

## Charter Schools: Education Reform or Business?

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Academic Editor



American social writer Eric Hoffer (1967) is credited with the quote, "Up to now, America has not been a good milieu for the rise of a mass movement. What starts out here

as a mass movement ends up as a racket, a cult, or a corporation." Growing evidence suggests that the charter school movement is headed away from a grassroots

movement and toward becoming a big business. As charter schools multiply, public school teachers and administrators need to understand the policy landscape in which

charters are skimming money from their traditional local public schools, making scarce resources even scarcer. A related phenomenon—is the reconstitution of traditional public schools into charter schools.

Not to sound alarmist, but the increasing reach and growth of charter schools is troublesome for me as someone who supports a democratic, unitary vision of public education. While charter supporters argue in favor of having a choice of schools for their children to attend, I would object if that choice ends up splitting the system, starving the traditional public schools of adequate resources, and inevitably destroying the local public schools. Could that really happen? Actually, that is the intent of those currently directing the national charter movement.

### **The Smoking Gun**

What is the connection between charter schools and the marginalization of the unitary system in favor of the expansion of a dual system: one for the “haves” and another for the “have nots” of our society? The charter school cartel tipped its hand in 2008 when Andy Smarick, formally of the Fordham Foundation and now a high-ranking bureaucrat in the New Jersey Department of Education, wrote what now seems to be the plan for national charter policy:

*Here, in short, is one roadmap for chartering’s way forward: First, commit to drastically increasing the charter market share in a few select communities until it is the dominant system and the district is reduced to a secondary provider. The target should be 75 percent. Second, choose the target*

*communities wisely. Each should begin with a solid charter base (at least 5 percent market share), a policy environment that will enable growth (fair funding, nondistrict authorizers, and no legislated caps), and a favorable political environment (friendly elected officials and editorial boards, a positive experience with charters to date, and unorganized opposition). For example, in New York a concerted effort could be made to site in Albany or Buffalo a large percentage of the 100 new charters allowed under the raised cap. Other potentially fertile districts include Denver, Detroit, Kansas City, Milwaukee, Minneapolis, New Orleans, Oakland, and Washington, D.C.*

*Third, secure proven operators to open new schools. To the greatest extent possible, growth should be driven by replicating successful local charters and recruiting high-performing operators from other areas. Fourth, engage key allies like Teach For America, New Leaders for New Schools, and national and local foundations to ensure the effort has the human and financial capital needed. Last, commit to rigorously assessing charter performance in each community and working with authorizers to close the charters that fail to significantly improve student achievement.*

*As chartering increases its market share in a city, the district will come under growing financial pressure. The district, despite educating fewer and fewer students, will still require a large administrative staff to process payroll and benefits, administer federal programs, and oversee special education. With a lopsided adult-to-student ratio, the district’s per-pupil costs will skyrocket.*

*At some point along the district’s path from monopoly provider to financially unsustainable marginal player, the city’s investors and stakeholders—taxpayers, foundations, business leaders, elected officials, and editorial boards—are likely to demand fundamental change. That is, eventually the financial crisis will become a political crisis. If the district has progressive leadership, one of two best-case scenarios may result. The district could voluntarily begin the shift to an authorizer, developing a new relationship with its schools and reworking its administrative structure to meet the new conditions. Or, believing the organization is unable to make this change, the district could gradually transfer its schools to an established authorizer.*

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Not so innocuous it seems. In fact, if you were to read the full article, and I suggest you do, you will see that Smarick (2008) recommended that charters cease

cooperation and collaboration with traditional public schools and simply look to replace them. There is an entire for-profit sector of charter education called Education Management Organizations. More than 250,000 students currently attend for-profit charter schools that are funded with taxpayer money. They operate outside of the public domain, although they take our tax dollars; and their job is to make money. Enter the proverbial dual system dragon.

But what does the research suggest in terms of the academic achievement of charter school students? What is that actual effect of choice in terms of the eventual demographic makeup of charter schools and the schools whose students leave to attend charters? What are the long-term implications for public schools as a result of pursuing such philosophies? And what really happens when charter schools become a large player in the education sector in terms of the potential for fraud and abuse from the deregulation of a once stable social institution? This issue of the *Record* provides some of the answers to these questions. For additional information, you might want to spend some time at the National Education Policy Center: <http://nepc.colorado.edu/ceru-home>. Also, follow the references in this article and those in this issue that detail

- how charters cause greater segregation across socioeconomic lines (see Frankenberg and Lee 2003; Fuller et al. 2003; Baker 2009; Miron et al. 2010); and
- how charter schools do not provide for high academic achievement across the board when comparing similar groups of students (see Bracey 2005; Roy

and Mishel 2005; Briggs 2009; McEwan 2009; Miron, Coryn, and Mackety 2007).

Another growing aspect of the charter business is that it is now being funded with hundreds of millions of dollars from big banks and hedge funds (Gabriel and Medina 2010; Gonzales 2010). For example, JPMorgan Chase began investing \$345 million dollars in funding charter schools last year. With that much money comes influence and a shift in the control of schools from the public sector to the private sector. In my opinion, that is bad for the unitary public school system because it can become more beholden to private interests.

So the next time you think it might be a good idea to reconstitute your traditional public school into a charter school, perhaps you should think again and instead brainstorm ways to improve your local school. Charter schools are a niche idea that has now grown into a business. They have had more than 20 years to deliver on the promise of outperforming traditional public schools and providing more opportunities for children. They have not fulfilled that promise, and they are now draining resources from the traditional public schools. Thus, charter schools have become part of the problem, not the large-scale policy solution. ■

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