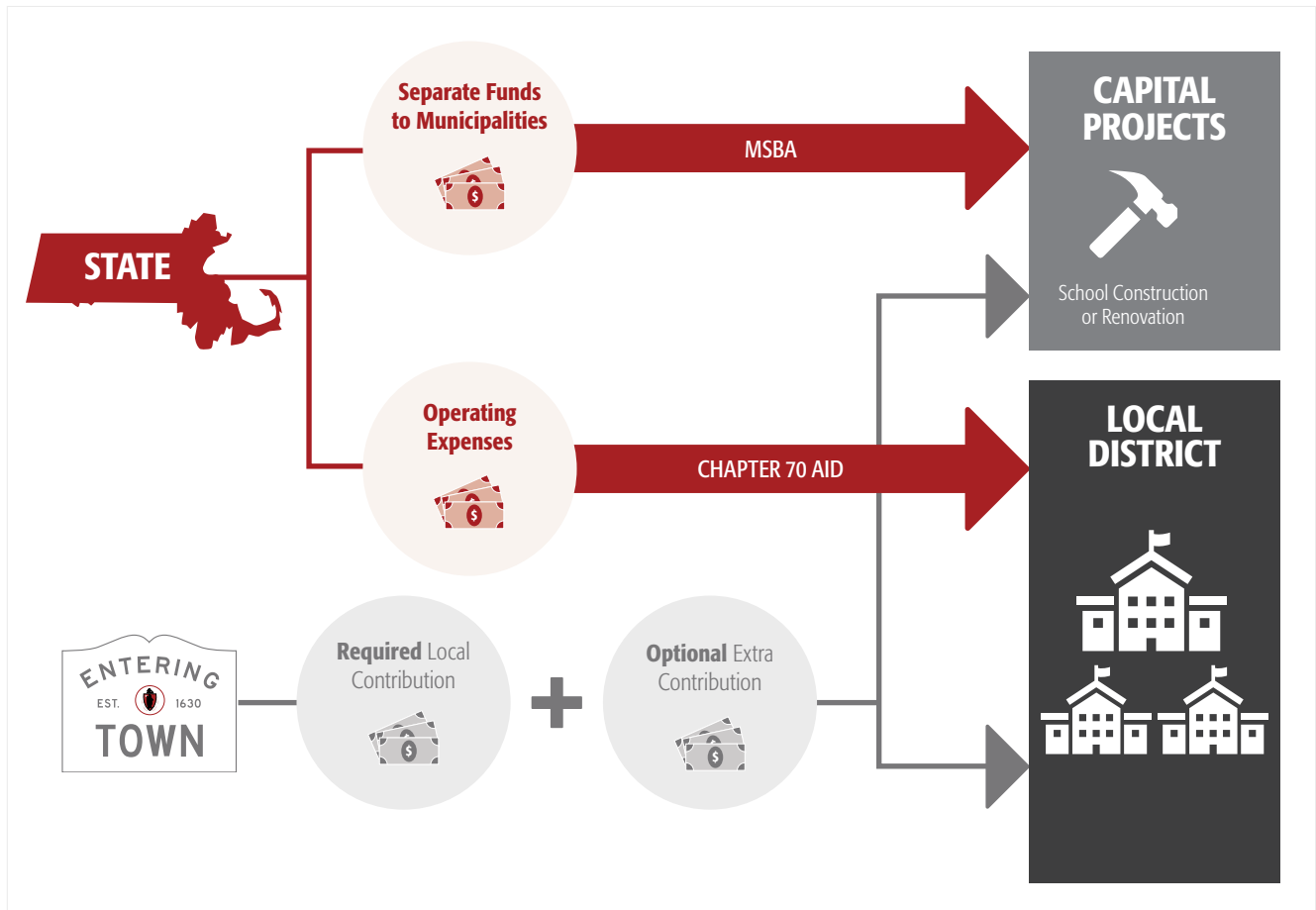
This paper summarizes the research-based truth about Massachusetts charter public schools, focusing on the ideas that were most prominent in the charter school ballot initiative debate. The data that follow are taken from a series of papers published by Pioneer Institute over the course of 2016.

Charter School Funding in Massachusetts

Massachusetts school districts receive roughly 90 percent of their revenue from either the state or local governments, with the rest coming from the federal government or private individuals and institutions. The state funds school districts directly for operating expenses, primarily through what is known as Chapter 70 aid. At the same time, state law calculates the minimum amount municipalities must provide to school districts—the “required local contribution.”

Cities and towns often choose to spend more than the minimum. The state also provides additional money to municipalities through the Massachusetts School Building Authority (MSBA) for capital projects such as school construction or renovation. These funding streams are illustrated in Figures 1 and 2 below.

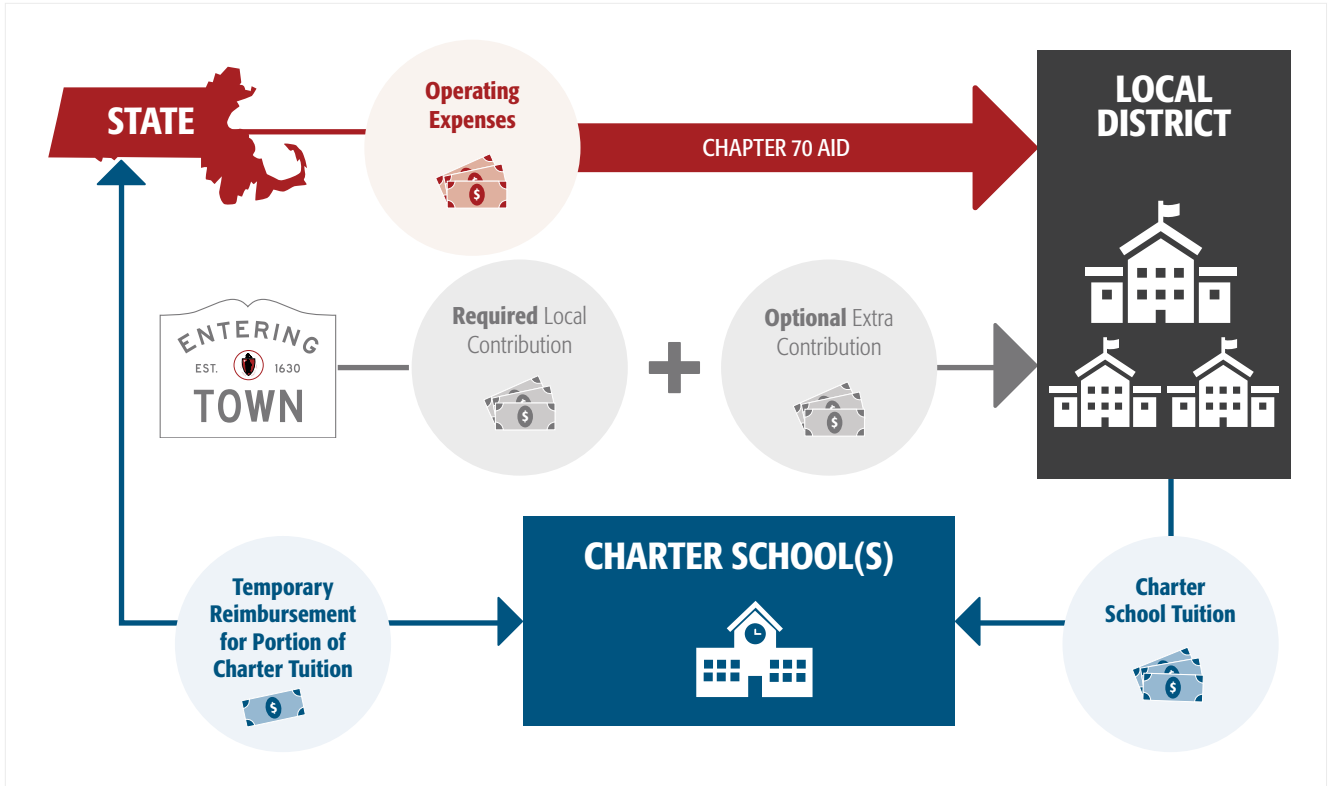
Figure 1: Flow of Funds to Local School Districts



Charter school funding works differently. Charter schools are public schools that are not managed by local districts. Although in some contexts the state treats charters as their own separate districts, this does not hold true in the school funding formulas.

State aid and local funds first flow to the local district as shown in the chart above. The state then requires districts to pay the charters tuition that is roughly based on the district's average per-pupil spending, and the state provides the districts temporary reimbursement for a portion of the tuition (the tuition and reimbursement calculations will be discussed in detail in a later section of this paper). The chart below illustrates funding for charters; the darker arrows indicate the flows specifically related to charters.

Figure 2: Flow of Funds to Charter Schools



We can look at Boston as an example of school funding. The district serves roughly 64,000 children, and 9,300 of these students attend charter schools. Chapter 70 required the district to spend a minimum of \$870 million in FY2016, or \$13,500 per pupil. To reach that level, the city had to contribute \$657 million and the state provided \$212 million. For charter students, the district pays tuition of \$145 million or \$15,500 per pupil, which includes \$890 per pupil for facilities. According to state law, the state should then have reimbursed the local district \$41 million, but because the state budget did not fully fund reimbursement payments the actual reimbursement was \$25.5 million.

Table 1: Example of School Funding in Boston, FY2016

	Amount (\$ millions)	Per Pupil
Local District		
Required Local Contribution	\$657	\$10,240
State Aid	\$212	\$3,310
Minimum Spending	\$870	\$13,550
Charter Schools		
Tuition (Operating)	\$136	\$14,740
Tuition (Capital)	\$8	\$890
Tuition (total)	\$145	\$15,630
Reimbursement – Calculated	\$41	\$4,410
Reimbursement – Actual	\$25.5	\$2,750
Reimbursement – Shortfall	(\$15)	(\$1,660)

The figures above illustrate several important differences between funding for charter schools and traditional districts. One is that the charter schools do not receive general operating funds directly from the state. Instead, the state funds local districts and the districts pay tuition for students attending charters. This separation means charter school tuition is often seen as a drain on local districts, even though the districts no longer educate the students for whom they are paying.

The bottom line is that state aid for charter students is subsumed in the overall Chapter 70 payment and therefore not readily visible when evaluating the financial impact of charters. The only state aid obviously tied to charter students is the reimbursement, which is provided outside Chapter 70 in a separate budgetary line item. Continuing the example of Boston; if reimbursement had been fully funded the state would have effectively paid \$7,700 per pupil between Chapter 70 aid and reimbursement, or more than half the total charter tuition.

This funding system is opaque, making it difficult to identify how much aid the state provides for charter school students. However, the setup also serves a purpose: to protect charter

funding from cuts. Including the bulk of aid for charter students in the overall Chapter 70 program makes it difficult to target charter schools or students in a budget cut. In contrast, the reimbursement is a separate line item and it is sometimes underfunded. A recent editorial in the Boston Globe made this point, arguing against attempts by the Massachusetts Senate to separate charter school funding from the bulk of Chapter 70, arguing that “isolating charters into a separate budget item would surely make them an easy target for cuts the next time there’s a budget crunch.”³ It also points out that some legislators “might see a charter budget as a pain-free cut that wouldn’t affect their constituents” and that it could “foster the very dynamic that charter opponents say they’re against — pitting public schools against one another.”

The second major difference in the flow of funds is that municipalities do not build charter schools or otherwise contribute to charters’ capital expenses, as they would with traditional public schools. Instead the charter school tuition calculation designates a small per-pupil amount for facilities funding, which comes from the state. Because the capital payment is substantially less than most charter schools’ actual expenses, less money is left for operating expenses.

So, do charter schools actually drain funding from districts? To evaluate the overall impact of charter schools on local districts, we must first decide what the alternative would be. In other words, should we evaluate the financial impact of a student attending a charter school compared to what would happen if the student leaves the district entirely, or to the situation that would exist if the student remained in the traditional local school? The following discussion considers both alternatives, and also evaluates what the impact would be if the state funded charter schools directly rather than through Chapter 70 and reimbursements.

The impact of charter schools depends not only on which comparison case is chosen, but also on the level of state aid a district receives. In general the impact on districts decreases as the percentage of overall school funding provided by the state increases. When people think about the impact of charter schools, the most common scenario they think about probably involves a student enrolled in a traditional local school who switches to a charter school. The immediate impact is that tuition payments rise and the district receives temporary reimbursement.

Table 2 extends the example to include Chapter 70 aid. Specifically, it illustrates the impact on a foundation aid community if a student leaves the local district to attend a charter school for 6th through 12th grade.⁴ The first few columns replicate the tuition and reimbursement outlined previously, illustrating the net payment from the district to the charter school. During the first year at the charter, the state reimburses the

entire cost of tuition, while the district still receives Chapter 70 aid. In the five subsequent years, the district receives Chapter 70 aid and partial reimbursement, and in the sixth year the reimbursement ends.

Table 2: Financial Impact of Loss of One Student in a Foundation Aid District

A	B	C	E	F	G
Grade	Tuition	Reimbursement	Chapter 70 Aid	Net Cost to Local District if...	
				Student Switches to Charter	Student Leaves District
5	0	0	11,700	NA	NA
6	12,600	12,600	11,700	0	0
7	12,600	3,150	11,700	-9,450	-11,700
8	12,600	3,150	11,700	-9,450	-11,700
9	12,600	3,150	11,700	-9,450	-11,700
10	12,600	3,150	11,700	-9,450	-11,700
11	12,600	3,150	11,700	-9,450	-11,700
12	12,600	0	11,700	-12,600	-11,700

Because this example looks at a foundation aid district, the state pays almost the entire cost of educating the student and state aid is roughly equal to the tuition payment. However, this does not mean the sending district is not affected—the district loses the tuition payments. This is illustrated in the second-to-last column of the table (column F). Compared to the alternative where the student did not enroll in the charter *and instead remained in the traditional local school*, the district faces lower enrollment and reduced funding. If schools or districts face significant fixed costs, the loss of students to charter schools could negatively affect local traditional schools (after the initial year of reimbursement). Over time as the schools are able to adjust their costs, the impact should fade.

However, the interpretation of Table 2 is different if we consider what happens when a student moves from one district to another, or goes to a private school instead of a charter. If the student leaves a traditional local school but does not enroll in a charter, the district would not pay tuition but it would also not be reimbursed. More importantly, the district would not receive Chapter 70 aid.⁵ The end result may be surprising: in a foundation aid community, a student leaving for a charter school may have less impact than a student moving out of the district or enrolling in private school (or even one who graduates from high school).

Regardless of whether a student attends a traditional or a charter school, the state shares the cost of education through Chapter 70 aid. At the same time, charter school opponents are correct when they state that charter schools divert funds

from traditional schools. However, the same could be said when a student leaves one district to transfer to another, graduates, or moves out of state—the original district often loses state aid. For foundation aid districts the loss in aid is likely to be almost as large as the tuition payment, although the tuition payment is visible and directly attributable to the charter school, while a reduction in aid is more nebulous. It is hard to imagine policymakers arguing that districts should continue to receive aid for students who graduate or move out of state, yet this is essentially the argument for some charter students.

Opponents of the current charter school funding scheme sometimes argue that the state should pay the entire cost of tuition. This argument is flawed on two levels. Most fundamentally, Massachusetts municipalities generally fund public education for resident children, and it is not clear why a child attending a different type of public school should be denied that support. If the state paid the entire tuition, municipalities would effectively abrogate their responsibility to educate local children.

Beyond basic questions about equitably sharing the cost of a child's education, some advocates of direct state funding may misunderstand how the school finance system currently functions. If the state were to pay the tuition, it would also stop providing Chapter 70 aid to the district for that student. For half of all charter students, the combination of foundation aid and the reimbursement is roughly equal to tuition — i.e. effectively the state already pays tuition. This does not mean charter schools do not represent a diversion of funding away from traditional schools, but it does imply that having the state pay tuition would have little net impact in many districts.⁶

The situation is somewhat different if the student did not attend a local school before enrolling in the charter school, as shown in Table 3. The district would be required to pay tuition when the student enrolls in the charter, but the local district would not receive Chapter 70 aid until the year after the student arrives.⁷ Reimbursement covers the entire cost during the first year, after which foundation aid covers most of the cost. The reimbursement then stops and the local district doesn't face any lingering fixed costs. There is no change in the number of students in the district, and the increase in state aid is approximately equal to the increase in tuition. This means the district sees almost no impact, and that the city or town pays very little of the cost of educating this student.

It is hard to imagine policymakers arguing that districts should continue to receive aid for students who graduate or move out of state, yet this is essentially the argument for some charter students.

Table 3: Impact of a Charter School Student Who Had Not Attended the Local District⁸

A	B	C	E	F
Grade	Tuition	Reimbursement	Chapter 70 Aid	Net Cost to Local District
5	0	0	0	NA
6	12,600	12,600	0	0
7	12,600	0	11,700	-900
8	12,600	0	11,700	-900
9	12,600	0	11,700	-900
10	12,600	0	11,700	-900
11	12,600	0	11,700	-900
12	12,600	0	11,700	-900

For the 185 districts from which half of all Massachusetts charter school students come, the interpretation again depends on what comparison is used. Tuition does not depend on state aid, meaning that a student leaving for a charter school results in the same diversion of funds from the local schools as in a foundation aid district (Table 4).

Compared to the alternative in which the student remains in the traditional local school, the district faces exactly the same situation as the foundation aid district—lower enrollment and reduced funding (as seen in column F). Once again, if the districts face significant fixed costs, the loss of students to charter schools could negatively affect district schools.

While tuition is the same, the impact and interpretation change if we consider the alternative of the student leaving for another district. In a foundation aid district losing a student causes a loss in aid, but an above foundation district would lose enrollment but not a significant amount of state aid. Thus a student leaving for a charter school reduces funding for the local district, while a student moving out of town has no effect

Table 4: Financial Impact of One Student Leaving an Above Foundation District⁹

A	B	C	E	F	G	H
Grade	Tuition	Reimbursement	Chapter 70 Aid	Student Switches to Charter	Student Leaves District	Student Switches to Charter & State Pays Tuition
5	0	0	0	NA	NA	NA
6	12,600	12,600	0	0	0	-4,000 (?)
7	12,600	3,150	0	-9,450	0	-4,000 (?)
8	12,600	3,150	0	-9,450	0	-4,000 (?)
9	12,600	3,150	0	-9,450	0	-4,000 (?)
10	12,600	3,150	0	-9,450	0	-4,000 (?)
11	12,600	3,150	0	-9,450	0	-4,000 (?)
12	12,600	0	0	-12,600	0	-4,000 (?)

on the local district’s finances (column G). While the local district loses funding in this situation, the impact on schools again depends on the extent to which schools or districts face fixed costs. If costs are mostly variable, they will fall when the student leaves for a charter school. If costs are fixed, the local district is squeezed by tuition payments.

It’s important to consider that districts should be responsive enough to “right size” their operations when they have fixed costs but tuition goes down. As school finance expert Marguerite Roza has pointed out, districts of all sizes operate successfully throughout the nation. When a district fails to adjust because of a loss of students to charter schools or for any other reason, it may reveal more about the district’s own flawed budgeting practices than the impact of charter schools.¹⁰

As the scenarios discussed above illustrate, Massachusetts charter school funding is quite complex and the impact on local districts can vary. However, rather than get lost in the details of obscure state aid formulas, it is helpful to consider a more fundamental question: whether funding should follow students or local districts should have a monopoly on public education funding.

District schools in Massachusetts are among the only ones in the nation to enjoy any reimbursement when a student chooses a charter over a district. While opponents of charter school expansion frame the issue as a “resource drain” on public schools, the data show otherwise. While in a limited number of cases districts may feel the financial impact of maintaining fixed costs when they lose students to charters, there remains a question of why districts aren’t “right sizing” to adjust to a shrinking student population (no matter the cause).

Moreover, it is important to recognize that the Commonwealth originally created charter schools to provide parents with different and sometimes better school choices. If one

believes that government should pay for education regardless of one’s choice of a public school, then the question of whether charters drain resources from districts is even less important: students who attend charter public schools should be entitled to the same resources as their peers in other public schools.

Charter School Performance and Attrition

It is difficult for charter detractors to deny that Massachusetts's charter schools produce stellar outcomes. Researchers have studied Boston's charters perhaps more than any other group of schools in the country, and the highest quality studies arrive at a similar conclusion: charter schools in Boston outperform their district peers and close achievement gaps for traditionally disadvantaged students. Tables 5 and 6 below show charter school student demographics both statewide and in Boston.

The majority of studies that find such strong outcomes for Boston's charters are randomized control trials (RCTs), considered the gold standard of academic research. In charter school randomized control trials, researchers compare students who have entered charter school lotteries and been admitted to students who entered the lotteries but were not admitted. Assessing the outcomes of similarly motivated students who have and have not received the charter school treatment allows researchers to control for selection bias; the idea that students who are the most motivated and likely to perform well are those who apply to charter schools in the first place. Table 7 below summarizes recent research findings on Boston charter school performance.

Table 5: Massachusetts Charter School Demographics

	Charters	State
African American	29.2%	8.8%
Asian	4.7%	6.5%
Hispanic	30.3%	18.6%
White	32.4%	62.7%
Economically Disadvantaged	35.5%	27.4%

Source: Massachusetts Department of Education, 2016

Table 6: Boston Charter School Demographics

	Boston Charters	Boston Public Schools
African American	53%	32%
Hispanic	35%	42%
White	8%	14%
Economically Disadvantaged	43%	49%

Source: Authors calculations from data published at http://profiles.doe.mass.edu/state_report/.

Though it might seem logical that such consistent findings would be a boon to the charter movement in Massachusetts and in Boston in particular, charter opponents have successfully (though wrongly) argued that charter schools only achieve these results because they push "less able" students out of their programs and back into district schools. Charter schools, they claim, have very high attrition rates, or rates of students leaving the charter from one year to the next.

Table 7: Studies Of Boston Charter School Performance

Abdulkodiroglu et. al, 2009 ¹¹ (RCT)*	Boston's charter middle schools "increased student performance by .5 standard deviations, the same as moving from the 50th to the 69th percentile in student performance. This is roughly half the size of the black- white achievement gap."
Angrist et. al, 2013 ¹² (RCT)	"Attendance at one of Boston's charter high schools increases pass rates on the state graduation exam, facilitates "sharp gains" in SAT math scores, and doubles the likelihood that students will sit for Advanced Placement examinations."
Center for Research on Education Outcomes (CREDO), Stanford University, 2013 ¹³	"Students enrolled in urban charter schools in Massachusetts learn significantly more than their counterparts in TPS. This is also true for suburban charter schools, though the impact is not as large."
Setren, 2015 ¹⁴ (RCT)	"Charter school attendance [in Boston] has large positive effects for math and English state exam scores for special needs students."

*Randomized Control Trial

But publicly available data show that this is not the case. Because Boston has the highest concentration of high-performing charter schools, it is an interesting case to examine. If Boston charters lose more students than the district through attrition (students leaving charters to return to the district) then charter claims about student achievement and college-going rates could be inflated. Moreover, if attrition from Boston charters were greater than the district, it would be important to examine why charters lose so many students and whether the failure to retain them is due to unethical behavior.

Looking at student attrition from the Boston Public Schools in comparison to the state average provides perspective, given that Boston is a large urban district and tends to have higher student mobility than other places. The following graph shows that in most grades (K-12) student attrition in Boston is slightly above the state average.¹⁵

There is also a noticeable increase in the attrition rate in Boston in grades 4 and 5. One reason for this could be the large number of charter school seats that become available in the fifth and sixth grades (if a student enrolls in a charter in the fifth grade, for example, it is counted as attrition from grade 4). The second chart below, which shows enrollment by grade in the Boston Public Schools (BPS) and Boston charters illustrates this. State attrition rates, on the other hand, sharply increase at grade 8. This could be because in many districts, especially those without a large charter school presence, students have fewer options to switch schools before high school, when they may enroll in a regional school, a vocational-technical school, or even a private high school.

Figure 1: Attrition Rates by Grade, 2015

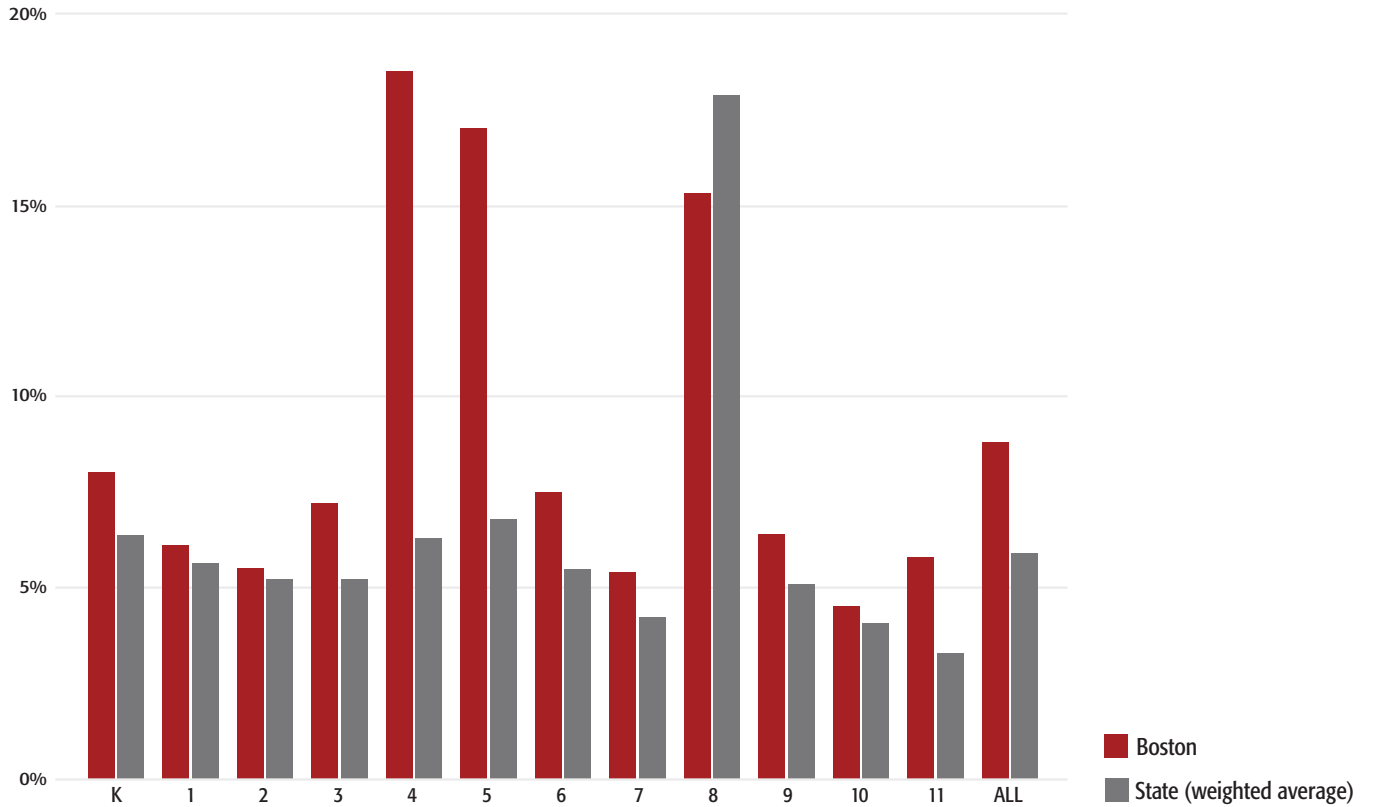
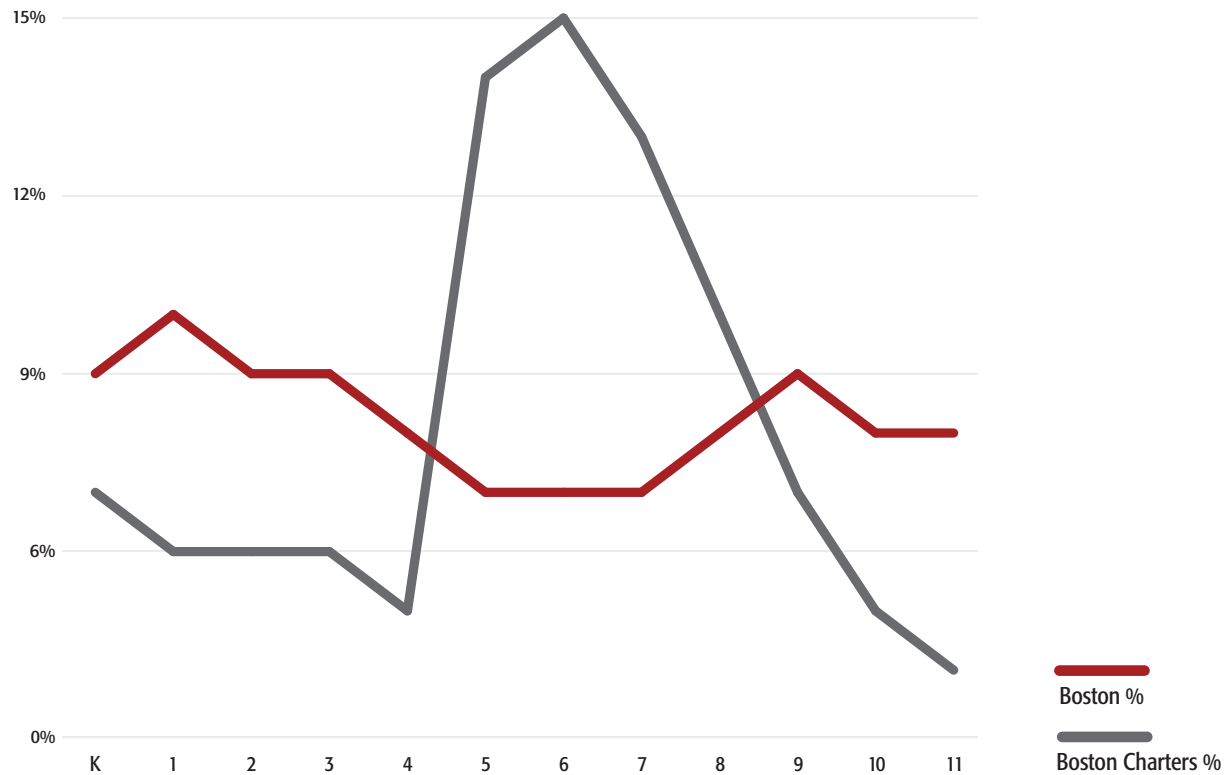
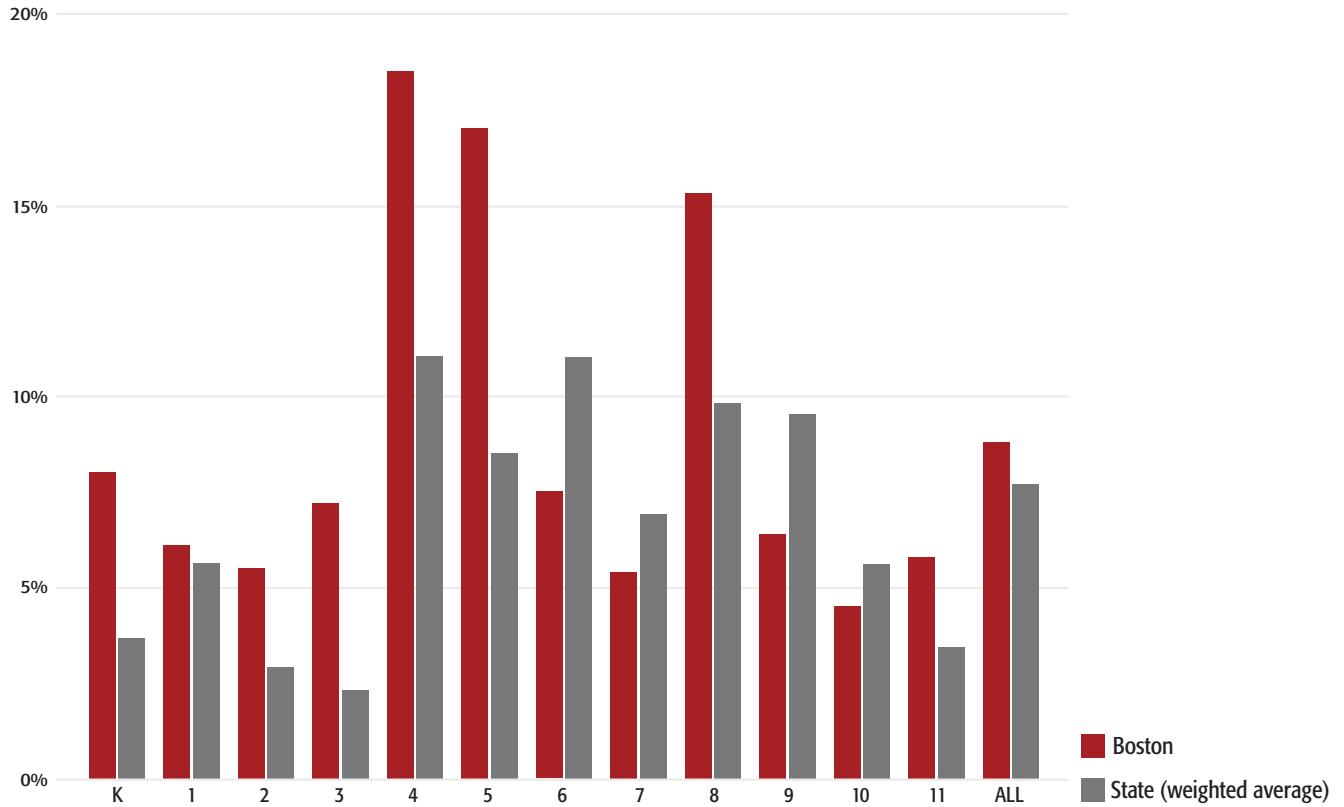


Figure 2: Enrollment by Grade, 2015



When comparing attrition rates between the Boston Public Schools and the city's charter schools, it is more meaningful to look at all charters in Boston (19 total) compared to all schools in the district. The previously discussed 2009 MTA report looked only at some charter schools and concentrated on the attrition rate for that group of schools.¹⁶ Of course, it is reasonable to expect that there has been a shift in attrition rates for all schools, but particularly charters, since charter school legislation passed in 2010 first held charters accountable for recruiting and retaining special populations of students. The graph below shows attrition rates for Boston Public Schools and Boston charters, as a group.

Figure 3: Attrition Rates by Grade, 2015



The attrition rate in Boston charters was lower than in BPS for 8 out of 11 grades in 2015, which gives Boston charters a lower overall attrition rate for all grades. There is no definitive answer for these higher charter attrition rates in grades 9 and 10. However, higher attrition at these grades may be reflective of students leaving charter high schools soon after they enroll because they do not feel the charter approach, curriculum, or level of rigor is suited to their needs. Others may leave because some charter high schools do not practice social promotion. City on a Hill Charter Public High School, for example, states in its 2015 Annual Report: “There is no social promotion at City on a Hill. 100% of students promoted to the next level in each subject demonstrated mastery of the school’s Common Core-aligned college prep curriculum by earning 70% or above on written and oral proficiencies.”¹⁷

Whatever the reason for higher attrition from district and charter schools in certain grades, the data presented above obscure both higher and lower attrition rates for some schools (charter and district). The state rightly holds individual schools accountable for high attrition rates by publishing them on an annual basis.¹⁸ Moreover, districts are formally accountable for their dropout and cohort graduation rates at the high school level.¹⁹ Both things factor into a district’s overall accountability rating. For a charter school, a low accountability rating could result in their charter not being renewed.²⁰

Perhaps most important in terms of attrition is whether, on average and from year to year, Boston charters have an attrition rate that is dramatically different from the state average or the sending district. Much higher attrition could suggest some degree of push out, but the data do not support this suggestion.

The state has been carefully tracking attrition rates since the 2010–2011 school year and finds:²¹

The weighted attrition rate for Massachusetts charter schools statewide has declined and has approached the statewide weighted attrition rate. . . because charter schools are disproportionately located in urban areas, it may be expected that the statewide charter attrition rates would likely be higher than the overall statewide average, since urban school attrition rates are generally higher.

The weighted attrition rate of Boston charter schools has remained lower than the weighted attrition rate of Boston district schools.

The state’s data clearly show that student attrition, or “push out” is not the reason why Boston’s charter schools perform so well. According to the Commonwealth’s own data, which is used for accountability purposes, students enrolled in Boston’s charter schools are actually less likely than their district counterparts to switch schools. And these data hold true even for special student populations, such as English language learners and those with special needs.

Charter Schools and Special Populations

One of the final and most powerful arguments that opponents make against charter school expansion is that charters discourage English language learners and other special needs students from attending. While at one point charter schools did enroll special populations of students at significantly lower rates than their district counterparts, there is little evidence to suggest that charters discouraged these students from attending. Instead, prior to 2010 Massachusetts law made it difficult for charter schools to recruit these students.

Until relatively recently, district schools were not required to share information about enrolled students with their charter counterparts. Charters—many of which were middle and high schools²²—were therefore left to recruit families by word of mouth, on-the-ground campaigns in the neighborhoods surrounding their campuses, or from gaining access to a group of students assembled at a sympathetic district school.²³

With the passage of “*An Act Relative to the Achievement Gap*” in 2010, the Commonwealth lifted the charter cap in the lowest performing 10 percent of districts. The legislation also included a provision that required districts share student mailing addresses with their charter school counterparts; and another required charter schools to provide the Commonwealth with detailed recruitment and retention plans. They are useful tools for holding charters accountable for enrolling similar numbers of ELL students and students with special needs (SPED) students as district schools.²⁴

By 2011, the year after the law went into effect, it was clear that charters were responding to the call to recruit more English language learners and students with special needs. This was most obvious in urban centers such as Boston, where disparities in special population enrollments between districts and charters were greatest.

By 2012, ELL enrollment in Boston charter schools had more than tripled. The increase in enrollment for students with special needs was even more dramatic. And enrollment for both groups has grown steadily since that time, as illustrated by the graphs below. And while both graphs show that Boston charters have not yet reached enrollment parity with the district for special populations, a 2015 study by Elizabeth Setren of MIT²⁵ shows that enrollment of special populations has risen in charter school lottery years, suggesting that charters will continue to enroll more of these students over time.

But enrolling more English language learners and students with special needs only matters if charter schools are serving those students well. Charter detractors have long claimed that it is *because* charters don’t serve these students at the same rates as districts that charters are able to produce strong academic outcomes. Data show that this is not the case.

Figure 4: ELL Enrollment %, Boston

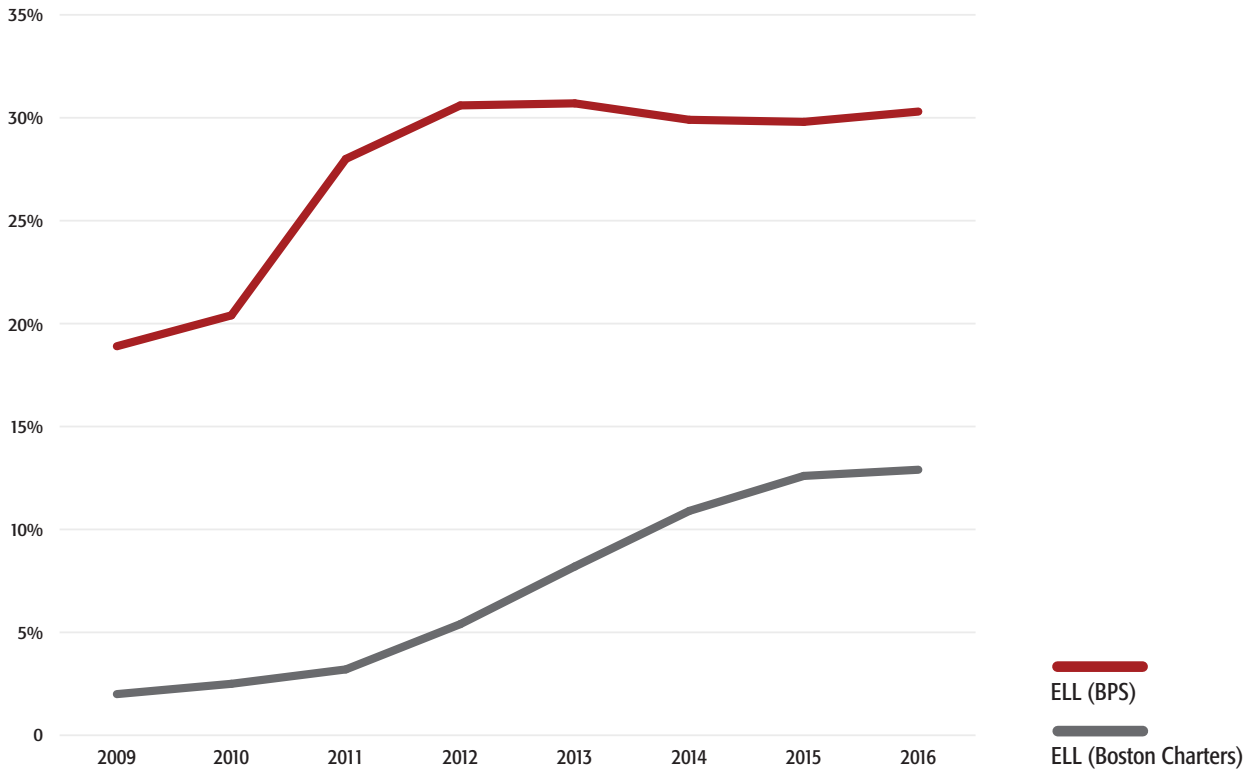
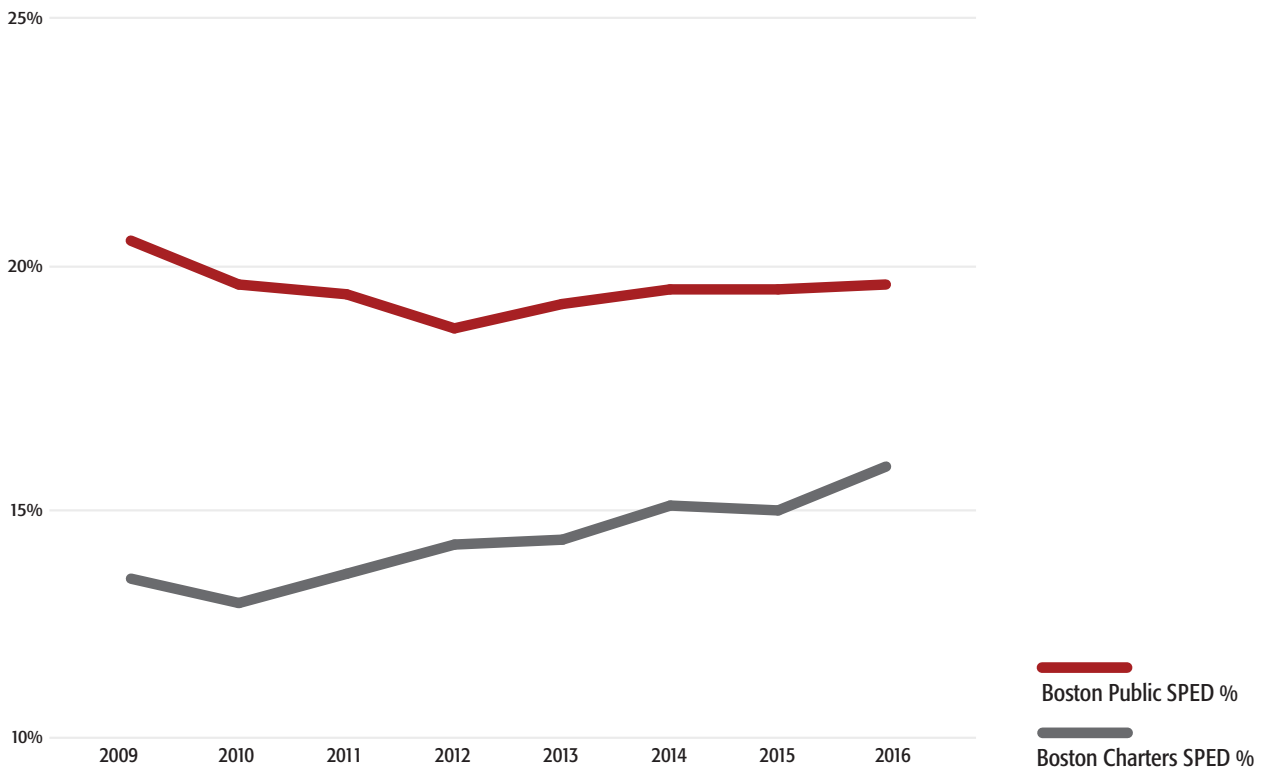


Figure 5: % SPED in Boston Public and Boston Charters, 2009–16



For example, a comparison of special needs students in charter and traditional public schools in Springfield and Boston—two cities with greater concentrations of charters than other areas—shows that charters are serving these students well. In Springfield, a slightly higher percentage of charter school students with special educational needs score proficient or advanced on MCAS than their district school counterparts. In Boston, the number of charter school students with special

educational needs who score proficient or advanced is more than double that of their counterparts in the district.

The same trends hold for English language learners in charter schools. MCAS data from 2009 to 2014 show that while the percentage of ELL students scoring “advanced or proficient” on MCAS has declined slightly statewide, it has risen in both Boston Public Schools and Boston’s charter public schools. More students enrolled in Boston’s charter schools, however,

Figure 6: 2014 MCAS - All Grades - % Proficient or Advanced

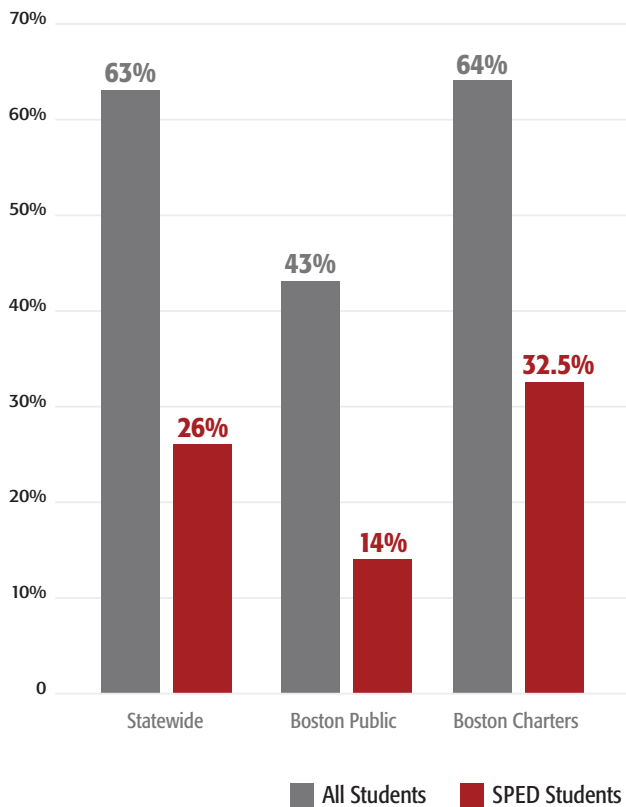
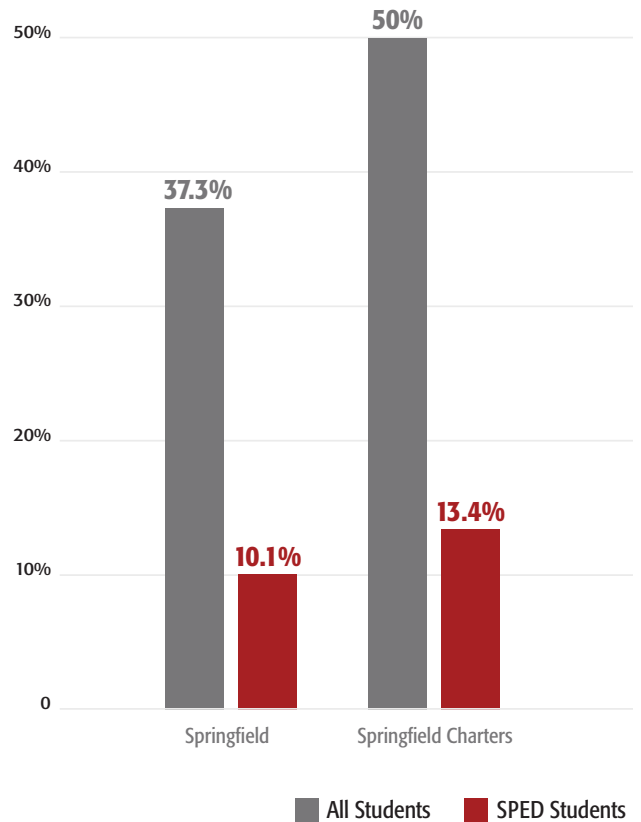


Figure 7: 2014 MCAS - % Proficient or Advanced



consistently score “advanced or proficient”: in 2009 only 12 percent of BPS students were categorized as such, compared to 22 percent in 2014. In Boston’s charter schools, 32 percent of ELL students achieved “advanced or proficient” status in 2009; 38 percent achieved that status in 2014. Even as the number of ELL students enrolled in Boston’s charters has increased at a greater rate than at BPS, charter schools continue to help concentrated groups of English language learners achieve at higher levels than their district school peers.²⁶

MCAS data, however appropriate for accountability purposes, do not control for selection bias, or the potential that more motivated or able ELL and SPED students are choosing charters. A 2015 randomized control trial performed by Elizabeth Setren of MIT does account for selection bias.

Both English language learners and students with other special needs (referred to below as a collective) achieve better outcomes in Boston charter schools, in particular. She writes:

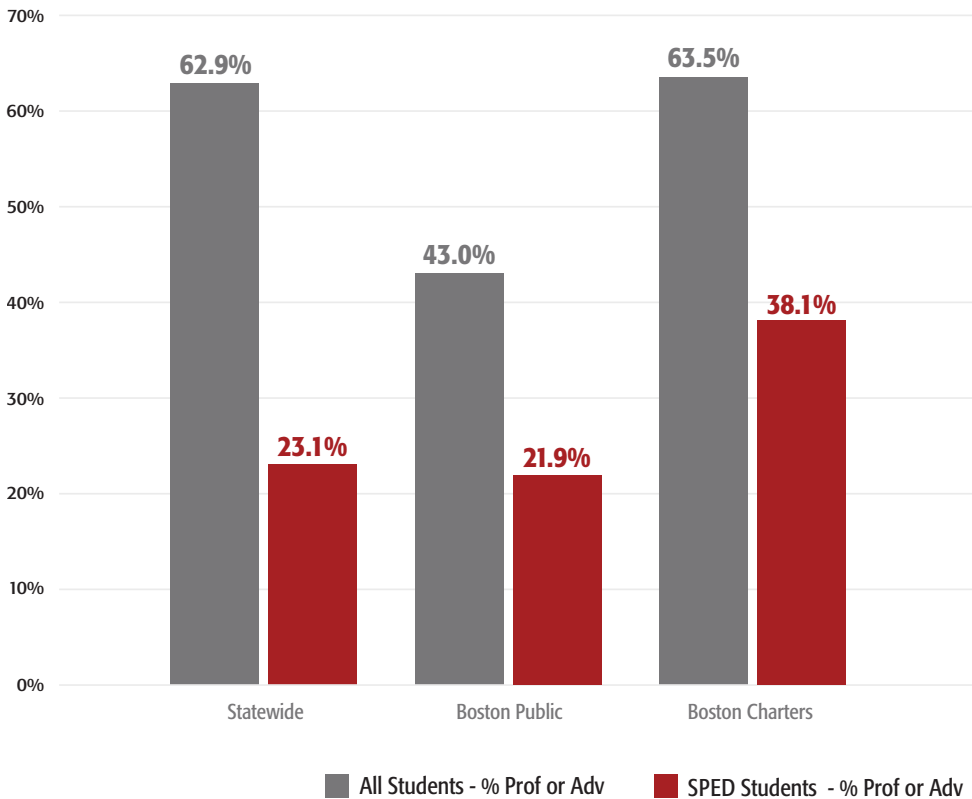
Charter school attendance [in Boston] has large positive effects for math and English state exam scores for special needs students. A year of charter attendance increases math test scores by over 0.223 standard deviations for middle and high school special education applicants and by 0.309 standard deviations

for elementary school special education applicants. Since the charter effects are similar across special needs status, the special needs achievement gap remains in charters. However, one year of charter attendance for a special needs student narrows the special needs achievement gap.²⁷

In her study, Setren also questions whether the charter school advantage could be due to higher attrition of special populations from charter schools. She finds that the attrition of “weaker” students is not the cause of better charter school outcomes, noting “special needs students are overall similarly or less mobile in charters,” which suggests that student attrition from charter schools is “unlikely” to drive the results that those schools achieve.²⁸

Setren’s study of Boston’s successful charter schools is unlikely to be the last. Unfortunately, the public debate about whether to expand charter schools in Boston and beyond has been rooted in political rhetoric and not data. Looking to the future, charter proponents must not only rely on facts, they should also make the facts comprehensible to the general public, explaining whom charter schools serve and what the research shows about charter school results.

Figure 8: 2014 MCAS, % Proficient and Advanced



Conclusion and Recommendations

The overwhelming vote *not* to expand charter schools in Massachusetts is unlikely to stop the expansion of these successful schools for very long. But whether the public ultimately understands the real, positive impacts of charters will depend on how successfully charter advocates can explain what charter schools are, whom they serve, how they function, and what they do.

Despite the many myths that have been successfully circulated about charter schools, the data are clear: charters are public schools of choice that overwhelmingly serve poor and minority students and serve them well. Boston's charter schools in particular are among the very best public schools in the nation; this is a finding that has been confirmed several times over by the highest quality research. Finally, there is no evidence that Massachusetts charter schools achieve the results they do because they push some students out or discourage "difficult to educate" students from attending. In fact, in the most successful charter schools, students are less likely to switch schools than are their district peers. This includes English language learners and students with special needs.

It is imperative that stakeholders on both sides of the issue come together to discuss how charter public schools have positively impacted district schools and vice versa. Each type of public school has something to learn from and something to teach the other, and innovation and sharing best practices was a primary reason why the legislature created charter schools in the first place.

Recommendations

Use Data to Drive the Conversation: Emotion, rather than data drove the November 2016 ballot initiative. Opponents of expanding charter schools, namely the Massachusetts Teachers Association (MTA), which funded the vast majority of the opposition's campaign, convinced voters of many myths that have existed about charter schools for years. Charter school supporters can easily refute these myths with the ample data available, especially data about the Commonwealth's high-performing urban charter schools. But supporters must better define what a charter school is. They must also educate the public about whom charters serve and how they are financed. Finally, supporters must make the ample data about charter public school student achievement clear and easy to understand.

Help District Bureaucracies "Right Size" Operations: When school districts fail to behave in economically efficient ways—when they become too cumbersome to react nimbly to enrollment changes—students and taxpayers are negatively affected. Massachusetts charter public schools do not drain resources from districts; rather they reveal inefficiencies. When large numbers of students choose charters over districts and districts must send the money that they would use to educate those students to charters, they must be able to adjust accordingly. Considering that Massachusetts school districts are reimbursed millions of dollars in taxpayer money each year for students who have left for charters, it is in the interest of policy makers and the citizenry to provide districts with the tools they need to "right size" when enrollment declines.

Provide Incentives for Charter/District Collaboration: Authors of the original Massachusetts charter school law believed all schools could benefit from successful charter schools. They believed that if charters had the autonomy to innovate, they could share some of what they learned with their district counterparts. Though some well-intentioned initiatives and organizations have attempted to facilitate the sharing of best practices across sectors, the impacts of these efforts are unclear. But charter and district schools are too often pitted against one another. The Commonwealth should consider how to facilitate true partnerships between charter and district schools, with an eye to sharing best practices between sectors. This could include providing incentives for districts and charters to pool facilities and resources, allowing each type of school to see, close up, what the other is doing.

Create Charter Policy That Ensures Real Autonomy and Real Accountability: The "no" vote on the 2016 charter ballot initiative was a major blow to charter supporters, but it is also a great opportunity. The initiative limited charter expansion to low performing districts and did little to address a flawed 2010 law that limited charter expansion to "proven providers." Circumscribing where charter schools can expand and who can establish them runs counter to the original idea of charter schooling and, most importantly, limits charter schools' ability to provide innovative programming. Massachusetts is known for its strict approach to authorizing, one in which charters are clearly accountable for performance, but it must also secure the second part of the "charter bargain" and ensure that all charters have the opportunity to innovate and share new and innovative practices across sectors.

Endnotes

1. See “No on 2” slogan “bad for our schools,” at <https://saveourpublicschoolsma.com>
2. Phillips, Frank, “Outside money flows for Mass ballot items,” *The Boston Globe*, October 30, 2016, <https://www.bostonglobe.com/metro/2016/10/30/ballot-question-campaigns-break-spending-record/lqIXl6bVzYMvNZzvce8vK/story.html>.
3. “A bad idea on charter schools.” *Boston Globe*, March 18, 2016.
4. To keep the analysis simple, the table ignores inflation as well as the differential costs by grade. \$12,600 is the average charter school tuition statewide (excluding capital funds), and \$11,700 is the weighted average foundation budget for all sending districts. As discussed previously, tuition is higher than foundation for several reasons, in part because many districts choose to spend more than foundation. The average foundation budget is higher in the sending districts than the statewide average because they have larger numbers of non-English speaking students and low-income students.
5. The impact on Chapter 70 is delayed because the formula uses enrollment from October to determine aid the following year. The precise impact on Chapter 70 aid is further complicated because it could be different in a foundation aid district where enrollment falls substantially. If enrollment declines quickly enough, the district would cease to be a foundation aid community and aid would not change if enrollment continued to decline. Unfortunately in any discussion of Chapter 70 there are almost endless permutations that make generalizations almost impossible.
6. This is not true for all foundation aid districts. In some districts, if enough students were removed from the foundation budget the district would no longer receive foundation aid— i.e. aid would stop falling or at least fall more slowly at some point as students left.
7. The delay occurs because Chapter 70 is based on the prior year’s enrollment. However, this also means that the district would continue to receive state aid for this student the year after she graduates.
8. This table ignores details that marginally affect tuition and Chapter 70 aid, as explained in the prior footnote.
9. This table ignores minimum aid (\$25 per pupil in FY16) and assumes that target aid is not funded. It also illustrates the incremental aid that one student generates, not the average aid per pupil.
10. Roza, Marguerite, “Do charters really drain money from public school students?” *The Los Angeles Times*, May 19, 2016, <http://www.latimes.com/opinion/op-ed/la-oe-roza-charter-fiscal-impact-public-20160519-snap-story.html>.
11. Abdulkadiroglu et. al (2009) “Informing the debate: Comparing Boston’s charter, pilot, and traditional schools,” *The Boston Foundation*, p. 9.
12. Angrist, Joshua, Pathak, Parag, A., and Walters, Christopher, R. (2013) “Explaining charter school effectiveness,” *American Economic Journal: Applied Economics* 2013, 5(4): 1–27
13. Center for Research on Education Outcomes (2013) “Charter School Performance in Massachusetts,” *Stanford University*, p. 19.
14. Setren, Elizabeth (2015) *Special Education and English Language Learner Students in Boston Charter Schools: Impact and Classification*, pp. 8-9.
15. Unless otherwise noted, all data included in this report are based on the authors calculations derived from data provided by the Massachusetts Department of Elementary and Secondary Education.
16. Schools included in the report were: City on a Hill, Codman Academy, Match High school, Academy of the Pacific Rim, Boston Collegiate High School, Boston Preparatory, and Roxbury Prep middle school.
17. City on a Hill Charter Public Schools 2014-15 Annual Report, <http://www.cityonahill.org/wp-content/uploads/2015/08/City-on-a-Hill-2014-15-Annual-Report-Final.pdf>, accessed October 10, 2016.
18. See Massachusetts Department of Elementary and Secondary Education School and District Profiles: <http://profiles.doe.mass.edu>
19. The cohort graduation rate “tracks a cohort of students from 9th grade through high school and represents the percentage of the cohort that graduates within a certain amount of time.” From: MA DESE website, “Information services, statistical reports,” “Annual dropout rate v. cohort graduation rate,” <http://www.doe.mass.edu/infoservices/reports/gradrates/dropoutvsgrad.html>.
20. Massachusetts Executive Office of Education “School leaders guide to the 2016 accountability determinations,” <http://www.mass.gov/edu/docs/ese/accountability/annual-reports/school-leaders-guide.pdf>, accessed October 12, 2016.
21. MA DESE, “Charter school enrollment data, annual report” (2016), p. 13, <http://www.doe.mass.edu/research/reports/2016/02CharterReport.pdf>, accessed October 10, 2016.
22. Massachusetts Charter Schools Fact Sheet, 2016, Massachusetts Department of Elementary and Secondary Education, <http://www.doe.mass.edu/charter/factsheet.pdf>
23. Interview with Paul Hays, Chief Academic Officer, City on a Hill Charter School Network, published in: Candal, Cara (2013) “Preserving charter school autonomy,” *Pioneer Institute White Paper*, no. 99, p. 6.
24. Massachusetts Session Law, Chapter 12, Section 7.
25. Setren, Elizabeth (2015) *Special Education and English Language Learner Students in Boston Charter Schools: Impact and Classification*.
26. MCAS data for multiple years retrieved from http://profiles.doe.mass.edu/state_report/mcas.aspx
27. Setren (2015), pp. 8-9.
28. Setren, Elizabeth (2015) *Special Education and English Language Learner Students in Boston Charter Schools: Impact and Classification*, pp. 15-16.

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