I. Charter Schools in Perspective

The charter school movement grew out of a belief that a carefully developed competition among existing public schools and new kinds of schools developed by local educators, parents, community members, school boards and other sponsors could provide both new models of schooling and the incentives to improve the current system of public education.[1]

In the early 1990s, several states developed legislation permitting the creation of a limited number of "charter" schools. Each charter school has a contract specifying how it will operate and what it must do in order to receive public funds for a set period of time; the contract holds the charter school accountable for improving student performance and achieving the goals of the charter. In several cases, the states have freed charter developers from most regulations that otherwise apply to public schools, apart from health, safety, and antidiscrimination laws. In other states, the charter laws are more restrictive, as the next chapter discusses. At the end of school year 1995–96, more than 252 charter schools were operating in ten states, while 15 other states had passed charter legislation. At the beginning of 1997, 428 charter schools were serving students—and these numbers are likely to grow rapidly over the next few years.

American education has thus embarked on an experiment to see whether the charter approach serves students well, can provide models for improving public education, and can become a catalyst for changing state and local public school systems. The 1994 amendments to the Elementary and Secondary Education Act established a role for the federal government in the charter movement by authorizing funds for charter school development and for a national study to assess the impact of charter schools. This document is the first annual report from the four-year national Study. Its purpose is to provide an early indication of charter school development and implementation.

The Study's Research Focus and the Scope of This Report

Over four years the Study will monitor charter school developments and address research and policy questions in three major areas:

- **Implementation.** In what ways are charter schools similar to or different from other public schools? What types of students attend charter schools? Do they differ from students in other public schools? What factors influence charter school development and implementation? How do states differ in their approaches to charter schools? In what ways do charter laws and policies affect charter schools in each state?
- **Impact on students.** Do charter schools have a positive impact on student learning? What are the conditions under which charter schools improve or do not improve student achievement and other aspects of student learning?
- **Effect on public education.** How do charter schools affect local and state systems of public education? Are charter schools developing models or reform strategies that other public schools might use to improve education? Does their existence pressure other schools to reform? What lessons can be learned from the successes and failures of charter schools?

The Study's research methodology consists of annual phone interview surveys of all charter schools; repeated field visits to cohorts of samples of charter schools; comparisons over time of student assessment results between a sample of charter schools and matched noncharter schools; and analyses across states of charter laws, state agency rulings and procedures, court rulings, and education policy. Appendix A summarizes the Study's research design.

This first-year report provides information about the first research topic listed above—how charter schools are being implemented. It is descriptive, focusing on where charter schools are located, what they are like, what types of students are enrolled, how charter schools were started, and what problems and barriers they have encountered.

Describing charter schools is not easy. Freed from existing rules and regulations, but explicitly accountable for student performance, some charter schools have the potential to break the conventions of public schooling. These charter schools may look different from standard public schools, yet may be quite distinct from one another. General statements about charter schools must therefore be drawn with care—or substantial differences between charter schools could be ignored and the comparison of charter schools with other public schools could be misleading. Indeed, the conventional methodology of education research also has to be stretched to examine these potentially unconventional schools. Accordingly, the first study year has focused on canvassing the charter school movement in order to inform and shape our future in-depth research. Instead of offering premature conclusions, this report seeks to portray charter schools accurately and frame those research and policy questions that a national study can—and cannot—address.

The report serves another crucial purpose. The charter school movement is controversial, despite the small number of charter schools currently operating. This charged context calls for impartial research. The Study is publishing this progress report at the earliest possible time to provide an opportunity for policymakers, practitioners, and researchers to help the Study team ask the right questions in an impartial way.

Contents of the First-Year Report

Chapter II of this volume reviews the state role in the charter movement, providing examples of ways that states approach charter development. The differences in state approaches partly account for the variety of charter schools that are now operational. (Appendix B provides an abbreviated summary of state charter school laws.) Chapter III describes basic characteristics, including school size, grade levels, and student demographics, of currently operating charter schools. These data will provide information about what types of students attend charter schools. Chapter IV discusses why charter schools were founded and what barriers they encounter.

The data provided in these chapters are preliminary in two senses. First, most existing charter schools are still in early stages of development. The Study will be able to provide a more accurate picture of the charter school movement over time as charter schools evolve and stabilize. Second, in the 1996–97 school year, the Study will begin intensive field visits and analysis of student achievement at charter schools. With the completion of this next research phase, the Study will provide more in-depth and comprehensive evidence for both policymakers and practitioners.

II. The State Role

Minnesota became the first state to enact charter school legislation in 1991. Since then, the charter reform concept has spread rapidly. As of July 1996, 25 states had enacted varying forms of charter school laws (federal legislation also places the District of Columbia under a charter law). Exhibit 1 lists states that currently have charter school legislation and the year their legislation was first enacted.

Exhibit 1—*States with Charter School Legislation, by Year of First Enactment as of June 1996*

1991	1992	1993	1994	1995	1996
Minnesota	California	Colorado Georgia Massachusetts Michigan New Mexico Wisconsin	Arizona Hawaii Kansas	Alaska Arkansas Delaware New Hampshire Louisiana Rhode Island Wyoming	Connecticut District of Columbia Florida Illinois New Jersey North Carolina South Carolina Texas

Exhibit 2 shows the number of charter schools in operation as defined for the purpose of this Study[2] as of January 1997 and the year they were first established. As of January 1, 1996, 252 charter schools were operational in 10 states under the auspices of charter legislation.[3] In the year between January 1996 and January 1997, charter schools have opened in six additional states and the District of Columbia and more schools have opened in nine of the ten original states. As shown in Exhibit 2, 428 charter schools were operational as of January 1997. These schools represent a small fraction of the approximately 85,000 public schools that exist nationally, but the movement is growing. President Clinton has called for 3,000 charter schools to be established by the turn of the century. However, it is difficult to predict how many charter schools are likely to be established. Their expansion depends on such state and local factors as how many additional states enact charter legislation, whether existing charter school states permit more charter schools to be formed, and whether policymakers and the public alike perceive charter schools to be successful and worth expanding.

The specific terms of states' charter legislation vary widely and reflect considerable differences in how the states view the charter school concept. In some states, charter school legislation could be characterized as a relatively modest effort to facilitate modifications in the relationship of existing individual schools to local school districts. On the other end of the spectrum, charter legislation in other states provides opportunities for fundamentally different schools, sponsored by groups such as state boards of education or public universities, as well as local school boards. This chapter describes differences in state charter policies and raises research issues for subsequent study.

Variations in State Policies

Numerous commentators have proposed that charter school legislation be based on key principles, though people differ on specific recommendations. For example, Ted Kolderie, a

Exhibit 2—*Estimated Number of Charter Schools in Operation, by Initial Start Year*

State	1992–93	1993–94	1994–95	1995–96	Total as of Jan. 1996	Added schools as of Jan. 97	Closed schools as of Jan. 97	Total as of Jan. 1997
CA		26	36	30	92	21	1	112
AZ				47	47	58	2	103
MI			2	41	43	33	–	76
CO		1	13	10	24	8	–	32
MN	1	5	7	4	17	2	–	19
MA				15	15	7	–	22
WI			2	3	5	6	–	11
NM			4		4	1	–	5
GA				3	3	9	–	12
HI				2	2	–	–	2
AK						3	–	3
DC						3	–	3
DE						2	–	2
FL						5	–	5
IL						1	–	1
LA						3	–	3
TX						17	–	17
TOTAL	1	32	64	155	252	179	3	428

leading advocate of charter reform legislation, proposed in 1990 several specific features for state charter school reform legislation, including the following:

1. States should permit more than one public organization to sponsor public schools. Thus, local school districts would no longer have the "exclusive franchise" to sponsor public schools.
2. The charter school should be a public nonsectarian school and be prohibited from using an admissions test or charging tuition beyond what the state and local community provide.
3. The charter school should be independent of local labor/management agreements, and could develop its own working conditions.
4. The charter school should have an explicit contract (or charter) for performance. Its continued existence should depend on whether the school's students achieved the goals set out in its contract.
5. In exchange for this explicit accountability, most state rules and regulations should be waived for the charter school.
6. The charter school should be available as a choice—no family, student, or educator should be assigned to a charter school.[4]

Another set of proposed features for charter school legislation was suggested in 1996 by the American Federation of Teachers (AFT).[5] AFT's proposal includes the following features:

1. Charter schools must be based on high academic standards; charter school laws must require that charter school students be held to the same standards as the children in other public schools.
2. Charter school students must take the same tests as other students in the state and district; comparisons of charter school performance must be made to other public schools.
3. Charter school employees should be covered by the collective bargaining agreement.
4. Charter schools should be required to hire certified teachers; at a minimum, laws should require that teachers employed in charter schools either already have certification or be in the process of obtaining certification.
5. Charter schools should have the approval of local school districts if charter schools are to have a positive impact on other public schools; an appeals process to the state should be available to charter school applicants.
6. Charter schools should be required to make information available to the public, including demographic and outcome data on students and school financial information.

The federal charter legislation[6] reflects yet a third philosophy on how to define charter schools. The statute suggests the following features:

1. Charter schools are public schools that are exempted from significant state or local rules that inhibit the flexible operation and management of public schools.
2. Charter schools are created by developers as public schools or adapted from existing public schools, and are operated under public supervision and direction.
3. Charter schools operate in pursuit of a specific set of educational objectives determined by the schools' developers and agreed to by the authorized public chartering agency.
4. Charter schools provide a program of elementary or secondary education or both.
5. Charter schools are nonsectarian in their programs, admissions policy, employment practices, and all other operations and are not affiliated with a sectarian school or a religious institution.
6. Charter schools do not charge tuition.
7. Charter schools comply with federal civil rights legislation.
8. Charter schools admit students based on a lottery if more students apply for admission than can be accommodated.
9. Charter schools agree to comply with the same federal and state audit requirements as do other elementary and secondary school in the state unless the requirements are specifically waived.
10. Charter schools meet all applicable federal, state, and local health and safety requirements.
11. Charter schools operate in accordance with state law.

These three sets of principles have common ground and real differences. In practice some state laws are more like one set of principles than the others, but each state's charter law has grown out of its individual state context, regulatory environment, balance of political forces, and perspectives on how charter schools might be implemented. Therefore, charter school laws vary widely across states in the extent to which they follow any of the above, or other, proposed guidelines. Appendix B provides a condensed version of key features of charter laws in the 25

charter-law states and the District of Columbia. Later this year, the Study will publish an expanded summary and descriptive analysis of these laws. In order to provide the reader with a sense of the diversity across states in charter school legislation, the next few paragraphs broadly portray similarities and differences across all states which currently have charter legislation, drawing on the state-by-state summary in Appendix B.

Broad Similarities and Differences Across States

The number of charter schools allowed in each state varies widely: nine of the 25 charter states have no statewide cap on the number of charter schools allowed in the state (Arizona, Arkansas, Florida, Georgia, Michigan, South Carolina, Texas, Wisconsin, and Wyoming) while New Mexico's legislation restricts the number of charters allowed to five schools. The remaining states and the District of Columbia limit to some degree the number of charters, the number or percentage of students who can enroll in a charter school, or both.

State laws also differ as to the number and types of agencies that can sponsor charter schools. Charter-granting agencies are specified in each state's legislation and can include the state board of education, local school districts, the chief state school officer, boards of community colleges, boards of state public universities, state boards of regents, and a special state board of charter schools. In 12 states, the local school board is the only authority that can grant a charter; in three of those states, the decision of the local board can be appealed to a higher authority that may overrule the local decision. In the remaining 13 states and the District of Columbia, one or more of the bodies identified above may grant a charter; the legislation differs as to whether or not there is an appeals process.

Charters may be granted to newly created schools, to schools that were previously public schools, or to schools that were previously private. All but four (Arkansas, Georgia, Hawaii, and New Mexico) of the 25 states and the District of Columbia permit the creation of new schools from scratch. All states and the District of Columbia have provisions for the conversion of public schools to charter, while only five states and the District of Columbia allow the conversion of private schools (Arizona, District of Columbia, Michigan, Minnesota,[7] Texas, and Wisconsin[8]). The legal status of charter schools also varies. In 15 states and the District of Columbia, charter schools are independent entities, corporate entities, or nonprofit organizations, but in eight states charter schools remain legally a part of their local school districts. The legislation in two other states, California and Wyoming, does not directly address the legal status of charter schools. In California, schools have formed as a variety of legal entities, ranging from independent nonprofit corporations to a legal arm of the sponsoring district.

State charter legislation contains various provisions that govern how a charter school relates to its employees. In 15 states and in the District of Columbia, charter schools may act as employers, although in some schools in the 15 states, teachers remain district employees. In the remaining ten states, legislation requires that teachers remain (or in the case of newly created schools, become) employees of the district. In 13 states, charter schools are subject to state collective bargaining laws; in six other states, the legislation is silent on the status of collective bargaining arrangements. The remaining six states and the District of Columbia either exclude charter schools from collective bargaining arrangements or allow schools to address collective bargaining in their charters.

Examples of Charter Laws in Four States

The above broad comparisons are intended to orient the reader to the similarities and differences in how states approach their charter laws, but the differences among states are more complex than a simple summary can capture. This section provides another level of detail by comparing charter laws in four states.

Minnesota and Georgia. The first comparison is between Minnesota and Georgia, as summarized in Exhibit 3. Minnesota's charter law, when enacted in 1991, authorized up to a maximum of eight charter schools. Subsequent amendments eventually raised this to 40 charter schools. Local school boards and public, postsecondary institutions may grant charters, as may the state board of education upon appeal. Minnesota charter schools must be established as independent (nonprofit or cooperative) corporations, and may be either newly created schools or pre-existing public or private schools.[9] Nearly the entire state education code is automatically waived for charter schools in Minnesota, and funding is allocated directly to the school from state sources. The schools act as independent employers and the school staff may organize pursuant to the state collective bargaining laws, but must do so separately from existing district bargaining units.

Georgia's charter law, enacted in 1993, differs sharply from Minnesota's in that it retains more connections between charter schools and their local districts. Though the Georgia law does not cap the number of charters granted, only local school boards may grant them, and there is no appeal in the event that a charter is denied. Only existing public schools may convert to charter schools—that is, there are no provisions in the law for starting charter schools "from scratch" or converting existing private schools to charter status. Georgia charter schools remain legal arms of their local school districts; staff at the schools remain employees of the sponsor district, and staffing policies are subject to negotiation between the school and the district (Georgia is not a collective bargaining state). The local charter contract may call for waivers of state laws and

Exhibit 3—*Comparison of Minnesota and Georgia Charter Laws as of June 1996*

Legal Feature	Minnesota	Georgia
Charter-granting agencies	local school boards, post-secondary institutions, and state board upon appeal	local school boards
Types of schools	new schools and both public and private conversions allowed	public conversion schools only
Legal status	independent corporation	arm of sponsor district
Waivers of state laws	most education laws automatically waived	may specify waivers in charter document
Staffing	staff may be employed by charter school	staff remain employees of sponsor district
Funding and finance	school is funded directly from state and manages its own funds	funds provided through local district pursuant to negotiations
Labor relations	subject to state collective bargaining laws but must do so independent of existing bargaining units	not a collective bargaining state
Charter cap	40 charters	unlimited

local policies, but there is no automatic waiver of such laws, as in Minnesota. Financial arrangements are negotiated between the charter school and sponsor district and resources are provided through the district.

Arizona and California. The contrast between charter laws in Arizona and California illustrate other aspects of the variation in state approaches. Exhibit 4 indicates that California's charter

Exhibit 4 —*Comparison of Arizona and California Charter Laws as of June 1996*

Legal Feature	Arizona	California
Charter-granting agencies	local school boards, state board of education, and state board for charter schools	local school boards and county boards after a successful appeal
Types of schools	new schools and both public and private conversions allowed	new schools and public conversion schools only
Legal status	independent corporation	independent or arm of sponsor district
Waivers of state laws	most education laws automatically waived	most education laws automatically waived
Staffing	staff may be employed by the charter school	staff may be employed by the charter school or sponsor district
Funding and finance	school is funded directly from state and local sources; school manages its own funds	funds provided through local district pursuant to negotiations
Labor relations	not a collective bargaining state	exempt from state collective bargaining laws but some participate "voluntarily"
Charter cap	unlimited	100 (but more are being allowed)

statutes allow for up to 100 charters statewide with a maximum of 10 in any district.[10] Local school districts grant charters, but denials may be appealed to the state board of education; county boards of education may grant a charter after a successful appeal process.

California's charter schools may be either newly created schools or conversions of existing schools, but private schools may not be converted to charter status. California's charter law is silent with respect to the legal status of charter schools (in practice California's charter schools are a mix of legally independent schools and schools that are a legal arm of their sponsor district). California is a collective bargaining state, but its charter schools are generally recognized as exempt from the state's collective bargaining laws. Many charter schools, however, have developed relationships with existing bargaining units, including full participation in standing contracts and processes. California law requires that the petition requesting a charter school (for both new and conversion schools) contain the signatures of at least 50 percent of the teachers in the petitioning school or 10 percent of the teachers in the district. California's charter law provides for a broad and automatic waiver of all laws affecting school districts, exempting charter schools from the state's extensive education laws and regulations.

Arizona's charter law, in contrast, allows local school districts, the state board of education, and a state board for charter schools to grant charters. Charter schools may be conversions from existing public or private schools or newly created. The Arizona law does not cap the total

number of schools that may be established, though it limits the number that each of the state boards may grant to 25 per year. Arizona charter schools may be independent legal entities and, similar to California, the charter law waives many state laws and regulations. State funding for charter schools is on the same basis as other public schools, with the funds going directly to charter schools.

Research Questions About the State Role

This review of charter laws shows some specific ways that states differ in their approach. The impact of these differences may be viewed at two levels. At the statewide level, the scope and autonomy permitted by a state law might affect whether charter schools could catalyze broad changes in the state's public education system. How many charter schools the state allows, what agency (or agencies) can grant a charter, what staffing arrangements are allowed, and whether private schools can become charters could all influence the systemic impact that charter schools might have on public education in any particular state. Over the next four years, the Study will examine these issues. More specifically, the Study plans to ask:

- How do states approach charter schools, and can these approaches be categorized into several contrasting state profiles?[11]
- How are the statutes actually implemented in practice in the various states?
- How does the context for change or school reform in states affect charter statutes and the way they are implemented and interpreted locally?
- Do state differences have systemic influences on the nature, type, and operations of charter schools?
- What effects, if any, do charter efforts have on the laws, regulations, and policies regarding the public education system in a state?

At the school level, the states' charter statutes undoubtedly affect charter development and implementation. However, the implementation of charter schools depends on many factors in addition to state policy. Since the link between state charter policy and how charter schools operate—let alone their success—can be tenuous, the Study will take a three-pronged approach to investigating possible links. We will trace upward from the school level to specific state policies, follow particular state policies downward to charter schools, and compare across states. Existing or new federal regulations and policies also might affect charter schools in ways different from other public schools. Since charter schools are in an early stage of development, the specific ways that state and federal laws affect charter schools is unknown territory. Specifically, the Study intends to provide research evidence about the following questions:

- To what extent do specific provisions in state policies help or hinder charter implementation?
- How do federal education policies affect charter school implementation? Do charter schools qualify for and receive state and federal categorical funds?

Summary

The review of charter legislation suggests that states follow distinctive approaches to charter school development that profoundly affect the number, type, and operation of charter schools—and the impact they might have on the public school system. Several states have freed charter developers from most regulations that otherwise apply to public schools. In other states, the charter laws are more restrictive. Dimensions along which state laws vary include:

- **How many charter schools are permitted?** Sixteen of the 25 charter states and the District of Columbia limit the number of charter schools in the state; nine states have no limits on the number of charter schools.
- **Who grants charters**? In 12 states, the local school board is the only authority that can grant a charter. In the remaining 13 states and the District of Columbia, other—sometimes several—agencies may grant charters.
- **Who may start charter schools?** All but four of the 25 states and the District of Columbia permit the creation of new schools from scratch. All states and the District of Columbia have provisions for the conversion of public schools to charter; while just six states allow the conversion of private schools.
- **Who sets personnel policies?** In 15 states and the District of Columbia, charter schools may act as their own employer. In the remaining ten states, legislation requires that teachers remain (or in the case of newly created schools, become) employees of the local district. In 13 states, charter schools are subject to state collective bargaining laws; in six other states, the legislation is silent on the status of collective bargaining arrangements. The remaining states and the District of Columbia either exclude charter schools from collective bargaining arrangements or allow schools to address collective bargaining as a part of their charters.

The next chapter presents preliminary data about the differences among states in the type of charter schools and their students.

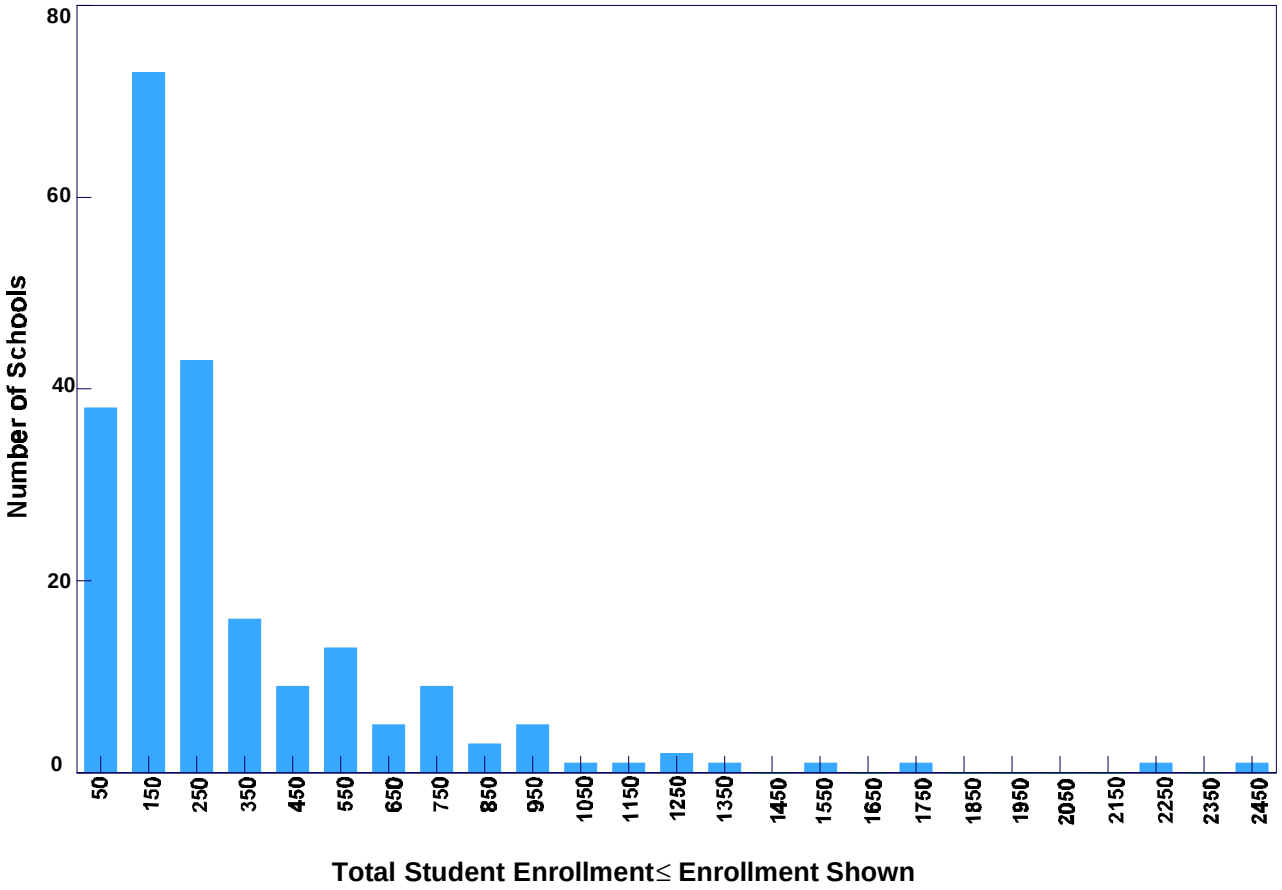
III. Charter Schools and Their Students

This chapter describes charter schools that were in operation as of January 1996, with respect to the range of enrollment in charter schools, the number of newly created versus pre-existing charter schools (including how many were public or private schools), and the range of grade level configurations of charter schools. In addition, the chapter reviews the available data on the racial characteristics of students attending charter schools, the number of students who have disabilities, who are limited-English-proficient (LEP), and who are from low-income families. The chapter also describes how many charter schools are eligible for and receive Title I funding.

Characteristics of Charter Schools

School size. Most charter schools are small (see Exhibit 5) and some are exceptionally small. More than 60 percent enroll fewer than 200 students, and more than 15 percent enroll fewer than 50 students.[12] In contrast to these very small schools, about 12 percent of the charter schools have more than 600 students, and nine percent have more than 1,000 students.

Exhibit 5—*Charter School Enrollment, 1995–96*[13]



We would like to put this finding into perspective by comparing charter schools to other public schools, but finding an accurate basis for comparison is difficult. For example, if the distribution of the enrollment of charter schools were simply compared to that of other public schools in the nation, the comparison might be misleading for a simple reason: Only ten states had charter

schools in operation as of the end of 1995, and these states do not represent all states. Therefore, comparing charter schools to a national base might result in false conclusions.

Alternatively, we could compare charter schools in the ten states to public schools in these states. This basis is more appropriate, though caution must still be exercised. The states differ in their number of schools and students, with California having the largest number of public schools and students—and coincidentally the largest number of and the most students in charter schools. Therefore, a ten-state comparison will reflect California more than other states. We can adjust a ten-state combined figure by weighting the contribution that each state makes to the sum of all charter school or all public school population, thus creating an artificial ten-state population. This procedure also raises issues, since the weighting may be done in a number of ways and no one weighting scheme can fully reflect the data.

The most accurate approach is to compare charter schools within a state to other public schools in the same state. A state-by-state comparison also has limitations because the number of charter schools in any state is quite small compared to the number of the state's public schools. For this heuristic purpose, we have chosen for some characteristics discussed in this chapter to provide the reader with two complimentary approaches: (1) a general comparison across states in which the average for all charter schools across the ten states is compared to the average for all public schools across the ten states weighted in one of several ways depending on the nature of the data,[14] and (2) a state-by state comparison of proportions or averages of all charter schools in each state with similar proportions or averages of all public schools in each respective state.

Specifically, Exhibit 6 contrasts charter school enrollments with the enrollment of students in all public schools in the ten states that had operational charter schools by January 1, 1996. It shows the percentage of all charter schools within student enrollment categories compared to the percentage of all public schools within the same categories. The percentages for the charter schools and the ten-state enrollments are computed in the same way. We summed up the number of charter schools (or all public schools) across all the ten states; sorted every charter (or public school) into one of the school size categories and summed up the number of schools within each category; and divided the latter sum by the former sum (and multiplied by 100) to obtain the percentage of charter schools and all public schools in each size category.[15]

Given this explanation, we can now draw a comparison from the data displayed in Exhibit 6. The exhibit shows that a higher proportion of charter schools are small schools compared to public schools in the ten-state base. About 16 percent of public schools in the ten charter school states have fewer than 200 students, whereas the corresponding figure for charter schools is about 62 percent.[16]

Grade levels. Charter schools often so not fit the traditional elementary, middle, and high school pattern (see Exhibit 7). Charter schools were much more likely to span grades K–12 (11.7 percent of charter schools compared to 1.2 percent of all public schools in the ten charter states.) Charter schools were also more likely to combine elementary and middle school grades or to combine middle and high school grades. Only 52 percent of charter schools fit the traditional grade-level configuration of elementary, middle, or high schools, compared to 83 percent of all public schools in the ten charter states. A much larger percentage of all public schools in the ten charter states are elementary schools—about 52 percent, contrasted with about 29 percent of the charter schools.

The relationship between school size and grade level for charter schools and for all schools in the ten states with charter laws is shown in Exhibit 8.[17] At every level of schooling, charter schools are smaller than all public schools in the ten charter states.

Exhibit 8—*School Size and Grade Levels for Charter Schools, 1995–96 and All Public Schools in Ten Charter States, 1993–94*[20]

	School size			Number of schools
	200 stds.	200–600 stds.	600 stds.	Total
Charter schools	Percent of charter schools by grade levels read percent across row →			
Elementary	59.8%	25.0%	15.2%	132
Secondary	62.0%	26.0%	12.0%	50
K–12	53.8%	38.5%	7.7%	26
Ungraded/Other	93.3%	6.7%	.0%	15
All charter schools	61.8%	25.6%	12.6%	223
Public schools in ten charter states	Percent of all public schools by grade levels read percent across row →			
Elementary	11.6%	54.2%	34.2%	16,777
Secondary	26.4%	26.6%	47.0%	4,225
K–12	44.6%	33.5%	21.9%	269
Ungraded/Other	53.4%	26.2%	20.4%	393
All public schools	15.6%	48.1%	36.3%	21,664

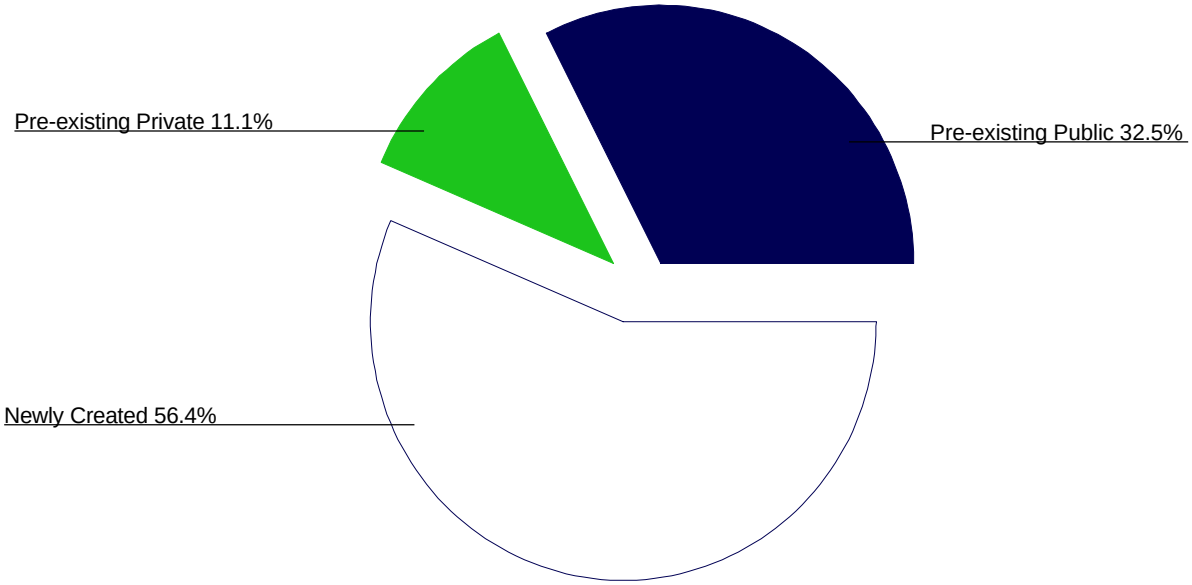
The difference is most striking at the secondary level with 12 percent of charter schools enrolling more than 600 students in contrast to all public schools in the ten charter states with 47 percent enrolling more than 600 students. Also, while nearly 60 percent of the charter elementary schools enroll fewer than 200 students, only about 12 percent of all public schools in the ten charter states enroll fewer than 200 students.[21]

Newly created vs. pre-existing charter schools. Almost 60 percent of charter schools are newly created (Exhibit 9 displays the proportions of newly created and pre-existing charter schools) . Of the pre-existing schools, about one-quarter were private schools that converted to charter status. The proportion of new and pre-existing schools in a state is partly determined by the terms of the charter legislation, as Exhibit 10 shows. All charter schools in Georgia, Hawaii, and New Mexico were pre-existing public schools; the charter legislation in these states provide only for the conversion of existing schools to charter status. More than one-half of the charter schools in California, Michigan, and Wisconsin were pre-existing schools that converted to charter status. In contrast, only 15 percent of the Massachusetts charter schools and 14 percent of the Colorado charter schools were pre-existing schools.

The terms of the charter legislation also may determine the proportion of public versus private conversion schools in a state. Several states, including Minnesota, Arizona, Colorado, and Michigan, allow for the conversion of private schools to charter status. Of the 98 pre-existing charter schools, approximately one-fourth (25 schools) were private schools before they converted to charter status. Michigan with fourteen and Arizona with eight previously private schools, had the highest number of pre-existing private schools that converted to charter status. Though California has the largest number of pre-existing schools, none were private schools prior to converting because California legislation prohibits private school conversion.

Not surprisingly, the size of the school is strongly associated with its status prior to becoming a charter school. Almost three-fourths of the schools that were newly created as charter schools are small, with fewer than 200 students. Of the pre-existing schools that converted to charter

Exhibit 9—*Percentage of Newly Created and Pre-existing Charter Schools, 1995–96*



status, about half are schools with fewer than 200 students. Exhibit 11 shows that charter schools with fewer than a hundred students are more likely to be newly created schools than pre-existing schools that converted to charter status; in contrast, the larger charter schools are more likely to be pre-existing schools. As we shall see throughout this report, pre-existing schools are different from newly created charter schools in many ways.[22]

Exhibit 10—*State by State Comparison of the Percentage of Newly Created and Pre-existing Charter Schools, 1995–96*

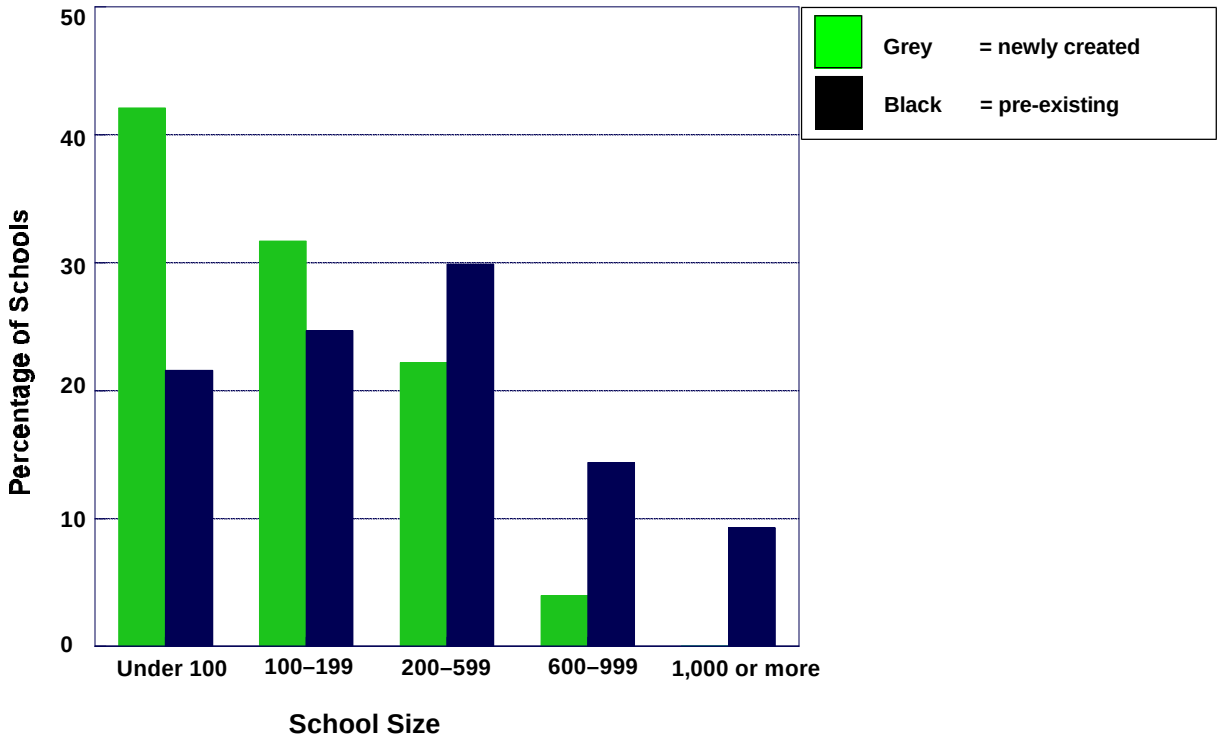
State	CA	MI	AZ	CO	MN	MA	WI	NM	GA	HI	Total
Number of Charter Schools in State											
Total Number	83	38	38	22	17	13	5	4	3	2	225
Percent of Total Charter Schools in State											
Newly created	49.4%	42.1%	63.2%	86.3%	82.3%	84.6%	40.0%	0%	0%	0%	56.4%
Pre-existing	50.6%	57.9%	36.8%	13.7%	17.7%	15.4%	60.0%	100%	100%	100%	43.6%
Percent of Total Pre-existing Charter Schools in State											
Public	100%	36.4%	42.8%	33.3%	66.7%	100%	100%	100%	100%	100%	74.5%
Private	np	63.6%	57.2%	66.7%	33.3%	np	0%	np	np	np	25.5%

The Students

Racial Composition

State-by-state comparison of charter school enrollment with public school enrollment. Charter schools enroll a diverse population of students.[23] Exhibit 12 displays the results of sorting charter school students into the racial classification and computing the percentage of the

Exhibit 11—*Enrollment of Newly Created and Pre-existing Charter Schools, 1995–96*



total enrollment in charter schools that number represents. In order to put these numbers into perspective, we would like to compare these data for charter schools to the racial composition of other public schools. Given the large difference across states in public school enrollment and the small number of charter schools and students, we will make this comparison on a state-by-state basis, as shown in Exhibit 13.

Exhibit 12—*Charter School Enrollment by Race, 1995–96*

Census-defined racial categories	Percentage of all charter school enrollment
White, not of Hispanic origin	51.6%
Black, not of Hispanic origin	13.8%
Hispanic	24.8%
Asian or Pacific Islander	6.3%
American Indian or Alaskan Native	3.5%
Number of Students[24]	58,620

Even state-by-state data must be interpreted carefully. In order to illuminate the type of conclusion that can—and cannot—be drawn from the data, we will examine the racial percentages for California's population of charter school students compared to the state's total public school enrollment. California accounts for about 60 percent of all charter school students and about 40 percent of all public school students in the ten state base. Specifically, California had approximately 34,000 students in 80 charter schools. Of these students, about 47 percent were white compared to 42 percent in all California public schools; 13 percent of charter school students were African-American compared to 9 percent of all public school students in

Exhibit 13—*Enrollment by Race for Charter Schools, 1995–96 and All Public Schools in the Ten Charter States, 1993–94*[25]

State		Percentage of enrollment in charter schools and in all public schools in the state					Number of students
		White	Black	Hispanic	Asian or Pacific Islander	American Indian or Alaskan Native	
California	charter	47.5%	12.0%	31.6%	7.9%	1.0%	34,015
	state	42.2%	8.7%	37.0%	11.2%	1.8%	5,268,501
Arizona	charter	53.5%	10.8%	20.2%	0.7%	14.8%	6,744
	state	59.7%	4.2%	27.6%	1.6%	6.9%	710,827
Michigan	charter	47.3%	43.9%	2.7%	1.4%	4.7%	4,639
	state	78.1%	17.1%	2.4%	1.4%	1.0%	1,523,793
Colorado	charter	82.1%	4.0%	11.1%	1.6%	1.2%	3,860
	state	74.1%	5.4%	17.1%	2.4%	1.0%	625,062
Minnesota	charter	56.9%	22.5%	1.5%	10.2%	8.9%	1,588
	state	88.7%	4.2%	1.7%	3.5%	1.9%	810,266
Massachusetts	charter	51.4%	12.3%	25.3%	6.1%	4.9%	1,822
	state	79.2%	8.1%	8.8%	3.7%	0.2%	878,798
Wisconsin	charter	81.1%	12.8%	4.1%	0.9%	1.1%	563
	state	84.3%	9.1%	2.9%	2.4%	1.3%	843,741
New Mexico	charter	41.3%	6.4%	40.3%	4.8%	7.2%	3,826
	state	40.6%	2.3%	46.0%	0.9%	10.2%	321,100
Georgia	charter	80.9%	15.5%	1.3%	2.2%	0.1%	1,892
	state	59.8%	37.1%	1.5%	1.4%	0.2%	1,234,984
Hawaii	charter	34.1%	3.7%	2.5%	58.4%	1.3%	671
	state	23.7%	2.6%	5.0%	68.4%	0.3%	180,430

California. Thirty-two percent of charter school students were Hispanic compared to 37 percent of students in all public schools; eight percent of charter school students were Asian or Pacific Islander compared to 11 percent of students in all public schools; and the percentage of American Indian or Alaskan Native was about one percent for both charter schools and all public schools.

What conclusion might be drawn from this comparison? These figures provide a reasonable basis for broadly assessing the diversity of students in charter schools compared to all public schools, but they should not be used for precise comparisons for several reasons. First, the charter school enrollment data were collected for the 1995–96 school year, while the most recent nationally comparable data were available for the 1993–94 school year. Secondly, even though California had more operational charter schools than other states in 1995–96, the number of charter school students in this as well as the other states is very small compared to student enrollment in all public schools. Given the small numbers, the percentages among the racial categories could change from year to year with only a minor addition to the number of charter schools or with slight alterations in the racial composition of students enrolled in current charter schools. Therefore, allowing for these and other uncertainties in the data,[26] we conclude that the

percentage of charter school students in various racial categories is similar to the percentage of all public school students in California in each of these categories.

With regard to the other nine states, Wisconsin (with five charter schools), New Mexico (with four), Georgia (with three), and Hawaii (with two) have too few charter schools to make any reasonable comparison to their state totals. Of the five other states, the charter schools in Michigan, Minnesota, and Massachusetts, on average, enroll a higher percentage of students of color than do all public schools in these states. The charter school population of Arizona and Colorado, like California, is similar to the racial composition of the population of students in all public schools in these states.

Comparison of racial concentration of schools. Some charter schools—as well as many public schools—serve students who are predominantly from one racial group. To provide a rough measure of the racial concentration of students in schools, we calculated the percentage of schools that have one-fifth or fewer white students, between one-fifth and four-fifths white students, and four-fifths or more white students. Using this rough measure, Exhibit 14 provides an overview of the racial concentration for charter schools across the ten state base. At least one in five charter schools serve predominantly students of color; about one in three serve a diverse group of white students and students of color, and somewhat less than one in two charter schools serve predominantly white students.

Exhibit 14—*Estimated Concentration of Students by Race in Charter Schools, 1995–96*

Proportion of white students	Number of charter schools	Percentage of all charter schools
0–.20	45	21.0%
.20–.80	74	34.6%
.80–1.00	95	44.4%
Total	214	100.0%

Focusing on the one-fifth of the charter schools that enroll a high proportion of students of color, about one-third serve predominantly African-American students, one quarter serve predominately Hispanic students, and five charter schools serve primarily Native American students.[27] The Study selected 42 sites for field visits in the five states that had charter schools which were in operation for at least one year as of the 1995–96 school year, and found that more than half of the charter schools in this sample targeted a specific population of students (e.g., at-risk students, students with special needs, or limited English proficient students).

Two brief examples of charter schools that target a specific student population—one that was newly created and another that was a pre-existing school—may suggest their founders' belief that they could better serve their target population than the standard public system:

- *One newly created charter school serves 51 students in grades K–6 who are primarily African-American (95 percent) and from lower socioeconomic backgrounds. The school, which is located in an urban, residential neighborhood, was created to better address the academic, cultural, and social needs of students who were not performing well in the district schools. Low-income African-American students had chronically high drop-out rates and performed well below students from other racial backgrounds. Key features of this school include smaller class size, an atmosphere of respect for parents' views, and a focus on meeting the diverse needs of students.*

Exhibit 15—*Estimated Concentration of Students by Race for Charter Schools, 1995–96 and All Public Schools in the Ten Charter States, 1993–94*[28]

State		Percentage of schools that have the following proportion of white students			Number of schools
		0–.20	.20–.80	>.80–1.00	
California	charter	17.3%	45.7%	37.0%	81
	state	23.3%	59.5%	17.2%	7,734
Arizona	charter	27.0%	27.0%	46%	37
	state	17.5%	49.6%	32.9%	1,113
Michigan	charter	30.3%	27.3%	42.4%	33
	state	9.6%	15.5%	74.9%	3,096
Colorado	charter	4.8%	19.0%	76.2%	21
	state	3.6%	40.1%	56.3%	1,373
Minnesota	charter	41.1%	11.8 %	47.1%	17
	state	2.0%	15.4%	82.6%	1,833
Massachusetts	charter	18.2%	36.4%	45.4%	11
	state	4.9%	22.9%	72.2%	1,780
Wisconsin	charter	0.0%	40.0%	60.0%	5
	state	3.0%	14.2%	82.8%	2,032
New Mexico	charter	0.0%	100.0%	0.0%	4
	state	29.6%	64.7%	5.7%	700
Georgia	charter	0.0%	33.3%	66.7%	3
	state	17.1%	48.9%	34.0%	1,754
Hawaii	charter	50.0%	50.0%	0.0%	2
	state	53.1%	46.9%	0.0%	241

- *A year-round multi-track elementary school located in a low-income area serves a large Hispanic population—90 percent of the 1150 students in grades pre-K–6 are Hispanic. Nearly every student in this school qualifies for the National School Lunch Program. The founders believed that the large urban district it had been part of was too bureaucratic and did not adequately understand or address the needs of Hispanic children. They felt that converting to charter would give the site control over finances and operations and enable the school to serve its at-risk population more effectively.*

To put the extent of the charter schools' racial concentration into perspective, Exhibit 15 shows a state-by-state comparison between the racial concentration of charter schools and the total number of public schools. As suggested by Exhibit 15, Michigan, Minnesota, and Massachusetts have higher percentages of charter schools serving predominantly students of color than the total public schools in these states. California and Colorado have a higher percentage of charter schools serving predominantly white students compared to all public schools. The differences in these states are not great and could easily change in one or another direction as more charter schools become operational.

The pattern of racial concentration at a school may be a result of the school's location—for example, whether the school is located in a predominantly white area—or it may be the result of

deliberate policies that favor or exclude some races or classes of students. We turn to our preliminary fieldwork data to explore this issue.

Preliminary evidence from the field on student selection. Several commentators have expressed the concern that charter schools may become vehicles for creating exclusive, predominantly white schools.[29] But broad comparisons of racial composition presented above suggest that if this problem exists among charter schools, it is not widespread. However, this issue cannot be adequately addressed without visiting charter schools to determine their actual student selection and admission policies.

During the first year, the Study could not undertake the complex data collection and analysis that will be required to determine the extent to which charter schools reflect their neighborhoods, their districts (when there is a relevant district), or their local areas.[30] During the preliminary visits to 42 sites, fieldworkers were asked to examine whether charter schools that serve predominately white students established discriminatory practices that exclude students of color. Based on our interviews and focus groups, we found no evidence of explicit exclusionary practice. The telephone survey also provided relevant information about this issue. Seventy-four percent of the surveyed charter schools reported that applications for admission exceeded capacity. Of the schools with excess demand, 39 percent reported that the school used a lottery or other random process to allocate admission "slots"; 41 percent used a "first-come-first-served" policy; and ten percent used a combination of lottery and first-come-first-served. Just under ten percent (15 schools) used some "other" process. A number of these schools used referrals from courts or social service agencies to enroll special needs or at-risk students. These data are far from definitive, but they do not point to exclusionary practices.

More research must be done before we can provide adequate information about this complex issue. But first year preliminary research did not find evidence that charter schools engage in discriminatory admissions practices, or that charter schools "cream" or select "desirable" students from the overall student population.[31]

Other Important Student Attributes

To what extent are charter schools serving students who have special needs, are language minority students, or are from economically disadvantaged situations? To answer these questions, more intensive research is necessary for several reasons. The definitions of special education, limited English proficiency, and economic disadvantage vary from state to state. Moreover, documenting the services provided by charter schools involves in-depth research at the school level. At this stage, the Study can provide preliminary indications based on telephone survey data.

Students with disabilities. Based on self reports from charter schools, 7.4 percent of students enrolled in charter schools that were in operation by January 1996 had received special education services prior to being enrolled; this compares to the 10.4 percent of all students nationally who received services under the Individuals with Disabilities Education Act (IDEA) in the 1994–95 school year. As discussed above, national comparisons can be misleading. Using the ten charter states as a base, we find that these states differ in the statewide average proportion of students with disabilities served under IDEA. As Exhibit 16 shows, the charter schools in all states except Minnesota and Wisconsin serve a lower percentage of students with disabilities than did all public schools. In Minnesota and Wisconsin, charter schools enroll a larger percentage of students with disabilities than do other public schools; Minnesota's charter schools enroll 18.5 percent special education students compared to 9.6 percent in the other public schools; the

Exhibit 16—*Estimated Percentage of Students with Disabilities in Charter Schools, 1995–96 and All Schools in the Ten Charter States, 1994–95*[32]

State	Percentage of students with disabilities	
	Charter schools	All schools
California	6.9%	8.5%
Arizona	6.7%	7.9%
Michigan	6.1%	9.8%
Colorado	7.8%	9.2%
Minnesota	18.5%	9.6%
Massachusetts	6.3%	15.0%
Wisconsin	12.2%	9.9%
New Mexico	11.4%	12.5%
Georgia	4.8%	8.0%
Hawaii	6.1%	7.3%

corresponding percentages in Wisconsin are 12.2 percent in the charter schools and 9.9 percent in the state's other public schools.

Because we only have state averages for all public schools in the state, we were unable to draw on data for individual schools in each state to examine the distribution of students with disabilities in all public schools in the state. Consequently, these comparisons should be considered as only a broad indication of the extent to which charter schools are serving students with disabilities compared to other public schools.

Although the average percentage of students with disabilities served by charter schools is about seven percent, individual charter schools vary widely in terms of the percentage of their students who had received special education services prior to enrolling at the charter school. The telephone survey data reveal that a number of charter schools are designed to serve special needs students. Specifically, 15 schools enroll more than 25 percent special education students; and two of these schools enroll 100 percent students with disabilities.

During the Study's preliminary fieldwork in 42 schools, we visited several schools that enroll significant numbers of students who receive special education services under IDEA. Two examples suggest the purpose of these types of charter schools:

- *One K–8 charter school with 140 students was designed to serve children with learning disabilities, brain injuries, and developmental delays. Approximately 43 percent of the students in the school are identified as having special needs, with active Individualized Education Programs (IEPs). The average class size in this charter school is 22 students, with a teacher and a teaching assistant in every classroom (11:1 student to adult ratio), allowing teachers to work closely with this population. The charter has provided more flexibility to teachers at the school. For instance, students remain with the same teacher over a 3–year period. Teachers also have been able to adapt the school program to address individual student needs.*
- *One school serving 750 pre-kindergarten through sixth grade students was both a neighborhood school and a regional center for orthopedically handicapped students. Approximately 17 percent of the school's students are identified as special needs students with*

active Individualized Education Programs. Special needs students are placed for part of the day in regular classrooms with support from a teaching assistant during that time. For the remainder of the day, special needs students have instruction in very small classes with specifically trained teachers and teaching assistants.

We also visited several schools that enrolled students with less severe learning disabilities, including Attention Deficit Disorders (ADD). School staff reported that many of these students were responding positively to the more individualized instructional program and smaller class sizes at the charter school. In other cases, schools purchased special education services from the local districts or obtained services from other providers.

Charter schools that have not been created specifically to serve students with disabilities are sometimes reluctant to classify students as "special education" because they believe that every student should have an individualized learning program. Therefore, determining which students might be eligible for special education assistance and what services they now receive or should receive is difficult to assess without intensive fieldwork. Moreover, the issue of how charter schools deal with students with disabilities is complex for other reasons. It was common for administrators of charter schools visited in our field study, particularly at small and newly created charter schools, to say that the funding they received for special education was inadequate. Indeed, given the lack of district funds to amortize or subsidize costs, some administrators expressed a fear of going "bankrupt" if a large number of parents of students with disabilities were attracted to their schools. Furthermore, we received reports that some charter schools seemed to counsel parents to send their children to other public schools where they could receive better services.

Because of these considerations, we can not offer an accurate estimate of the number and type of services now being provided, nor can we reach a conclusion about the extent to which charter schools are enrolling special education students relative to other public schools in their area. Research to address these issues is currently beyond the scope of this Study.

Limited-English-proficient students. About seven percent of the total student population attending charter schools were reported by the schools to be limited-English-proficient (LEP) students. These charter school figures are very close to the estimated 6.8 percent of public K–12 students nationally that are classified as limited-English-proficient.[33] Twenty-one charter schools serve student populations composed of more than 25 percent LEP students.

As Exhibit 17 shows, LEP student enrollment in all public schools in the ten charter states ranges from nearly 25 percent of the student population in California to one percent of the students nationally that are classified as limited-English-proficient.[34] Twenty-one charter schools serve student populations composed of more than 25 percent LEP students.

LEP student enrollment in all public schools in the ten charter states ranges from nearly 25 percent of the student population in California to one percent of the student population in Georgia. By comparison, enrollment of LEP students in charter schools in the ten states ranges from no LEP students in Wisconsin charter schools to a high of 19 percent LEP student enrollment in California charter schools. Minnesota and Massachusetts charter schools enroll a larger percentage of LEP students than do the other public schools in their states. In the remaining eight states, the percentage of LEP students in charter schools is lower than in the state's other public schools. Research to address issues that may arise for language minority students in charter schools is currently beyond the scope of this Study.

Low-income students. As part of the telephone survey, we asked how many students at each of the charter schools were eligible for free or a reduced price lunch. Based on these data, 33.8

Exhibit 17—*Estimated Percentage of LEP Students and Students Eligible for Free or a Reduced Priced Lunch in Charter Schools, 1995–96 and All Schools in the Ten Charter States, 1993–94*

State	Percentage LEP students of statewide enrollment[35]		Percentage students eligible for free or a reduced price lunch of statewide enrollment[36]	
	Charter schools	All public schools	Charter schools	All schools
California	19.0%	23.1%	36.9%	42.8%
Arizona	10.0%	11.9%	44.5%	40.0%
Michigan	.7%	3.0%	22.3%	30.2%
Colorado	.5%	4.2%	17.5%	27.8%
Minnesota	7.7%	2.5%	44.2%	26.8%
Massachusetts	7.3%	5.0%	38.2%	25.6%
Wisconsin	.0%	2.0%	20.5%	24.9%
New Mexico	15.2%	24.9%	23.1%	49.7%
Georgia	1.8%	1.0%	22.6%	40.6%
Hawaii	4.0%	6.5%	14.8%	27.0%

percent of the students enrolled in charter schools were eligible; this is very similar to the 36.6 percent of all students in the ten charter school states eligible for this program. Exhibit 17 compares the statewide averages of charter schools compared to all public schools. Approximately 46 percent of the surveyed charter schools reported that the school participates in the National School Lunch Program.

Participation in Title I. Charter schools do not always fit easily within current administrative and funding structures, which raises questions about whether charter schools are participating equitably in federal programs. The largest of these programs, Title I, provides assistance to schools and districts serving disadvantaged children. Federal Title I funds are allocated to

Exhibit 18—*State-by-State Comparison of Charter Schools: Reported Eligibility and Receipt of Title I Funding, 1995–96*

State	Number of repondents[37]	Number reporting eligibility	Number reporting eligibility that receive funding[38]	Percent reporting eligibility that receive funding
California	83	46	26	56.5%
Arizona	38	27	12	44.4%
Michigan	38	28	7	25.0%
Colorado	22	7	0	0%
Minnesota	17	13	10	76.9%
Massachusetts	13	9	6	66.7%
Wisconsin	5	1	0	0%
New Mexico	4	4	2	50.0%
Georgia	3	2	2	100%
Hawaii	2	0	—	—
Total	225	137	65	47.4%

districts and schools on the basis of formulas relating to the number and proportion of disadvantaged children in the district and in the school. It is often not clear whether and how charters fit into these funding formulas and whether they may participate in Title I and other federal programs due to several complex factors that are beyond the scope of this Report. Two-thirds of charter schools reported that they are eligible to receive Title I funds; however, slightly fewer than half (47 percent) of these schools report that they receive funding under the program (see Exhibit 18).[39] There was considerable variability across states; in Minnesota, 77 percent of the charter schools reporting eligibility also receive funding, while in Michigan only 25 percent do. Only in Georgia do all of the schools reporting eligibility also receive funding.

However, it is not clear to what extent charter schools that are eligible to receive Title I funds are actually not receiving funding. We will continue to study the extent to which charter schools that are eligible to receive Title I funds do not receive them because of administrative issues or whether some charter schools do not understand the complexity of Title I eligibility.[40]

Summary

The data examined show that charter schools are diverse, in some ways mirroring the diversity of other public schools. This chapter placed this variation into perspective by comparing charter schools to all public schools in the ten states for which charter schools were operating in 1996. The following findings were presented:

- **Most charter schools are small.** About 60 percent enroll fewer than 200 students whereas about 16 percent of other public schools have fewer than 200 students. At every grade span of schooling, a higher proportion of charter schools are smaller than other public schools. The difference is most striking at the secondary level with almost fourth-fifths of charter schools enrolling fewer than 200 students in contrast to one-fourth of other public secondary schools. Charter schools include a higher proportion of K–12, K–8, and ungraded schools than other public schools.
- **Most charter schools are newly created.** About 60 percent of charter schools were created because of the charter opportunity; the remainder were pre-existing schools that converted to charter status. About one-fourth of pre-existing charter schools were previously private schools. Newly created charter schools tend to be smaller than converted schools—three-fourths of the newly created have fewer than 200 students, whereas half of the conversion schools have fewer than 200 students.
- **Charter schools have, in most states, a racial composition similar to statewide averages or have a higher proportion of students of color.** Massachusetts, Michigan, and Minnesota charter schools stand out as serving a much higher percentage of students of color than the average of all public schools in each of these states. Aside from Georgia (with only three charter schools), the average racial composition of charter schools in the other states is similar to their statewide averages.
- **Charter schools serve, on average, a lower proportion of students with disabilities, except in Minnesota and Wisconsin.** The charter schools in all the states, except Minnesota and Wisconsin, serve a lower percentage of students with disabilities than the average of all public schools in each state. A number of charter schools are designed specifically to serve special needs students. At fifteen schools, special education students make up more than 25 percent of the enrollment; at two of these, special education students represent 100 percent of the student body.

- **Charter schools serve, on average, a lower proportion of limited-English-proficient (LEP) students, except in Minnesota and Massachusetts.** Twenty-one charter schools serve student populations composed of more than 25 percent LEP students. Minnesota and Massachusetts charter schools enroll a larger percentage of LEP students than the average of other public schools in their states. (Georgia's three charters have a minimal percentage of LEP students, as does the state.) In the remaining states, the average percentage of LEP students in charter schools is lower than the statewide average.
- **Charter schools enroll roughly the same proportion of low-income students, on average, as other public schools.** About one-third of charter school students were eligible for the National School Lunch Program, which is about the same proportion as in all public schools. Approximately one-half of the surveyed charter schools reported that their school participates in the National School Lunch Program.
- **Most charter schools are eligible for Title I funding, but some may not be aware of eligibility procedures.** One-half or more of charter schools in most states reported that they are eligible to receive Title I funding, except for Colorado, Hawaii (which has 2 charter schools), Michigan, and Wisconsin (which has 5), where the percentage is smaller. For six states, about half or more of those reporting eligibility for Title I receive funds. In Colorado and Wisconsin, where only a few schools report eligibility, none of this group receives funds. In Michigan, 75 percent of those reporting eligibility receive no funds. Further study is needed to determine the extent to which schools that are eligible to receive Title I funds do not receive them because of administrative issues or whether some charter schools do not understand the complexity of Title I eligibility.

The next chapter explores why charter schools are started and what problems they encounter during implementation.

IV. Why Charter Schools Are Started and What Barriers They Encounter

Who starts charter schools? What motivates charter developers to found charter schools? What barriers do they encounter during implementation? To address these questions, this chapter draws on both responses to the telephone survey questions and qualitative data gathered in the field.[41] The research team visited 42 of the estimated 93 charter schools that were in operation by the end of the 1994–95 school year.[42] These schools were selected within each of five states at random within the following categories: grade level, school size, and the schools' status as newly created or pre-existing. By selecting within categories, we have tried to eliminate unknown sources of bias that might prejudice the empirical findings toward some conclusion. Throughout this chapter, we will use examples from the fieldwork to impart a sense of the reality and variability of charter schools.

Who Originates Charter Schools

Although the founding of charter schools occurred in ways unique to each school's state and local context, we could discern general patterns from the field sample. Broadly speaking, either (1) one or several individual leaders, or (2) a coalition of stakeholders founded charter schools. For three-quarters of the 42 field sites, one or two leading individuals provided the impetus and drive to write the charter proposal, reach out to and persuade teachers, parents, and community groups to support the charter school, and worked to obtain official charter approval. A school principal or administrator started the school in half of these cases, and a few active parents or teachers founded most of the others. In the three remaining cases, community members other than parents—namely, a business leader, a group of education reformers, and a nonprofit foundation—initiated and led the founding effort. When an administrator or several administrators provided the impetus, the schools were most likely to have been pre-existing schools. When several parents or teachers were the driving force behind charters, the charters were most likely to have been newly created schools.

By contrast, in the other one-quarter of the field cases, a broad coalition of stakeholders worked from the outset to develop and receive approval for a charter. These coalitions invariably included parents, teachers, and school administrators but also encompassed such other stakeholder groups as district superintendents and staff, teachers' unions, members of the business community, post-secondary institutions, advocacy groups, and other organized or ad hoc community groups. In our field sites, all charter schools led by a broad coalition of stakeholders were newly created schools.

Why Charter Schools Are Founded

The Study's telephone interviewers asked a respondent at each charter school to tell us the most important reasons for founding the charter school. Then we asked the respondent to select *the* most important reason. At 92 percent of the schools, the respondent provided an answer. We coded the responses into a small number of categories. Exhibit 19 lists the categories of reasons why charter schools are founded—namely (1) to advance an educational vision; (2) to have more autonomy over organizational, personnel, or governance matters, (3) to serve a special population; (4) for financial reasons; (5) to engender parent involvement and ownership; and (6) to attract students and parents. The second column of the table shows the percentage of all charter schools that cited a reason as an important reason (the respondents could cite more than one important reason); the third column shows the percentage of respondents who cited a reason as *the* most important from the several that might have been mentioned; the remaining three

columns show the percentages of newly created, pre-existing public, and pre-existing private schools that cited each reason as *the* most important.[43] The table suggests that these different types of charter schools tended to emphasize different reasons for their founding. Over two-thirds of newly created schools had "realizing an educational vision" as a primary motivation.[44] In contrast, half of the pre-existing public schools that converted to charter schools cited "autonomy" as their most important reason. The story for pre-existing private schools is more mixed with realizing a vision, attracting more students, and seeking public funding accounting for most of the founding reasons for the small number (20) of formerly private schools.

Exhibit 19—*Reasons for Founding Charter Schools*

	Percent of charter schools that cited reason as[45]				
	An important reason	The most important reason			
Reason for founding charter School	All sites (respondents could cite more than one reason)	All sites (respondents cite the most important reason)	Newly created	Pre-existing public	Pre-existing private
Realize a Vision	61.1% n=133	51.0% n=105	66.9%	27.9%	35.0%
Autonomy	24.0% n=53	20.8% n=43	7.7%	50.1%	0%
Special Population	12.7% n=28	12.6% n=26	19.6%	2.9%	5.0%
Financial Reasons	10.9% n=23	5.8% n=12	.8%	10.3%	20.0%
Parent Involvement	9.5% n=21	4.9% n=10	4.2%	5.9%	5.0%
Attract Students	9.5% n=21	4.9% n=10	.8%	2.9%	35.0%
Total Number		n=206	n=118	n=68	n=20

The following discussion offers examples of the coding categories in order to illustrate their meaning. To give the reader a sense of the variation in circumstances, we will draw on examples from newly created and pre-existing charter schools, from schools at different grade levels, and schools that had different approaches and goals in founding their charter schools.

To Advance an Educational Vision

We coded 51 percent of the responses as indicating that the most important reason for founding their charter school was to realize an educational vision (see Exhibit 19).[46] Most such respondents referred to particular curricular and/or instructional approaches. In many cases, they also contrasted their approach to that of existing public schools, often indicating dissatisfaction or frustration with the public system. Their educational approaches vary greatly from one school to another, spanning virtually a master list of the curricular and instructional reforms currently

being tried in many public schools across the nation—e.g., project-based curricula, experiential learning, thematic instruction, team teaching, cooperative learning, instructional uses of technology, and so on.[47] The range of distinct curricular and instructional approaches cited was almost as large as the number of charter schools themselves, as the examples below illustrate.

Before discussing examples, we can highlight the quantitative difference between newly created and pre-existing schools by referring to Exhibit 20. This table is a repeat of Exhibit 19, except that row percentages are displayed. The second column of the table shows the percentage of all charter schools that cited each reason as *the* most important; the percentages for this column are the percentage of the number of the 206 sites that were coded. The percentages in the remainder of the table should be read across each row; this shows the percentage of newly created, pre-existing public, or pre-existing private schools citing each reason. The data in this table indicate that of the survey schools citing realizing an educational vision as their most important reason for founding the school, three-quarters were newly created schools and the remainder were pre-existing schools. Several examples drawn from the fieldwork may suggest some of the curricular and instructional approaches that might be included in a school's educational vision, and also indicate how varied the approaches are.

Exhibit 20—*Percentage of Reasons That Newly Created and Pre-existing Schools Had for Founding Charter Schools*

Most important reason	Percent of Charter Schools that Cited Reason as Most Important			
	All Sites[48] [read percent of column↓]	Newly created	Pre-existing public	Pre-existing private
		[read percent across row→]		
Realize a vision	51.0% n=105	75.2%	18.1%	6.7%
Autonomy	20.9% n=43	20.9%	79.1%	0%
Special population	12.6% n=26	88.4%	7.6%	4.0%
Financial reasons	5.8% n=12	8.3%	58.4%	33.3%
Parent involvement	4.9% n=10	50.0%	40.0%	10.0%
Attract students	4.9% n=10	10.0%	20.0%	70.0%
Total number	n=206	n=118	n=68	n=20

Newly created charter schools. The following three examples are all newly created charter schools.

- *One K–10 school of about 400 students offers a curriculum based on Mortimer Adler's Paideia Principles. All students are taught a common core curriculum that meets or exceeds the graduation requirements of the sponsor district, supplemented by intensive instruction in arts, sciences, and foreign languages. Multi-aged classrooms and small student-teacher ratios are in place, and learning goals and benchmarks are proposed for all grades. The*

charter calls for using the Paideia Principles, modes of instructional delivery including didactic teaching, coaching, and seminar methods.

- *A 7–12 school with under 200 students takes quite a different approach: it is an "on-line" distance learning school. Students work almost exclusively at home and communicate with their teachers and other students via the Internet, modems, e-mail, and fax. The physical infrastructure of the school looks nothing like a typical school; there are no classrooms. Instead, there is an office for the principal, another for the technology director—packed with modems and computers—and a few meeting rooms. Students, teachers, and administrators use the technology to communicate one to one and in "electronic classrooms" via scrolling electronic chat sessions. The curriculum is delivered electronically and is consistent with the state's curriculum frameworks. Students typically download instructional units to complement their texts and other audio or visual media.*
- *A K–12 charter school, serving about 400 students, emphasizes an "unstructured" learning environment in which students who have had difficulty with conventionally structured public schools (or children whose parents felt their students would prosper in a less structured learning environment) can have more individualized curriculum and instruction. The school has a multi-aged and fluid grouping of students (with no tracking), takes an approach that curriculum should be meaningful to the students' experiences, stresses experiential learning and community service, and assesses students primarily on the basis of student portfolios, demonstrations, and performances. Each student has a teacher advisor who meets regularly with the student.*

The founders of these newly created charter schools described above created public schools that would realize their clearly different educational visions. In the examples below, we describe educational visions of three pre-existing schools.

Pre-existing schools. Of the charter schools that cited an educational vision as the most important founding reason, three were pre-existing private schools that said they wanted to convert to charter schools so that public school students would have access to their particular educational vision.

- *One such example is a formerly private Montessori school that wanted students of all socioeconomic groups to have access to its approach to schooling for children (pre–K–6). Montessori is a distinctive educational approach, featuring individualized instruction with students learning at their own rate in their "learning spaces," multi-aged grouping of students, an international curriculum, and special Montessori teaching materials. This school had sought to become a magnet school in the public system prior to the passage of the charter law, but met resistance that it could not overcome. Though there was stiff opposition to its becoming a charter, a small group of teachers and parents were able to convince its sponsor to support the charter.*

Of the schools that cited an educational vision as the most important founding reason, 19 charter schools were pre-existing public schools. Similar to the private schools, the pre-existing *public* schools in the field sample that converted to charter schools generally had an established educational vision and program at their school prior to their conversion.

- *One pre-existing charter school wanted to implement a school restructuring plan that had been developed by the school community over several years. Their vision included a stronger voice for faculty and the community in the school's governance structure, more flexibility in scheduling, and smaller class sizes. The school community felt that converting to charter would allow them to avoid the roadblocks that had prevented the implementation of their*

vision. For example, they believed that the charter would allow them to realize cost savings if they bought services from vendors other than the school district. Enhanced flexibility resulting from the charter enabled the school to modify its schedule and governance structure. The savings realized from the school's use of alternate vendors were used to reduce class size.

This example notwithstanding, nearly twice as many converted public schools indicated that more autonomy, rather than educational vision, was their most important motivation for becoming charter schools. The next section discusses autonomy issues in more detail.

To Have Autonomy

The second most common reason cited for becoming a charter school was the desire for more flexibility from laws, regulations, or conventional practices: One-fifth of the surveyed schools cited autonomy as their most important reason. Specifically, they included autonomy with respect to personnel matters, educational programming, state laws, and independence in financial management.

Pre-existing schools. Eighty percent of the 43 survey schools that cited autonomy as the most important factor in their decision to charter were pre-existing public schools (see Exhibit 20). Schools of this type visited in the field study had a well-developed educational approach and vision of schooling. However, they felt their further development and ability to serve their students was hampered by district regulations, collective bargaining agreements, and/or state laws. An example may make this motivation for autonomy more concrete.

- *One large middle school located in a low-income, urban area enrolls more than a thousand students, less than 10 percent of whom are white. The school's program provides a multi-ethnic, student-centered learning environment to meet the needs of urban youth. The school was an integration magnet before it became a charter school. Its overall goal is to provide one advanced curriculum to guarantee every student access to and success in any high school program. However, its primary reasons for becoming a charter school were to have control over hiring and firing, to have autonomy in the running of the school and its budget, (e.g., waivers from district procedures) and to have control over the use of instructional staff. School staff and parents became convinced that their continuing efforts to improve would be stifled without freedom of decision in these areas. Their desire for autonomy concerned freedom from local control more often than state control.*

Other pre-existing public schools cited the need for fiscal autonomy, freedom from the state education code, and flexibility for creating their educational programs.

Newly created schools. Although pre-existing schools were the most likely to cite the need for autonomy as a primary reason for becoming a charter school, nine newly created charter schools also believed they could not have flexibility in their educational programs without starting charter schools. In the fieldwork sample, three newly created charters believed they needed autonomy from district or state rules in order to develop non-traditional partnerships with members of the community. For example, one was founded to help business and labor work with university-based education reformers and the district in an effort to improve the post-school outcomes of youth through the school-to-work movement. The founders did not believe that they could develop this flexible partnership within the district.

To Serve a Special Population

Twenty-six schools, or 12.6 percent of the survey sample, said they founded charter schools to serve a special population of students, including "at-risk," language minority, disabled, or ethnic

and racial minority students. Almost all of these are newly created charter schools (see Exhibit 20). The following examples convey a clearer picture of the goals of this type of charter school.

- *One K–12 charter school of fewer than one hundred students was established to address the negative experiences of Native American students in traditional public schools, such as high dropout rates and overrepresentation in special education programs.*[49] *Its founders believed that the charter school could also help to fill a large gap in community-based services; without it, Native American youth in need of public-funded treatment and other social services would have to leave the reservation in order to get them. The school uses multi-grade classes in large open rooms, and makes use of the community as a learning resource. Class sizes are small, and students typically work in groups. The school focuses on addressing students' social, emotional and behavioral needs in order to establish a foundation for academic progress.*
- *Another newly created school was established to meet the developmental and academic needs of language minority early adolescents who are making the transition to English. The school currently enrolls fewer than 200 students in grades 7–9, the vast majority of whom are Hispanic. Based on their observations at their children's elementary schools, parents believed that the large urban district lacked programs adequate to meet their children's needs in the district's large middle schools. Despite intense opposition from within the district, the charter was granted and the school is now a community-based school, with extensive parent involvement. The small school setting allows for smaller class sizes, which the parents believe are essential if their children are to learn both English and the remainder of the curriculum.*

Financial Reasons

Of the twelve schools that cited financial reasons as the most important reason for founding their charter school, one-third are former private schools (see Exhibit 20).[50] Data from fieldwork suggest that some pre-existing *private* schools felt they had to accept a loss of autonomy in order to receive the public funds which enabled disadvantaged children to attend the school.

- *For example, a well-established private school with a distinctive and successful approach to early childhood schooling wanted to make the program affordable to any parent who wanted it. By converting to charter, the school could accept additional parents who otherwise could not pay the school's tuition. (Leaders at the school estimate that two-thirds of the parents who currently enroll children in the school could not afford the tuition if the school had remained private). In this case, the private school had previously charged a tuition rate that was lower than the state public school funding level.*

Seven of the schools that indicated financial reasons as the most important reason for converting to charter status were pre-existing public schools. Their financial reasons varied. One well-established school, for example, with a reputation as a restructured school serving a diverse student body, believed that as a charter school, it could more easily raise funds for special projects and for reducing class size.

Whether public or private schools, pre-existing or newly started, such financial dimensions merit more detailed investigation than the Study could undertake in its first year. In future research, we plan to address questions such as:

- How do the funding (operating and capital) levels of charter schools compare to other public schools?
- What (operating and capital) funding advantages and disadvantages do charter schools experience compared to other public schools?

To Enable Parent Participation

Nearly half (48 percent) of all the surveyed schools reported some form of parent or family participation requirement.[51] Though only ten survey schools cited parent involvement as the most important reason for founding a charter, parent participation was a recurrent theme at many fieldwork sites.[52] The field team made a preliminary classification of the field sites as falling into one of three groups—namely, schools that follow a more-or-less conventional approach to parent involvement, schools that differ in a variety of ways from standard parent involvement activities, and schools that make parent participation a core aspect of their learning process.

Our fieldworkers characterized about one-fifth (19 percent) of the charter schools visited in year one as using conventional approaches to parent involvement or home-school relations. In these charter schools, parent involvement activities centered on home-school communication and family involvement in school decisions in the form of a few parents serving on the school site governing board or on school-wide committees. These schools did not develop opportunities for most parents to participate in the school's operations.

Slightly fewer than half of the charter schools visited in year one (43 percent) could be described as diverging from the more conventional approach to parent involvement or home-school relations. Though parents were generally not an active or driving force in the school's obtaining its charter status in these cases, these charter schools differed from more conventional approaches to parent involvement in one or more of these ways: (a) offering activities such as workshops, support groups, regularly scheduled parent meetings, and referrals to other service agencies; (b) offering opportunities for parents to volunteer at the school or requiring parents to volunteer their time, both in the classroom and around the school (e.g., the lunch program, custodial or maintenance work, transportation, working in the office); and (c) offering parents at-home learning activities to support school objectives, or requiring parents to sign the homework completed by their child. A small number of these sites (five) had articulated plans related to parent involvement that differ fundamentally and systematically from conventional approaches to parent involvement, but these plans had yet to be implemented.

More than one-third of the charter schools in the fieldwork sample had extensive and systemic parent involvement. Respondents often cited such involvement as a critical reason for founding the charter schools. These schools appeared both to require and enjoy an exceptionally high level of parent commitment and involvement in a number of areas: activities to enhance parent knowledge and skills, home-school communication, governance, support for classroom instruction, operational support, volunteering and participation at school-wide events, and activities to promote family involvement in learning activities at home.

- *For example, one K–7 charter school was previously a parent cooperative preschool. It converted to charter status because parents wanted to continue to play an active role in their children's education. Parents (or their designees) are required to contribute one-half day per week per child (for up to two children) to the school. Much of the parent volunteer time is spent in the classroom, with as many as four (and sometimes more) parents in the classroom at a time, working with small groups of students or one to one to support for instructional activities. Time is scheduled before and after each class period for parent volunteers to meet with the teacher to discuss classroom goals and debrief. Parents, teachers, and students all spoke of the benefits of having parents in the classroom.*

Programs such as these attracted a population of parents who wanted to participate actively in the education of their children, and the schools had implemented strategies for them to do so. Parents were involved in every aspect of the school during the entire day. Most of these schools, like the example above, required parents to commit to volunteering at the school a minimum number of

hours per year. In some sites, continued enrollment of a child was dependent upon his or her parents completing the minimum number of hours of service. Parents and staff had forged a working relationship to manage all aspects of the school. A few of these schools were offering home school programs or distance-learning, allowing parents to play a major role in the child's instruction. In these cases, teachers provided support to parents so that they could fill this role.

Thus, charter schools vary greatly, with respect to the extent of parent involvement with the schools. While some have a conventional approach, others are working to develop more active and comprehensive roles for parents, and some have practices in place that could serve as models for other public schools. This variation suggests that future research might examine the following questions:

- What parent participation practices do charter schools develop, and what factors account for the variation in their approaches?
- To what extent does a charter school's approach to parent participation affect charter school operations, educational practices, and student outcomes?
- Do some charter schools provide models of parent participation that could be adopted by other public or charter schools?

To Attract Students

Ten of the surveyed schools said that their most important reason for founding a charter school was to attract students and parents.[53] Of these, seven were pre-existing private schools. Four of these formerly private schools have fewer than 100 students, while two have fewer than 200 students. The motivation here generally involved providing access to the schools' educational vision for public school students.

Next year's fieldwork will examine in greater depth the reasons for founding charter schools, and will explore the impact of the state's legislative context on founding and operating charter schools. The Study will investigate the extent to which reasons for founding charter schools affect student achievement, other measures of student learning, and how charter schools are implemented.

What Obstacles and Implementation Problems Do Charter Schools Encounter?

Virtually all charter schools have had to overcome obstacles during development and implementation. The telephone survey asked respondents at the charter schools to rate the difficulty (on a scale from 1 to 5, with 5 being very difficult) of overcoming each barrier in a list of possible barriers to charter implementation. On the next four pages, we present a number of exhibits that tabulate these responses, beginning with Exhibit 21. The first column of Exhibit 21 lists the barriers, the second column shows the percentage of schools that felt the barriers were difficult or very difficult to overcome, and the third and fourth columns show the mean and standard deviation of the schools' scores, respectively. The barriers are listed in order from the highest to the lowest percentage of schools reporting that the barrier caused them difficulty.

Exhibit 21 tells only part of the story about barriers. We know from the fieldwork that newly created charter schools experience somewhat different barriers than do converted pre-existing schools. Consequently, before interpreting the quantitative results, we will present additional data about the barriers for newly created and pre-existing charter schools.

For each barrier, Exhibit 22 compares the percentage of difficulty for newly created and pre-existing charter schools; Exhibit 23 shows the mean difficulty scores for newly created and pre-

Exhibit 21—*Barriers to Developing and Implementing Charter Schools*

Barriers	Percentage of schools reporting barriers were difficult or very difficult	Mean score	Standard deviation
Lack of start-up funds	59%	3.56	1.57
Lack of planning time	42%	3.16	1.40
Inadequate operating funds	37%	3.00	1.48
Inadequate facilities	35%	2.72	1.58
State or local board opposition	25%	2.30	1.42
State department of education resistance or regulations	19%	2.13	1.36
Internal conflicts	19%	2.25	1.28
District resistance or regulations	18%	2.09	1.36
Union or bargaining unit resistance	15%	1.88	1.30
Bargaining agreements	13%	1.76	1.25
Hiring staff	12%	1.94	1.15
Health/safety regulations	10%	1.83	1.15
Accountability requirements	9%	1.86	1.05
Federal regulations	6%	1.58	.96
Community opposition	5%	1.54	.92
Teacher certification requirements	4%	1.43	.87

existing charter schools, along with the results of a statistical test which indicates whether the difference in the mean scores is likely to have occurred by chance (a probability of less than 0.01 is extremely unlikely to have happened by chance).[54] These data suggest that newly created and pre-existing charter schools experience some similar but also systematically different barriers—a finding confirmed by the fieldwork.

These tables also show that a lack of start-up funds posed great difficulty for more charter schools than any other barrier. In addition to a lack of start-up funds, the most commonly cited barriers were a lack of planning time and inadequate funding for operations. These barriers are interrelated. In effect, they form a cluster representing a more general dimension of difficulty that could be called resource limitations. The tables show that resource limitations are the most pervasive problems, generally causing the highest level of difficulty for the most sites.

To further explore connections among the barriers, we conducted a factor analysis, the results of which are shown in Exhibit 24.[55] We found that three clusters of barriers or dimensions underlie the difficulty scores. The first cluster reflects barriers concerned with *resources* (money and time). The key barriers that most define this cluster are—as suggested above—lack of start-up funds, inadequate operating funds, inadequate facilities, and lack of planning time. The second cluster can be called *political resistance*, for it most often involves resistance from union or bargaining units and from school districts, as well as conflicts about bargaining agreements and district regulations. The third cluster involves *regulatory problems*. The key barriers here concern the hiring of non-credentialed teaching staff, health and safety regulations, other state

Exhibit 22—*Barriers for Newly Created versus Pre-existing Charter Schools*

Barriers	Percentage of charter schools that felt barriers were difficult or very difficult		
	All sites	Newly created	Pre-existing
Lack of start-up funds	59%	68%	46%
Lack of planning time	42%	43%	40%
Inadequate operating funds	37%	38%	36%
Inadequate facilities	35%	45%	22%
State or local board opposition	25%	19%	33%
State department of education resistance or regulations	19%	14%	26%
Internal conflicts	19%	21%	16%
District resistance or regulations	18%	16%	22%
Union or bargaining unit resistance	15%	13%	18%
Bargaining agreements	13%	7%	22%
Hiring staff	12%	12%	12%
Health/safety regulations	10%	12%	6%
Accountability requirements	9%	7%	13%
Federal regulations	6%	6%	6%
Community opposition	5%	7%	2%
Teacher certification requirements	4%	2%	7%

Exhibit 23—*Mean Difficulty of Barriers for Newly Created versus Pre-existing Schools*

Barriers	Mean difficulty score on scale (1–5)			*F* Probability
	Total	Newly created	Pre-existing	
Lack of start-up funds	3.56	****3.93**	3.05	001
Lack of planning time	3.16	3.23	3.08	.05
Inadequate operating funds	3.00	3.06	2.91	.05
Inadequate facilities	2.72	****3.10**	2.19	001
State or local board opposition	2.30	2.17	2.49	.05
State department of education resistance or regulations	2.14	2.04	2.27	.05
Internal conflicts	2.25	2.32	2.15	.05
District resistance or regulations	2.09	1.98	2.24	.05
Union or bargaining unit resistance	1.88	1.78	2.03	.05
Bargaining agreements	1.76	1.44	****2.21**	001
Hiring staff	1.94	1.93	1.95	.05
Health/safety regulations	1.83	****2.07**	1.49	001
Accountability requirements	1.86	1.81	1.93	.05
Federal regulations	1.58	1.58	1.57	.05
Community opposition	1.54	1.58	1.48	.05
Teacher certification requirements	1.43	1.36	1.52	.05

**Significant at the .001 level

regulations (including financial, liability, and retirement issues), and accountability requirements.

Exhibit 24—*Possible Dimensions of Difficulties*

Barriers	Cluster 1 *Resource limitations*	Cluster 2 *Political resistance*	Cluster 3 *Regulatory problems*
Lack of start-up funds	**.81**	–.06	–.02
Inadequate operating funds	**.75**	.06	.03
Lack of planning time	**.56**	.20	.06
Inadequate facilities	**.54**	–.02	.21
Union or bargaining unit resistance	–.02	**.78**	–.09
Bargaining agreements	–.18	**.75**	.11
District resistance or regulations	.22	**.67**	.11
State or local board opposition	.23	.38	.31
Hiring staff	.15	.03	**.62**
Health/safety regulations	.40	–.18	**.56**
Accountability requirements	.04	.34	**.52**
Teacher certification requirements	–.06	.05	**.51**
Federal regulations	.27	.04	.50
State department of education resistance or regulations	– .09	.05	.44
Community opposition	.26	.12	.42
Internal conflicts	.34	.36	.26

**Significant at the .001 level

A cluster indicates that some charter schools are likely to cite as difficult more than one of the barriers that have the greatest weight in defining a cluster. Exhibit 25 shows the results of computing the percentage of charter schools that cited at least one of the key barriers in a cluster. The table shows that resource limitations are the most pervasive difficulties, with about two-thirds of charter schools reporting difficulty. Political resistance much more widely affects pre-existing schools that converted to charter status—three out of five such schools report difficulty. Regulatory barriers are much less common, but they are the cause of real concern for about one-quarter of charter schools.[56]

Exhibit 25—*Percentage of Charter Schools Citing at Least One Type of Barrier within a Cluster*

Cluster	All charter schools	Newly created	Pre-Existing
Resource limitations	72.3%	76.6%	65.5%
Political resistance	43.6%	32.5%	60.0%
Regulatory problems	24.7%	23.4%	29.4%

Given this quantitative background, the following sections describe and exemplify issues involving these three dimensions of difficulty.

Resource Limitations

The data indicate that although issues of resource limitations plague both types of charter schools, greater percentages of newly created than of pre-existing schools have been troubled by insufficient start-up funds and inadequate facilities. For example, although some newly created schools are located in district-owned space, many are located in non-traditional spaces. A few schools have taken innovative or creative steps to resolve their facilities problems. For example, one school leases space in multiple sites in shopping malls scattered throughout the district, at a steep discount relative to prevailing rents. Others are located in leased commercial space or previously-closed private or parochial schools. Some are housed in temporary structures.

Roughly the same percentages of newly created and pre-existing charter schools have been hampered by a lack of planning time and inadequate operating funds. The fieldwork suggests that pre-existing schools, for example, often have trouble finding time to plan amidst the press of day-to-day school operations, and discover that assembling staff, parents, and community members for joint planning can be a real challenge due to conflicting work schedules and time preferences. Developers of newly created schools, on the other hand, often need extensive amounts of planning time because they are starting "from scratch."

Political Resistance

The second most common set of barriers are political in nature. Conflict with employee unions and obstacles stemming from collective bargaining agreements do not appear to be widespread problems, but they are more common in pre-existing schools that have maintained strong ties to the district. Pre-existing schools cited existing bargaining agreements as a difficult barrier more often than newly created schools (22 percent versus seven percent). Several of the schools in our field visit sample encountered resistance from local employee unions. One pre-existing elementary school, for example, sought to gain control over staff selection matters but ran into significant resistance from the district teachers' association.

Many other schools, by contrast, have encountered little in the way of resistance from unions. Newly created schools in particular often have little interaction with existing unions and often are not subject to the terms of existing bargaining agreements, though staff at some of these schools are employees of the sponsor district and are subject to terms of such existing agreements.

Conflicts with local district staff, local boards, and state boards or departments of education are also not common, but pre-existing schools cited these as difficult barriers more often than did newly created schools. For example, 33 percent of pre-existing schools cited state or local board opposition as a difficult barrier, while 19 percent of newly created schools cited it.

Relationships with local school districts and sponsors vary widely. In several of the field visit sites, the local district board or superintendent played a strong role in initiating and supporting the development of the school. In one such case, the charter school serves as a research and development site for the district. In another case, the district superintendent encouraged staff to develop a charter school. After two years of operation, the school's leadership is seeking to increase its capacity in order to accommodate a growing waiting list, but the superintendent has resisted the charter school's efforts to expand further into a district-owned space. In other cases, the local district staff and/or board were highly resistant and the charter developers often were engaged in intensive or hostile discussions and negotiations. In some of these cases, the relationship between the school and the district has remained sour, while in others such differences have been surmounted over time. Newly created schools were slightly (though not significantly) more likely (21 versus 16 percent) to cite internal conflicts as a barrier than pre-

existing schools. Such conflicts can be nearly crippling in some schools and have led to significant turnover among staff, students, parents, and board members.

Regulatory Barriers

Regulatory barriers are encountered by small percentages of charter schools, whether the schools are newly created or pre-existing. These included health and safety requirements, accountability requirements, problems in recruiting or hiring staff, federal laws and regulations, community opposition, and barriers relating to teacher certification. The survey data indicate that state regulations, accountability requirements, and teacher certification requirements are somewhat more likely to affect pre-existing schools, whereas health and safety requirements, along with community opposition, are somewhat more likely to affect newly created schools.

Although the field team did not observe many schools that cited regulatory barriers, in a few fieldwork sites these problems were significant. Some newly created schools, for example, have found it difficult to recruit highly experienced staff, while others had many staff applicants and felt that they were able to choose especially high-quality candidates. Others have found that district- or state-mandated assessment instruments or tests are not aligned with their schools' instructional objectives, so they fear that the assessment data will reflect poorly on their schools.

Barriers and the States

Differences across states in charter laws, labor relations, financing systems, and state educational policies undoubtedly affect the barriers that schools experience. We could not investigate this issue during year one, except in the most preliminary way. Exhibit 26 shows the percentage of schools in each state that had difficulty with each barrier. In the states with few charter schools, the percentages can be misleading. Nonetheless, the table is provocative. What is the relationship between Arizona's charter law and the high percentage of schools in the state that report a lack of start up funds, or the smaller percentage reporting a lack of planning time? Why

Exhibit 26—*Barriers to Implementing Charter Schools by State*

Barriers	Percentage of schools reporting barriers as *difficult* or *very difficult*										
	All sites	CA	AZ	MI	CO	MN	M A	WI	NM [57]	GA[57]	HI[57]
Total Number of schools	225	83	38	38	22	17	13	5	4	3	2
Number of newly created	126	41	24	16	19	14	11	2	–	–	–
Number of pre-existing	99	42	14	22	3	13	2	3	4	3	2
Lack of start-up funds	59	49	73	61	55	77	77	40	25	67	100
Lack of planning time	42	44	24	40	59	53	4	20	50	67	50
Inadequate operating funds	38	37	41	24	41	71	31	–	25	33	50
Inadequate facilities	35	31	35	39	50	47	23	40	25	–	–
State or local board opposition	25	21	30	18	24	24	31	–	50	67	100
State resistance/regulations	19	14	19	30	–	24	–	60	–	–	100
Internal conflicts	19	15	17	9	43	24	23	40	25	33	–
District resistance/regulations	18	23	8	6	10	29	25	20	50	67	100
Union/unit resistance	15	25	3	9	5	12	33	40	–	–	50
Bargaining agreements	13	27	3	6	5	–	–	40	–	–	100
Hiring staff	12	11	5	12	5	18	15	20	–	33	100
Health/safety regulations	12	5	16	12	10	18	8	–	–	–	–
Accountability requirements	9	7	19	16	5	–	–	–	25	–	–
Federal regulations	6	1	14	–	14	18	–	–	–	–	–
Community opposition	5	1	8	3	5	6	8	20	–	33	–
Teacher certification requirements	4	3	–	6	–	6	8	20	25	–	–

are these results different for California and Colorado but not for Massachusetts? We can suggest tentative answers to these and many other questions stimulated by the table. Next year, more states will have more operational charter schools to examine, so answers then can be given with greater confidence. In addition, the Study will complete a state-by-state analysis of charter legislation and will begin more in-depth analysis of the way states affect local practices in the five states chosen for the first cohort of intensive charter school field visits and intensive data collection (including the collection of student achievement data).

Summary

This chapter has presented preliminary data about the founding of charter schools and barriers they encounter. Our primary purpose was to describe the range of charter implementation circumstances and issues that have emerged in this early stage of charter implementation. A sense of the great diversity of charter schools emerges from this examination. Some charter schools offer advanced uses of technology at a distance; others emphasize small, nurturing environments with close student-teacher contacts. Some schools mirror different aspects of school reforms of the 1990s; others follow a more conventional education program. Some charter schools create structured learning environments for their students; others deliberately design less structured learning environments. A sizable proportion of charter schools aim to serve special populations, though most charter schools reflect the demographic characteristics of students in their geographic area. The variety across charter schools in education programs and missions is also apparent in their array of different approaches to management, governance, finance, parent involvement, and personnel policies.

In particular, this chapter has shown that many charter schools are founded to realize an educational vision, and that most newly created charter schools have this reason as a prime motivation. At the same time, the first year's exploratory research provided examples indicating great differences among charter schools in their curriculum and instructional approaches aimed at realizing their vision. Future research will ask:

- What types of educational programs and practices do charter schools offer, and how distinctive are these approaches compared to those of other public schools?
- Under what conditions do charter schools' educational programs and practices improve (or worsen) student outcomes?
- How do charter school operations and organizational arrangements—including personnel policies, parent participation, and governance—affect their educational programs and practices?
- Do some charter schools provide models of educational programs and strategies that could be adopted by other public schools?

The preliminary data also indicate that gaining autonomy was an important concern for pre-existing public schools. This issue is complicated for newly created and pre-existing schools alike. The fieldwork suggested that local issues were foremost in charter schools' concerns about autonomy. But until more in-depth research is done, it is hard to assess the relative importance of autonomy from district, state, and collective bargaining agreements. Moreover, for charter schools, issues of autonomy are linked to accountability—an area we could not sufficiently explore in the first year. Clearly, state legislation affects both autonomy and accountability. Preliminary Study findings suggest that subsequent research should focus on the following questions:

- In what areas do charter schools exercise autonomy (including curriculum and instruction, personnel, budgetary, governance, assessment, and student attendance, discipline, and selection) from what agencies, and how does charter school autonomy compare to that of other public schools?
- What factors affect charter school autonomy, and what factors (including state legislation) explain the variation among charter schools in their degree of autonomy?
- How are charter schools held accountable, what explains the variation in accountability, and how does their accountability compare with that of other public schools?
- What are the links between autonomy and accountability in both a legal (state law, regulation, and court decisions) and an empirical sense (e.g., practices and agreements between charter sponsoring agencies and charter schools)?

The evidence in this chapter also identifies resource limitations, political resistance, and regulatory problems to be principal concerns for charter schools. Of these issues, resource limitations are the most pervasive. Of course, each school faces particular resource difficulties arising from its context, and newly created charter schools generally face facility issues that some pre-existing schools do not confront. These variations notwithstanding, most charter schools have to solve more or less severe resource problems. Some charter schools may develop innovative approaches to obtaining and using resources that might serve as models for other public schools. Similar considerations apply to the barriers of political resistance (which, though less pervasive than resource limitations, pose serious challenges for pre-existing charter schools) and regulatory problems that a minority of charter schools encounter. These issues suggest that our research agenda should address the following questions:

- What resource limitations, political resistance, and regulatory problems do different types of charter schools face, and what coping mechanisms have they developed?
- What resources are charter schools able to marshal?
- How do charter schools allocate their resources? What percentage of resource limitations result from costs associated with facility, start up equipment, planning, or other areas?
- How do the state context and charter school laws affect both the difficulties that charter schools experience and the coping mechanisms they develop?

In 1997 we will revisit charter schools (as well as update our phone survey information) in order to collect more intensive data that should allow us more to examine these questions and, more broadly, to identify factors that affect charter implementation. The Study also will begin its longitudinal assessment of student achievement, and initiate the difficult task of collecting information on the effects—positive or negative—of charter schools on local and state public school systems.