
Economic Policy Institute

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CHARTER SCHOOL DUST-UP: EXAMINING THE EVIDENCE ON ENROLLMENT AND ACHIEVEMENT

**Edited transcript of a news conference call
convened by the Economic Policy Institute
March 30, 2005**

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INTRODUCTION

*This edited transcript records a discussion from March 30, 2005, on the achievement, enrollment, and accountability of charter schools. The Economic Policy Institute centered this call around the book **The Charter School Dust-Up: Examining the Evidence on Enrollment and Achievement**, published by EPI and Teachers College Press.*

***Dust-Up**'s exhaustive research of national data and state-level studies found that typical charter school students are not more disadvantaged than those in regular public schools, yet their average achievement is not higher. Even if some charter schools are superior, deregulation also permits inferior charter schools, with average performance no higher than in regular public schools. The book profiles 13 different states to examine student performance and population.*

THE CONVERSATION

LAWRENCE MISHEL: Thanks everybody for participating in this phone call. I just want to describe the presentations you'll now hear. First, we're going to have Rebecca Jacobsen provide an introduction to what we found in the book, followed by Martin Carnoy, who is going to describe what we've learned from reviewing studies in particular states. I'll follow by reviewing what we have learned from the NAEP data from the federal government, both about enrollment and about achievement. And then Richard Rothstein is going to talk about charter accountability and charter theory. So with that, let's go to Rebecca.

REBECCA JACOBSEN: Last August, the American Federation of Teachers released a study that compared the achievements of students in charter and regular public schools using data from the National Assessment of Educational Progress or NAEP. Using these data, the AFT showed that the students in charter schools were achieving, on average, at lower levels than regular public schools. For black students specifically, charter school students were achieving no better than students in regular public schools. This finding was the subject of a lead front page story of the *New York Times*. And some of the most zealous charter school advocates quickly responded.

They made claims that the charter school students were more disadvantaged than regularly public school students. And thus, their lower test scores could be attributed to the students' demographic characteristics. Further, these advocates argued that the NAEP data were flawed because they do not take into account the gains made by students. In other words, these charter school advocates claim that although charter school students' scores were still lower in 2003, these disadvantaged students were making greater progress than students in regular public schools.

We know that charter school supporters have a wide range of viewpoints and only the most zealous denounced the implications of the NAEP data reported by the AFT. Our

book examines the controversy that these most zealous charter school supporters spurred after the release of the AFT study and suggests that out of this controversy could emerge a new consensus about how best to measure school performance, whether charter or regular public schools.

We agree with the charter school zealots who noted that single point-in-time comparisons are not an effective way to gauge a school's performance, and that a school evaluation should be adjusted for students' demographic characteristics. If we could reach consensus around these points, there would be important implications for current federal and state law, including the No Child Left Behind Act. This act does not take into consideration either the greater difficulty that disadvantaged children have in reaching proficiency levels or the fact that schools with lower scores that post greater gains may be more effective than schools whose students' learning is less but have higher point-in-time scores.

Our book also discusses findings of a number of issues where consensus is not so clear. Through careful review of both NAEP data and state studies on charter schools, we find that, on average, charter school students are not more disadvantaged than regular public students. In fact, in some cases, the self-selection process of enrolling in charter schools may result in a more advantaged student population attending charter schools.

For example, although charter schools tend to enroll a higher percentage of black students than regular public schools, these black students are not more likely to be eligible for lunch subsidies than black students in regular public schools. Charter school zealots have often argued that freedom from regulations would surely result in higher academic performance. The federal and state studies reviewed in our book reveal, however, that charter school students do not have higher academic achievement levels than those in regular public schools.

On standardized tests, students in charter schools perform no higher and in some cases below the scores of students in regular public schools. Even in charter schools that have been in operation for several years, average test scores are still no higher than in regular public schools. We find that parental choice can have two potentially negative effects in charter schools. First, frequent movement in and out of charter schools can depress achievements of charter school students. And second, there is some evidence that charter schools increase racial segregation.

Our book concludes that suggestions of poor average charter school performance are plausible. That's because the evidence indicates that charter schools are not being held accountable for results as had been promised by charter school supporters. Charter schools are rarely closed for poor academic performance. Less than half of one percent of charter school closures, up to 2002, were because of poor academic performance. These findings call into question the premises upon which charter schools have been promoted. Charter schools have not consistently raised student achievement, nor should we expect that they will in the future. Therefore, we should not anticipate that charter schools will play a large role in reforming public education.

MISHEL: Thank you very much, Rebecca. Martin.

MARTIN CARNOY: One of the claims in the *New York Times* ad after the AFT [American Federation of Teachers] issued its report was that there weren't adequate studies done of charter schools, and that more had to be done in order to really find out what's going on. But it turns out that there are large numbers of studies in the state of charter schools compared to regular public schools. Now, these studies varied in quality – there are some very good ones and some not so good ones.

But in any case, we went through 13 states. In some of these states, there were multiple studies. In California, there were four. In Michigan, there were three. In Texas, there were two. We looked for two things. The first thing is to, as Rebecca mentioned, assess

whether the claim is correct that charter schools serve a more disadvantaged population than regular public schools. And we concluded from the state studies that, in general, it is true that charter schools tend to disproportionately serve black students, that is disproportionate to their percentage in the student population. There's little doubt that that's correct.

On the other hand, it is not true that charter schools serve a more disadvantaged population. And it's very important in doing this to look at groups and see what is happening within groups. So that if you look at black students or white students separately, you find that the black student population that goes to charter schools is, on average, less disadvantaged than the black population that goes to regular public schools.

The other thing we looked at is whether the achievement levels of students in charter schools were in fact higher than in regular public schools. And again, there are 13 states, with large number of studies in some states. We don't exactly say whether these studies are good or bad. But we tried to show what sort of controls there were for selection bias, or whether the study corrects for the fact that charter schools and public schools have different populations. And to different degrees, the studies do that or don't do that.

The best studies – from the perspective of trying to get comparable groups between the two types of schools – are in North Carolina, Texas, California, and Arizona, to some extent. Nobody's quite sure what was done in Arizona. It's not completely clear from the study.

So in Arizona, the gains to charter school students were larger than to regular public school students. But even after three-year gains, the charter school students were still performing below the public school students. And it's unclear whether the gains came from just moving up the learning curve for startup schools or if the schools were actually doing better than the public schools.

In North Carolina, which is a really excellent study, the researchers were able to compare students that had gone both to charter and to public schools. And it's quite clear that going to a charter school for the same student, the same student had lower gains or considerably lower gains. In Florida, they did a similar comparison and found no difference between charter and regular public schools and slightly negative results for charter school students versus public school students.

Overall, we conclude that the charter school students certainly did no better and in many cases did worse, both in terms of gains and in case of level of scores.

MISHEL: Thanks, Martin. It is my task to review the national data drawn from the recent special NAEP charter school survey to see what we can learn about charter school demographics and achievement levels. We obtained more detailed tabulations than were available in the report that was published in December or than information that was available in the web data tool.

First, enrollment. The NAEP data confirmed what Martin was saying from the various state level studies – that charter school students are not more disadvantaged than those in comparable regular public schools, particularly when one examines students of similar race and ethnicity. The race and ethnic makeup of charter schools is disproportionately black as many people have said. But it's also true that they had disproportionately fewer Hispanics. So that charter schools actually end up with a more heavily white student population.

Charter students overall have a similar rate of being low-income to public schools. However, when you look at each particular race or ethnic group, you'll find that the students in charter schools that are Hispanic or black are less likely to have low incomes than the Hispanic or black student in regular public schools.

We tabulated all this in Table 1 on page 34. And there's a special appendix on these matters as well. But just to give an example, the low-income share among blacks is 60 percent in charters, but 76 percent in public schools. If you just limit it to central city schools, black students in charter schools have the low income rate of 72 percent, which is less than the 83 percent low-income rate in the comparable public schools. And this finding is not sensitive to any possible change in assumptions about how to analyze these data, of which I won't go into the complications. But we've done a very careful analysis of this.

On achievements. You know, we don't believe that the NAEP point-in-time data is the best available evidence on charter school achievement. We would agree with other people on that, and the fact that the best data are those of the sophisticated state studies that Martin has just reviewed. Nevertheless, the NAEP data results totally correspond to what we find in the most sophisticated of analyses.

In the NAEP study of fourth-grade test scores, charter students did not perform better than comparable public school students. This is not because charter schools have a more disadvantaged student population as we've already discussed. When one compares students, with ability to control three different ways for comparability in the NAEP data, we can look at students of similar race, low-income status and location. For instance, we can look at black students in central cities who have low incomes, who are eligible or not eligible for free lunch.

When you do the comparisons that we present on Table 7 on page 69, you'll see that charter students' test scores are lower, but they're not lower by a statistically significant amount. If you look at the whole pattern, you would think that charter school students certainly don't do any better and might be doing worse than comparable public school students. And with that, I'll turn it over to Richard.

RICHARD ROTHSTEIN: Thank you. What I wanted to comment on is the surprise at the vigorous reaction of some of the charter school supporters to the data, which show that on average charter school performance is lower than that of regular public schools. The fact that charter school performance is lower is not necessarily inconsistent with the theory of charter schools or with the aims of charter school proponents. When charter schools were first established some 15 years ago, much of the literature and the arguments for charter schools was that teachers and parents should be permitted to experiment with new methods by forming their own schools not constrained by the tried-and-maybe-untrue ways of regular public schools. And that these experiments and new ways of doing things might show the way for all schools to improve.

Well, in any field when you do experimentation, there are a lot more failures than there are successes. Certainly at first. Business start-ups ... many, many more fail than succeed. Although, creative destruction is the way that the American economy creates successful businesses. In laboratories, in science, there are many, many more failures than successes when you do experiments. So even if charter schools were phenomenally successful in generating experiments that yielded new approaches, you would still expect average performance of charter schools to be lower than that of the average performance of regular public schools. Simply because, as I say, there are more failures than successes.

The second argument that was made for charter schools from the very beginning was that charter schools created parental sovereignty over education, that parents might choose schools. The charter schools would permit the variation and parents might choose schools because they wanted the schools with an arts focus for the children or a school with some other special theme or some other different approach. There was no assumption that if you have a school which is focusing, for example, on arts education that its average math and reading scores should be higher than that of regular public schools. So the notion that charter schools should have better average performance than

regular public schools is somewhat inconsistent with the idea that the purpose of charter schools is to vary educational foci and approaches.

Now, there was a third theory that has become increasingly prevalent in the development of charter schools. And this one maybe more relevant to what we call the zealous charter school advocates' reaction to these results. And that is some people have argued that the reason that public schools fall below our expectations in their performance is because they're bureaucratized and unionized. And if we could deregulate regular public schools by eliminating bureaucracy in district rules and eliminating unions, then by this fact alone, average student achievements would rise. And if that were true, then you would expect average charter school achievement to be higher than that of the regular public schools. The fact that average charter school achievement is not higher than regular public schools – and from the limited evidence we have that even charter school gains are not superior to those of the students of regular public schools – suggests the theory that the problem with our regular public school system is bureaucratization and unionization may not be true. And we may have to look for other areas for school improvement.

Each of us has different perspectives on charter schools, but I don't think any of us has any doubts that there are some terrific charter schools. There are lots of anecdotal accounts of great charter schools that do a much, much better job than typical regular public schools for their students. But the fact that average charter school performance is not higher than average regular public school performance suggests that even if there are some terrific charter schools, these must be offset by some terrible charter schools, and that on average, the achievement is roughly similar in regular public schools and charter schools. But there's more variation in charter schools. There are terrific charter schools and terrible charter schools.

Now, we illustrated this in one way in showing how deregulation can cause both better and worse performance. One of the theories of charter school advocates has always been that schools are constrained by teacher certification requirements. And that by having to

hire teachers who have gone through traditional certification procedures and taken education courses, regular public schools are prohibited from hiring the most talented college graduates who know their subject. They may not know so much about pedagogy, but they know their subject.

Well, we examined teachers in charter and regular public schools and data that's widely available. We show in the book that it's true that charter schools hire a smaller percentage of teachers with regular certification. But this does not mean that they hire more teachers who are specialists in their subject matter. When it comes, for example, to secondary school math and science teachers, charter school teachers are also less likely than regular public school teachers who have majored and minored in math and science. So this deregulation perhaps has permitted some charter schools to hire more qualified teachers than you can get simply by going to the graduates of education colleges. But it's also permitted charter schools to hire much less qualified teachers. And on average, these probably cancel each other out and charter school performance is no better than that of regular public schools.

What we conclude from all of this is there is much too little examination in the charter school debate of what the costs of deregulation are as well as the benefits. There are a lot of anecdotal accounts of the benefits of great charter schools, of more qualified teachers and so forth. But if some students are benefiting from being in such great charter schools and other students are being harmed by being in charter schools of much worse quality than regular public schools, public debate needs to consider much more carefully than has been done how you weigh the harm done to some students against the benefits done to others. And by focusing only on the good charter schools and by allowing the most zealous charter school advocates to drive the debate into an assumption that charter school performance on average would be higher, we're ignoring this consideration of the harm that's done to many students apparently by being in inferior charter schools. Thank you.

CAROLINE HENDRIE, Reporter for *Education Week*: This question mainly comes out of Mr. Rothstein's remarks and the part of the book that I know he wrote – the last chapter on the philosophy of charter schools. And it's also related to a comment that Ms. Jacobsen made at the top. And that was that charter school achievement on average is not better. And there's no likelihood that it's going to get any better in the future. And Mr. Rothstein points to the idea that there's great variability among charter schools. But nowhere does there seem to be any recognition or reference to the fact that ... well, the belief on a lot of people's parts that good authorizing can make a difference. And that maybe achievement could get better in time if the oversight got better, if the authorizing practices got better. And that in fact is what certainly people at the national level in the authorizing community are really trying to do. So I just wondered whether you think that there are any grounds for optimism that the track record of charter schools could get better and that the lessons that the high-achieving ones, the terrific ones as Mr. Rothstein referenced, could in fact be more widely disseminated and those kinds of schools could start out weighing a little bit more the ones that you reference that are terrible. Any thoughts on that?

ROTHSTEIN: First, I want to emphasize that this book was written in response to what is, not what might be. And the data that showed that average charter school performance falls below that of regular public schools or at least is no higher than that of regular public school performance, was vociferously attacked by charter school supporters. Not because it potentially might be different in the future, but because they denied that this was possible now.

And what we wanted to explore was whether these data were plausible, whether the charter school supporters' expectations that the data was flawed were accurate. And secondly, what might be causing these kinds of data. And that's what I addressed a few minutes ago. We did show that one of the theories of charter schools has always been that charter schools would be deregulated but held accountable for results, not for

compliance with regulations. And yet, the charter school process has completely fallen down in that regard.

I mean, given the fact that average charter school performance is no better than average regular school performance, you would think that there would be lots of terrible charter schools out there. Yet, the number of charter schools that have had their charters revoked or not renewed is infinitesimal. And that goes not only for new startup charter schools, but for charter schools that have been in existence for some time.

We looked at some data and it's reported in the book on the tiny percentage. Rebecca Jacobsen mentioned before, that less than half of one percent of charter schools actually closed for academic underperformance. Then we went into the state of Arizona, which is the state with the largest percentage of charter schools to look at those schools which were actually closed for academic underperformance.

HENDRIE: There were only two, right?

ROTHSTEIN: There were only two. And we found that in each of those cases, saying that they were closed for academic performance was a misclassification, that they were not evaluated for academic performance at all. And what we say in the book – and this is speculation – is that although some charter school supporters say that the charter school movement has to do a better job of closing schools for poor academic performance, there's enormous resistance to this in the constituencies of charter schools who have enormous political pressure that they can bring to bear on school districts and states. They become a vested interest just like those who operate any institution in the public sector are. And many school districts – this is not the way we put it in the book, but I can say it now – find it easier to simply ignore the charter schools that they've authorized and not try to reign them in than to get into a fight with charter school parents and supporters who believe that their schools are performing well, even though the data say that they aren't.

So I think it's unlikely that the data will change, but I can't say for certain that that's the case. But I think that the very nature of deregulation means that you will get a lot of poor quality charters as well as high quality charters. These regulations – this is something we do say in the book – don't exist for no reason. The critics of public schools who argue that they restrict the creativity of teachers and the ability of schools to innovate and respond promptly are all true. But the regulations exist in order to prevent the low end. And when you have regulations to prevent the low end, you also cut off the high end. If you eliminate those regulations, you empower people to start flaky schools, to use Chester Finn's word, as well as high quality schools.

MISHEL: We looked at results, not good intentions.

MARTHA WOODALL, Reporter for *Philadelphia Inquirer*: How do you hope that this will move the debate forward? I mean, what role do you see this report playing in the larger and ongoing debate about charter schools?

ROTHSTEIN: We have a couple of points that we make in this regard. We spend a great deal of time at the beginning of the book talking about this advertisement that the charter school advocates placed in the *New York Times*, attacking the analysis of NAEP results by the AFT. And what we say in the book is we think that this was a terrific advertisement. It set forth some terrific standards for evaluating schools.

The advertisement claimed that the AFT's analysis of NAEP was flawed because it didn't take into account the sophisticated background characteristics that, for example, they claimed. We later showed that it wasn't true. But they claimed that it's possible that charter schools enroll more disadvantaged black students than the black students who are in public schools. And you can't tell that simply by looking at race. They claim that the children at charter schools who were on free lunch might have been poorer than the

children in regular public schools who were on free lunch. We showed that that was not true. But it was possible that that might explain the data.

So we said the standard that they proposed in the *New York Times* ad was terrific. In order to evaluate schools, we need much more sophisticated background characteristics than we presently have. Secondly, they said that the charter school analysis using NAEP was flawed because it was only a point-in-time analysis. And that charter schools could have lower scores, but could still be making greater gains than regular public schools.

We agreed. This is a flawed way to do an analysis of public education by looking just at point-in-time scores. We hope that to move the debate forward, the charter school advocates who are among the most vociferous critics of regular public education would adopt these standards that they put forth in the *New York Times* ad and apply it to all public school evaluation, all school evaluation.

For example, the No Child Left Behind law is completely inconsistent with the standards that these charter school advocates proposed in the *New York Times*. The No Child Left Behind law does not have sophisticated background characteristics. It does not take into account student gains. So we hope that the standards that they put forward in the *New York Times* ad are serious. And if so, we hope that there is a possibility for a new consensus around how to properly evaluate schools that will not result in the kind of flawed evaluations that we presently have.

CARNOY: I think it's really important to follow that with going further and say that it's one thing to say the charter schools are an interesting experiment. And as Caroline Hendrie said, you could learn something from the very best charter schools and incorporate that into regular public schools. That's exactly how this thing started. And we don't disagree with that. But I think the thing has moved to a different position. And that is that charter schools, that actually deregulating schools in general, is the answer to improving education in the United States.

And I think that in terms of carrying the debate forward, that notion should probably be rejected. I think what we certainly imply strongly in this book is that deregulating schools is not going to solve the problem. It certainly won't bring about the improvement of education in the United States. So I think what we have to do if we want to move the debate forward is, as Richard Rothstein says, first of all, we have to in fact conform to many of the suggestions of the charter school advocates to do a better job of evaluating schools. That's certainly true. But also, once those evaluations are done, we have to start looking elsewhere – and there are lots of different places to look – to try to understand how to improve education. And making every school a charter school or many, many, many more schools charter schools is not the answer. And that's where the position has moved from experimentation to a generalized solution, which is deregulation. And I think that our study suggests that that's not the way to go.

MARGO KISSELL, Reporter for *Dayton Daily News*: Just Monday, Ohio's House Speaker said the state budget will include new provisions aimed at slowing the growth of charter schools in Ohio to improve the quality and minimize their effect on traditional public schools. He fears that without these new provisions there could be "unlimited growth of charters, which in Ohio, I think is now at 248. Are you seeing similar efforts elsewhere, maybe in some of the states that you studied?"

CARNOY: Percentage-wise, well, D.C. has the largest percent with 16 percent. But of large states, Arizona has the largest percent with seven percent charter schools. Arizona had one of the very first charter school laws. And it's probably the most open charter school law. So it will be interesting to follow what Arizona does.

BILL RICE, Reporter for *WCPN* (Cleveland): I'm from Ohio too, and I'm also curious – and you may not have an answer to this. But I was wondering if you have any data or if you've looked at all about the different ways that charter schools are managed. Some are chartered by nonprofit organizations and then run at a not-for-profit basis as well. Others

are sort of turned into private management companies that we've all heard of. And I was wondering if you've made any comparisons there.

CARNOY: A number of the state studies do look at those. Michigan is one of them. California I believe is another. In fact, I think all the studies done by Gary Miron and his associates, you can look them up in the bibliography. There are a number of states. I think all of them look at the private company-run schools versus the others.

ROTHSTEIN: There's another study that we cite in the book by Jeffrey Henig and some colleagues studying D.C. schools that specifically compared schools that were individual charters setup on a not-for-profit basis and chain schools, both for-profit and duplicative chain schools. He and his colleagues found that the achievement in the non-chains, in the individual charter schools, was higher than in the chain schools.

CARNOY: In California, the big comparison is between former public schools that took charter status. Because in California, the district must award the charters, must agree to a chartered status. So a very important percentage of these charter schools are former public schools that have taken charter status. And they, in general, do better than the start-up schools.

HENDRIE: You know, they also make a big distinction between non-classroom based and classroom based in California.

CARNOY: Absolutely. That's absolutely correct. And the non-classroom based do much, much worse.

JENNIFER RADCLIFFE, Reporter for *Los Angeles Daily News*: I'm interested in the types that you had in California schools. I'm also interested in knowing whether or not you guys feel that it's realistic that a charter school that's three or five years old would be able to perform at the same level of a traditional school that's been around for decades.

CARNOY: A number of the studies, in fact, do look at the effect of time and operation on the performance of the school. And it varies from state to state. I'm looking at the chart now that's Table 8. In Connecticut, for example, time effect is positive. In Florida, it's positive, but insignificant. So in general, most of the studies show that there is some positive effect for time. Although, the national study, the NAEP study, shows the opposite effect -- that it's negative with time. So you would think that the first year or two, you'd have much, much worse effect in the school starts out. And a number of states have shown that. But I think it sort of tops out at about three or four years in most states.

RADCLIFFE: That they would have reached their maximum?

CARNOY: Yes, they level at four years, that's the maximum effect that you get. After four years, you've learned what you have to learn. From then on, you have to really figure something else out besides just catching up.

RADCLIFFE: In L.A., they get a five-year charter. And it's really an interesting phenomenon where you have these schools where these people got chartered to do really different sorts of programs. We had some dual language emerging charters and some sort of progressive charters that are doing very different things. And their test scores are just really low. But if the idea was for them to be so dramatically different, is it realistic that they would; and you guys sort of touched on that. But I'm interested in that.

ROTHSTEIN: This is the point that I made earlier. You're absolutely right. If charter schools are designed to do a different task than regular public schools, then there's no reason to think that their average math and reading scores would be higher than regular public schools. What's surprising is that the charter school proponents, the most zealous of them, insist that average charter school performance should be higher than regular public schools given the implications of your question. And that's what we commented on. I'll point out one other thing. On page fifteen of the book, we reproduce a passage from the

National Association of Charter School Authorizers in which they set forth the standard of three years of being the point at which they think charter schools have reached maturity and should be judged on their results.

RADCLIFFE: That seems pretty clear. Some of these schools that are struggling to get buildings and get their feet on the ground.

IGNAZIO MESSINA, Reporter for *Toledo Blade*: Thank you. Obviously parents must read stories about poor performance in charter schools and charter schools closing. Yet, the number of children attending these schools keeps going up – at least in Ohio – as well as the number of schools seeking charters. Did you get any impression of why parents continue to send their children to these schools despite studies like yours and other ones?

CARNOY: I think that one of the things that we found, or the study found in the state, was that a number of African- American parents are sending their children to schools which are more African-American concentrated. And white parents are sending their children to schools which have fewer minority kids in them. I think that there is one aspect, which is that parents like choice. There's no question of that. All of the studies show that parents are very satisfied with the idea that they can move their kids from one school to another.

And a lot of the charter advocates say, oh, it's because they're attending such terrible public schools. But you could argue that many parents, I suspect, are dissatisfied with the school and want to go to another school. The turnover rates in all of these schools, both charter and regular public of lower-income kids, are huge. Turnover rates in Arizona schools are 25 percent.

In fact, it raised a very interesting issue. Because it turns out that for low-income children, moving from school to school is not very good for their academic achievement. A number of studies have shown that. The turnover rate in all these schools is very high. And yet, nobody's addressing this issue of turnover rate, which seems to have a much

larger effect on kids' academic achievement than whether they attend a charter school or a public school. By the way, they move out of charter schools just about as fast as they move into them.

LES KJOS, Reporter for *UPI*: In terms of studies that have been done since the AFT study in August, I found the Harvard study, one by NAEP itself, and the Department of Education did one I, believe. And all of the studies rely to one degree or another on NAEP figures. Is this accurate?

CARNOY: The Harvard study, if you're talking about Caroline Hoxby's study, relies on state testing, not on the NAEP study.

MISHEL: We have an extensive section on the Hoxby studies and why we are skeptical that they show that charters have an advantage over public schools. And in fact, we find that when she compared charter schools to nearby public schools, of supposedly the same racial composition or similar racial composition, the public schools had a higher rate of low income student populations and similar to what we found overall in the NAEP. The regular public schools had many fewer blacks, a lot more Hispanics and fewer whites. And when you adjust for that, then Hoxby's finding of charter schools having higher proficiency disappears. It disappears in every state where she found that charter advantage except for California.

MICHAEL HIRSCH, Reporter for *New York Teacher*: I'm curious about what you think the next round of this debate will be? The zealots, as you call them, are going to obviously respond. So can you anticipate what their response will be and what your response will be to that?

ROTHSTEIN: My hope and expectation is that they will read this book and decide that the standards that they set forth in the *New York Times* advertisement were in fact good ones – some of the best work that they've ever done – and they will agree to move forward in

using those standards as the basis for evaluation of all public schools. This really is quite a remarkable advertisement and I urge you to read it. It's reproduced as Exhibit A in the book. It sets forth standards for evaluation of schools that we agree with. And if they agree with them, it really does provide us with a very different way of moving forward on school accountability in this country.

MISHEL: Just to add, the best that even the organization that is a major proponent of charter schools – the new Charter Leadership Council, which did its own review of the charter school study – could marshal for charter schools was that their results were encouraging. This is from people who are the advocacy group for charter schools. What we're saying about charter school performance is very much a consensus view, that charter schools are not necessarily performing any better. And that is not a condemnation of charter schools, although people will try to put us in that camp. But what it does mean is that what I call the pedal-to-the-metal view – the idea that maximum amount of new charter schools with the least oversight is a way to improve public education – is really a wrongheaded approach.

MICHELLE GODARD TERREL, Reporter for *USCharterSchools.org*: You just mentioned the Charter Leadership Council. They published a review in January that showed charter school students in schools outgaining district schools over time. With the Booker study in Texas, the Palmer study in Arizona, the Florida Department of Education analysis, a board of regents analysis, and two multi-state studies done by Brookings and Manhattan, did you include any of these in your survey? And if not, why not?

CARNOY: The Texas study is in there, the multi-state study by Brookings is in there. By the way, the multi-state study of Brookings is very superficial compared to many of the state studies. Its main focus is on California. And we did extensive additional research in California that goes beyond the Brookings study. Now, what were the other two studies you mentioned?

TERRELL: The Florida Department of Education did an analysis. And the New York Board of Regents.

CARNOY: The New York Board of Regents is in a footnote. It's not a very good study. But it's in a footnote, and it does summarize the results. There is a good study by Tim Sass on Florida that shows no differences. But I think in one, it's negative. And in reading, it's no different. But that's a pretty good study. So I don't think that's the study you're referring to. But it is a huge study in Florida.

MISHEL: The Brookings study was a point-in-time analysis that is the same as the NAEP and the same as was criticized in the *New York Times* ad. Nevertheless, it didn't find any advantage for charter schools.

CARNOY: I think we do have all the studies in our study.

TERRELL: Did the American Federation of Teachers play any role in your report? I did read on your website that the President of AFT does sit on your board of directors. So I was curious if there was some sort of role or review process.

MISHEL: The AFT played absolutely no role in this report. They didn't suggest anything to us. They did not review it. And in fact we don't accept any project-specific funding from either of the teacher unions for studies that we do. And so the AFT had really nothing to do with this report. It's a major policy issue. We started working on a short paper in September which grew into a book, much to our chagrin at some level, because we spent a lot of time on this.

RADCLIFFE: Is there any feeling that California charter schools are doing slightly better than maybe some of their peers nationally?

CARNOY: That's not what the data shows. Since I live in California, I have a particular interest. We reviewed four studies in California. And David Ragoza who is my colleague here at the School of Education – he is the sort of expert for the state of California – reviews all the data. And he did some additional runs for us. He has published a couple of papers electronically in which he criticized some of the other studies on technical grounds.

And we reviewed all of that in the book. But the long and the short of it is that we actually show some tables in the book grouped by elementary grades and middle-school grades, both showing the composition to check whether the students are more or less disadvantaged by race in California public schools and then looking at the test score data. And, if anything, a couple of groups – Hispanics most notably – actually do worse in charter schools.

RADCLIFFE: And there are fewer of them?

CARNOY: Well, proportionately there are fewer of them. But in absolute numbers, they and whites are the two biggest groups, because they're the two biggest groups in the state. But as you know, blacks are a relatively small proportion of the California school population, although they are disproportionately represented in charter schools.

HENDRIE: I want to explore a little bit more the finding that you have highlighted very much in your work. And that is you conclude that charter school students are definitely not more disadvantaged than students in regular public schools. I'm really curious about the depth of the evidence for that. There's the NAEP study, which is fourth graders with self-reported data at one point in time. And that shows total actually comparable levels of free and reduced price lunch eligibility, 47 percent for charter schools, and regular public schools 46 percent.

And then you have state studies – I’m not sure that it got as finely grained in those studies as far as whether it broke out by race, which is what you focus on very heavily – that the black students, both overall and in central cities, are not more disadvantaged at charter schools. And that’s just one study. And then if you look at the state study, you don’t talk about whether there’s a higher or lower percentage of blacks who are poor and Hispanics who are poor.

It’s more are there higher percents of black students in charters? Well, yes, there are. Higher percentage of Hispanics, generally not. And higher percentage of socio-economically disadvantaged kids in charter schools. And generally, it’s no or it’s not available. Mostly no. But it isn’t broken out. And that’s consistent with NAEP. More kids are poor in charter schools, not when you don’t disaggregate for race. So what is the basis of your conclusion that definitively we know now that charter school kids are not more disadvantaged? Could somebody answer that please?

MISHEL: I’d be glad to. One, we looked at all the available evidence. And we think there’s substantial evidence on this matter. One thing that you could say that the NAEP study is very appropriate in doing, in fact, is to examine the demographics of the students. And I would point out that on page 11 – with the ad in the New York Times of the charter school zealots – they actually claim that the NAEP study shows something that it didn’t about student demographics. You are right that basically, according to the NAEP, there are about proportionately similar amounts of low income students in charters and in regular public schools. We wouldn’t make a distinction between 47 versus 46. That’s well within the margin of statistical error.

HENDRIE: I’m not either.

LAWRENCE MISHEL: But we think this is a nationally representative sample. It was designed to be a nationally representative sample of charter school students. This was a study that was suggested to the Department of Education by the charter school proponents. It was

conducted. They issued their own report in December. I would just point out that in our Table 1, when you look at the student body that is either black or black in central cities, you would find that charter schools have a lower proportion of them who are low-income or eligible for free and reduced lunch.

And that's a finding that as you know – because we talked about this on the phone – even when you use any kind of assumption about the NAEP data for non-reporting, that result is very sound. You can't knock that down. I think especially the point of this discussion is what do charter schools in central cities do for low-income black children? And the fact is that the black charter school students in central cities are less likely to be low-income than comparable black students in the public schools.

And I guess the second source of evidence that might be convincing to some is many people have given great credibility to Caroline Hoxby's study. I wouldn't. But she does compare charter schools to a nearby public school of similar racial composition. Anybody who thinks that Hoxby's study is a valid study would also have to accept the fact that the student bodies in the charter schools are less like to have low income than the nearby public school.

HENDRIE: But you just said you don't put much stock in that.

MISHEL: I'm just saying that some people might be arguing that in fact they are wrong, tend to also argue that somehow Hoxby's got it right. I'm just saying if Hoxby's got it right on what they like about it, they should also understand that her finding of the match schools would show the student body and charter schools are not more disadvantaged than those of the nearby public school of "similar racial composition."

ROTHSTEIN: Can I interject something here? Caroline, I think you shouldn't overstate our conclusion. I don't think we said definitively that charter school students are less advantaged. Let me read our summary sentence. We say, in sum, there is no consistent

anecdotal or systematic evidence to support the claim that on average charter schools recruit students who are more challenged academically than those in traditional public school serving the same student pool.

We summarized a lot of evidence. We say that that it's plausible that charter school students are less disadvantaged than regular public schools.

HENDRIE: I just wanted to say you've been looking at the press release. And I can't go into everything. It says right in there many charter schools support a claim the reason the charter school students were more disadvantaged. The new EPI report refutes that claim.

CARNOY: That's correct. What is the claim? The claim is that the test scores are lower because the schools are serving a more disadvantaged population. Now, if you want to make that claim, then you have to look really not at the overall disadvantage. But you have to really look at the subgroup. Because that's what they would claim. By the way, many of the state data, Caroline, do it by race ... So the comparisons using North Carolina, they even have the education of the parents by race. So if you look at comparable groups, the charter school students are not more disadvantaged. If we compare the kids in charter schools and regular public schools and the charter schools are not scoring as well, is that because they're kids are more disadvantaged? And the evidence is that that's not the explanation for the lower scores or the even scores.

The claim of the charter school supporters is always like this: We have more black kids, and black kids are disproportionately represented in charter schools. Yes, that's true. But if you compare black kids' scores in the two types of schools, you find first of all that there is no difference. And secondly, when you compare the kids by free and reduced lunch – which I agree may not be the best measure of what is disadvantaged. And by the way, that's exactly what the charter school advocates are using – then you find that a smaller proportion of free and reduced lunch kids in the charter schools. Now, we discussed that at length in the study. But the point is that we're not the ones using that

argument. It's the charter school advocates that are using that argument. And it has no merit. It just has no merit.

ROTHSTEIN: Let me add that we test this with one case study of the KIPP schools, which are schools specifically claimed by many of its supporters to enroll black students who are more disadvantaged than typical black students. And we show in a variety of ways that that claim is not supportable. And we go further and do a number of interviews of teachers who refer students to KIPP to show why it's not the case that students in a charter school like KIPP are more disadvantaged than students in regular public schools in those communities.

KISSELL: I have a quick follow-up. I believe this is for Mr. Carnoy. On turnover, can you elaborate on the earlier comment that students move out of charter schools as fast as they move into them? What are you seeing there?

CARNOY: Well, what's amazing is in studies like Texas, North Carolina and Florida, it's less clear that they actually did this ... The total number that have moved in and out of charter schools is far greater than the ones who stayed in for three years in Arizona. And in North Carolina, they have a very large sample of kids who have been both in public and charter schools during a five-year period, in and out several times. So in Arizona, they report, in general, 25 percent turnover rates in both public schools and in charter schools. So I think it compounds a 50 percent rate over the three years. So they know you're going to have two moves, 50 percent rate of movement over the two years. And in general turnover rate in Florida – for example, in their A+ program in which they have the right to move to a voucher school from a public school that's deemed failing – they found that a lot of the kids just moved back to a public school after a year. In Milwaukee, there's tremendous movement in and out of voucher schools back into public schools and vice versa. So movement is sort of ubiquitous in schools. It's something that's talked about by researchers, but not very much by policymakers.

HENDRIE: Just following directly up on what Mr. Carnoy just said. And you're suggesting then that this turnover, spurred in part by parental choice, is contributing to disappointing results in charter schools or not?

CARNOY: No, we don't have data on that. But I'm just saying that studies show that turnover in schools is a contributing factors to most lower scores in general. The data's pretty clear on that.

HENDRIE: But you don't know of any studies that have actually looked at whether turnover does seem to be dragging down scores in charter schools?

CARNOY: Well, if they're dragging down scores in charter schools, they're also dragging down scores in public schools.

HENDRIE: Probably.

CARNOY: I'm just saying it's a feature of both schools. I'm saying it isn't like charter schools are holding the kids any better than public schools. I don't even know if that statement is correct. But from the state studies that show this stuff, it seems that there's a lot of movement in both public and charter schools. But it's worth doing a study to see how they compare.

HENDRIE: First of all, just sheer mobility rates. And then the next step, of course, and that is how the mobility rates affect achievement. But are you saying it's not even really known about mobility rates in charter versus regular public schools?

CARNOY: Yes, I don't think anybody's done that study.

MISHEL: Doesn't Sunny Ladd study have some of that in North Carolina?

CARNOY: She does, but she doesn't really focus on that particularly. She uses it to estimate what effect the charter school has. Because she has people that have been one year in a charter school and one year in a public school.

MISHEL: I guess if you want information on North Carolina about that, you might be able to get in touch with Sunny Ladd at Duke and she'd probably be able to give you that. If you need her contact information, just let us know.

HENDRIE: Okay. Thanks.

KISSELL: I do have one final question. I wondered if any of you had thoughts on the financial toll on public school systems and communities that are just saturated with charters?

CARNOY: Are you from Dayton?

KISSELL: Yeah, right. But there is concern here in Dayton that about the state money following the students who are transferring from the public school system to charters, which this year will amount to \$41 million. Any thoughts on that?

CARNOY: The only other study I've seen is in Milwaukee. But there the issue is voucher schools rather than charter schools. And there was a study done. I don't remember who did it. But there's a center for public policy analysis in Milwaukee that shows in fact they had to raise the property tax rate in order to fund the voucher schools. And they estimated the cost. But by the way, that was contested. Those data were contested. So there wasn't consensus, that that was true.

MISHEL: On the question about turnover, one thing that we haven't really talked about is that we said that one percent of charter schools are shut down for poor academic performance. There are a number of charter schools that close because of various types of fiscal mismanagement, *et cetera*. So that choosing a charter school is more likely to be a less

stable experience than choosing a regular public school. Although, I don't know if anybody's ever looked at this sort of average life of a charter school versus the average life of a neighborhood public school.

CARNOY: The data in Gary Miron's study of Connecticut suggests that a number of charter schools have closed in Connecticut. Now, whether the state has closed them or whether, as Larry Mishel says, they've closed on their own, there seems to be a lot of short-term chartered schools in Connecticut and it would be worth looking at that study more carefully or talking to Gary Miron in Kalamazoo, Michigan, about that.

HENDRIE: Following up on the turnover issue, it almost seems like for charter schools they're damned if they do and damned if they don't on the issue of closing. For one thing, you've looked at data back from 2002 and said, well, that shows that very few have closed for academic reasons. In recent years, you know, we're down three years from that, three and a half years from this data that you reference in the book. There have been more closures. Yet, that contributes to the instability that Mr. Mishel just mentioned. So I don't know if you have advice for charter policymakers on what to do about that. Because that's a dilemma.

MISHEL: By far, the reasons for the closings are not the poor academic performance. It's for other reasons. And I guess even just as an economist, you study market behavior, and one would have to acknowledge that creating markets has less stability automatically than some kind of more bureaucratic system like the public schools. So if you want to pursue the kind of entry and exit model of markets which charters are necessarily, then it goes with the instability. And I'm not damning them if they do or they don't. It's very inherent in the whole theory of what charter schools are about. Because you want people to come in and they also can leave. And you have a lot of not necessarily very fine regulation of who enters to try to weed out who's going to leave or fail. So I think it's inherent in the whole model. And I don't think we're damning them if they do or they don't.

(END OF TRANSCRIPT)