Charter Schools and Competition-Based Reform:
Lessons and Recommendations for LAUSD

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Introduction

When our children attend public schools, we as parents, citizens and taxpayers expect those schools to prepare them for successful lives as productive citizens. We also ask those schools to play a central role in our democracy, to prepare each new generation to sustain and improve our society. In addition, we desire that our schools are not only equitable, but also deliver quality inputs and results. Our public schools, then, must serve as a "private good" and a "public good."[1] Designing a complex education system also involves maximizing the goals of efficiency, quality, equity and choice, as well as social cohesion—bringing us together as a society.[2]

These multiple and sometimes-competing requests placed on public schools have driven a wide variety of policy initiatives. These include test-based accountability systems connected to school-turnaround demands and resource-focused reforms like the Local Control Funding Formula in California.[3] They also include specific interventions like class-size reduction initiatives, and market-based policies like charter schools and vouchers creating choice, competition and private management of schools.[4]

In considering the strengths and weaknesses of these and other ideas to achieve the multiple goals we hold for our public schools, policymakers and the public are able to turn to research evidence. This evidence helps us understand not just whether an idea "works," but also how each idea can be used as a policy tool to achieve some or all of the many goals we are pursuing.

In this White Paper we focus on school choice, a type of competition-based reform. We examine the potential of these reforms and how they can fit within our larger system of schools.

The Landscape of School Choice Reforms

School choice options in urban areas include magnets, pilot schools, intra-district choice, inter-district choice, charter schools, conventional vouchers, tax credit vouchers, education savings accounts and homeschooling.[5] At the high school level, school choice can also include

curricular choices that students can pursue to prepare for college or career.[6] In school districts like Los Angeles, a portfolio-management approach attempts to use choice schools to cultivate a high-quality mix of different types of schooling options.[7] In other urban districts, like New York City and Detroit, market-oriented strategies exist within a context of mayoral control of schools or the eradication or weakening of elected school boards.[8]

Looking specifically at charter schools, we see that about 2.8 million U.S. students were enrolled in charter schools as of fall 2015 (the most recent year with official data), with charter school authorizing legislation now in 44 states plus the District of Columbia.[9] This is 6 percent of total public school enrollment. But the numbers are considerably higher in some areas. In California, charter enrollment in 2016-17 was 9.7 percent of total public school enrollment.[10] Almost a quarter of the LAUSD's students attended charters (154,705 of the district's 633,621 students).[11] Across the board—in Los Angeles, California and nationally—the enrollment trends for charters show consistent annual increases, reflecting coalitional strategies from foundations, advocacy groups and policy makers to increase charter school numbers over the last decade.[12]

Connected to this growth are a number of complex dynamics, to which school systems must attend, between charter schools and district schools. For example, charter school enrollment can place financial strains on schooling systems, whose leaders must decide how to respond to the loss of enrollment in ways that best serve families who stay in district schools. Also, there is significant movement of students from district schools into charter schools, and back to district schools. This movement can create disruptions, as well as strains on planning and on finances, especially since evidence indicates many schools and school systems are spending money on marketing and recruitment,[13] at the expense of investment in the teacher labor force or in classroom resources.[14]

Other charter-growth issues involve governance, funding and accountability. Each charter school or charter network maintains its own governing board that oversees local school and management organization policy. Each state's funding system also varies, as do the funding mechanisms used by each charter school or network, with many charter schools receiving significant private revenue from philanthropies. This means that some charter schools are on stronger fiscal footing than the district schools surrounding them, while other charter schools are financially strapped.[15] Their boards make independent decisions about how to raise this money and how to allocate funds, admit or expel students, and design personnel policies.[16] These boards and their leaders navigate the oversight and accountability provided by the Los Angeles Unified School District (LAUSD) as a charter authorizer in ways that can be either collaborative or contentious.[17] As LAUSD seeks to ensure a high-quality, equitable, and strong system of public schools, the role of charter schools in that overall system can thus be complicated.

Why School Choice and Charters?

School quality depends on many factors: teacher experience, training and support; class size; stability of leadership and of the teaching staff; academic support for students; a curriculum that is challenging and engaging; and a host of other factors that depend on resources and design.[18] To an alarming and troubling degree, these factors disfavor lower-income communities of color. Whether looking at opportunity gaps or achievement gaps, these communities are disadvantaged by the inequalities in our system.[19] Many families in these communities are justifiably seeking an alternative.[20]

School choice systems have the potential to break the link between residence and school.[21] A child might be able to attend a school in a different, more advantaged community. Another child might attend a nearby charter school or private school operated through a different system and therefore potentially offering greater opportunities to learn. It is easy to see why many families might welcome options beyond their under-resourced or otherwise problematic neighborhood school. Another family might embrace school choice because it allows a match between the school and a child's interests or learning style.[22]

Looking back at the original rationales for charter school reform in particular, we also see a desire to empower local teachers and community members to innovate, free of restrictive provisions in existing collective bargaining agreements and of restrictive and even dysfunctional school-district bureaucracies.[23]

How Choice and Charter School Reform Play Out

The research on test score outcomes, comparing voucher or charter schools with district schools, tends to show little if any differences on average.[24] But those averages can hide a great deal of variation within the choice marketplace.

School choice engenders three types of competition: between schools, between parents, and between systems. This is true of charter schools and more broadly of choice-based policies. Competition between schools involves each school doing its best to enroll students, with seemingly successful schools having full enrollments and even waiting lists. But all students are not equal in these competitions; a school is in the best position if it can enroll students with higher test scores, more opportunities to learn outside of school, few special needs that require additional resources and limited disciplinary difficulties. Lower costs, fewer disruptions and better academic outcomes help schools thrive in a choice environment. For this reason, charter schools have used a wide variety of mechanisms to shape their enrollment—from pushing students out through multiple suspensions to advertising aimed at favored groups to counseling out students with special needs.[25]

In a marketplace where schools compete for students and compete more strongly for favored students, a great deal depends on the customers—the parents or guardians. An efficacious parent who knows how to work within the choice system will generally outcompete parents without these resources and skills. Children of these parents gain an advantage over other children.[26]

The school choice marketplace, therefore, has these two weaknesses: potential students who are differentially attractive as enrollees, and parents who differentially work the system on behalf of their children. Children who are relatively advantaged are more likely to become winners in this system versus children with greater needs and with parents who cannot advocate for them as effectively. This raises the serious equity concern of a stratified marketplace, with correspondingly stratified opportunities and outcomes. Meanwhile, competition effects have sometimes resulted in more expensive and challenging students being left behind or concentrated in schools often designated as "failing."[27]

In the long-run, school choice advocates envision a cycle of improvement, with competition between schools driving progress across the board (or driving lower-quality schools out of business). The evidence of this happening, however, is slight, with some of the lowest-quality schools—known as cyber- or online-schools—often thriving financially.[28] In the meantime, looking at charter school reform in particular, we see that the quality distribution is at least as starkly variable as the quality distribution for district schools.

Can School Choice and Charter School Reform Achieve Our Goals?

How does school choice, and charter schools in particular, fare in our efforts to advance education as both a private good and a public good—and our efforts to maximize the goals of efficiency, quality, equity, choice and social cohesion? Fundamentally, school choice reforms are based on the twin beliefs that (a) competition will drive efficiency, and (b) empowerment through individual rights and options will result in equity and excellence. This logic, at least, captures all of the above goals except social cohesion. Moreover, choice advocates contend that by treating education as a private good, we empower individuals to act in ways that cumulatively benefit society and thereby further education as a public good. Because our nation is a collection of individuals, a policy that facilitates the capacity of each person to act to their individual benefit will correspondingly advantage society as a whole, the argument deduces.

But to realize the potential of choice to advance these goals – particularly equity and the public good –choice policies must seriously confront the stratified marketplace described above. Without forcefully addressing inequalities in the marketplace—in society and among schools— it is difficult to imagine how the stratification could be substantially reduced. Even efficiency aspirations have become problematic, given the existence of parallel educational systems and of the need to open and close schools within a broader "portfolio" of schools.

Recommendations

In this section, we include two sets of recommendations. The first is focused on developing a healthy charter school sector. The second turns to evidence-based, district-level, school improvement approaches that are not grounded in competition.

School districts and democratically elected school boards have a responsibility to hold charters and contractors accountable, particularly in their role as authorizers. The Annenberg Institute for School Reform offers a series of useful recommendations, focused on transparency and accountability.[29] In addition, Professors Julie Mead and Preston Green set forth 10 equity-focused recommendations for charter authorizers,[30] five of which we emphasize here as particularly important for the LAUSD to consider in its authorizer role:

1. Require that charter school applicants make clear how the school will broaden, not replicate, existing opportunities for struggling populations of students in the community or communities intended to be served by the school.

2. Require charter school applicants to attend explicitly to local contextual factors, particularly identified achievement disparities, graduation rate concerns, suspension and expulsion issues.

3. Require charter school applicants to detail disciplinary codes and procedures and require a focus on positive interventions and supports.

4. Consider publishing a request for proposals (RFP) for charter schools to address particular persistent problems related to equitable outcomes as identified by local data analysis.

5. Require detailed recruitment plans to ensure that the school targets and attracts a diverse student applicant pool representative of the broader community in terms of race, socio-economic status, disability status, gender and limited English proficiency.

Regarding this fifth recommendation, we also recommend clear monitoring with consequences for lack of diversity. Finally, we add a recommendation specific to the California context:

6. Monitor the fiscal and operational effects of charter schools on LAUSD. Insist that charter school boards abide by the Brown Act and provide transparency in their budgets and admissions processes.

While such rules governing the charter school sector will help the LAUSD become a more equitable and inclusive school system, a thoughtful charter school policy will do little to address the larger set of opportunity gaps facing many of the district's students. Whether or not a child attends a charter school, she may not have access to a high-quality preschool, she may be without good health and dental care, her parents may have no stable employment, her housing

situation may be unsure and transient and segregated, and her neighborhood may have few enrichment opportunities after school or over the summer.

Achievement gaps arise out of these opportunity gaps, and responsible policy makers cannot avoid the reality that closing achievement gaps means seriously addressing these multiple obstacles.[31] The core instructional role of schools is certainly important. With strong supports for students and their teachers, a challenging, research-based, whole-school curriculum can engage students in academic, socio-emotional and civic learning. As part of this effort, students cannot languish in schools with inexperienced and poorly trained teachers. J ust as importantly, teachers must understand families' cultural or linguistic backgrounds and must approach those backgrounds as assets to be built upon. School improvement must also move past ineffective "turnaround" approaches that result in even more upheaval and faculty churn.[32]

But policy makers must also invest in improving the social and economic conditions in which schools are embedded – meeting the social, emotional, medical and other needs of students and families. Full-service, wraparound supports should include health services for children and families (adequate psychologists, nurses and social workers), and vocational and educational resources for adults.[33] Inclusive school cultures must be welcoming, avoiding policies that push away students with special needs or whose behavior presents difficult challenges.[34] Discipline systems like Positive Behavior Intervention and Supports and Restorative Justice can minimize those behavioral issues and reinforce healthy behaviors.[35]

Deep and lasting school improvement will require partnerships with multiple community-based organizations that have a demonstrated track record of successfully providing particular wrap-around services. We recommend that, as part of the LCFF process, the LAUSD maintain a district stakeholder decision-making council that is carefully and deliberately designed to be inclusive -- composed of school leaders; a demographically representative cross-section of teachers, students and parents; mental health professionals; district representatives; and key community-based, union and city leaders. The council should be engaged in deliberating about the appropriate place for charters in the district's portfolio of schools and considering the potential fiscal and equity effects that further charter school growth might generate. The council would also be charged with reviewing and selecting school-wide wraparound services that are particular to different communities' needs, and reviewing and selecting research-based, school-wide professional development resources for teaching and learning (e.g., ongoing training in trauma-informed practices).

While charter schools and district portfolio approaches aim to give individual, efficacious parents the ability to find a good school for their children, the reform we outline here is systemic. The district has the responsibility to provide an equal educational opportunity to each student, even if that student does not have the most effective parental advocate. Equity is a community concern; it requires more than enabling individual parents to exert choices within a market.

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