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**Statement of the National Alliance for Public Charter Schools  
To the Health, Education, Labor and Pensions Committee of the U.S. Senate  
Washington, DC  
November 8, 2011**

Chairman Harkin and Ranking Member Enzi:

Thank you for your leadership in sponsoring a bill to reauthorize the Elementary and Secondary Education Act (ESEA). We appreciate the committee's diligence and hard work spent updating the ESEA to better reflect the lessons that we've learned from No Child Left Behind (NCLB).

As the National Alliance for Public Charter Schools (NAPCS), we are the leading organization advancing quality, growth and sustainability for the charter sector. We take an integrated approach to our advocacy work that has an impact at both the federal and state levels. Our mission is to lead public education to unprecedented levels of academic achievement for all students by fostering a strong charter sector. At the federal level, the U.S. Department of Education's Charter Schools Program is the prime focus area for the NAPCS and the charter school movement. As such, most of our comments are focused on Title V, Part D: Charter Schools Program, even though as public schools, charters are subject to the wide spectrum of obligations under the ESEA.

**About the Charter Sector**

Forty-one states and the District of Columbia currently have state laws that allow charter schools. The NAPCS estimates that there are more than 5,600 charter schools serving more than two million students. While those numbers are small in comparison to the overall size of public education in the United States, they mask much larger percentages in a growing number of communities. Today, six American school districts have at least 30 percent of their public school students enrolled in public charter schools. These include such major cities as New Orleans (leading with 70 percent) Washington, D.C., Detroit and Kansas City. Additionally, 18 school districts have 20 percent or more of their public school students enrolled in charter schools, and nearly 100 districts now have at least 10 percent of public school students in charter schools. The large majority of charter schools are independent, community-based schools, most often founded by parents, teachers or local organizations. Less than 30 percent of charters have outside management, either non-profit or for-profit. In almost all states, it is the governing board of the school (itself a nonprofit organization) that holds the charter, whether there is outside management or not.

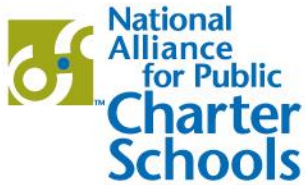
According to the most recent national data (a study by researchers at Ball State University), charter schools receive about 22 percent less in per-pupil funding than other public schools, a figure that varies by state and community. The biggest contributor to this gap is a lack of dedicated funding for facilities. Only 11 states provide direct funding for leases, mortgages, and major renovations.

Nationally, charter schools enroll a significantly larger proportion of Black and Hispanic students than do other public schools. Charters also enroll a slightly larger proportion of students eligible for free or reduced lunch. They enroll a roughly equivalent percentage of special education students as other public schools (11.9 percent vs. 12.4 percent nationally). In all of these cases, the numbers will vary by state and community.

There is an emerging picture that charter schools serve underrepresented students well—low-income and minority students in charter schools do better on standardized tests and have a higher likelihood of college entrance and completion. Perhaps the most intriguing study is one just released by the National Charter School Research Project in which researchers reviewed a set of studies chosen for methodological rigor. The team did a meta-analysis of the various studies, looking through a series of lenses at a vast amount of data. Their findings are not unalloyed good news for charter supporters, but they did find evidence of strong performance in elementary reading and math, and middle-school math, and especially good results in urban charters.<sup>i</sup>

There is an impressive body of evidence that charter schools are effective at closing achievement gaps, with most research focused on racial gaps in urban schools. However, a CREDO study also found that low-income students in charter schools, and English Language Learners, both outperformed counterparts in district schools.<sup>ii</sup> A new study of nonprofit charter management organizations (CMOs) found that while their overall average effect on achievement was small (and pulled down by some outliers on the low side), those at the upper-end of the performance scale were achieving remarkable results.<sup>iii</sup>

Charter schools can be a lever for change in education reform. As we try to improve the quality of education for all children in this country, and the reauthorization of ESEA is a key component of this work, charter schools are raising expectations with high standards and creating innovative programs to better prepare children for 21<sup>st</sup> century life and workforce demands. The programs at the federal level that support charter schools can often spur positive improvements in state law and incent states to adopt and support innovative methods of schooling.



## **The Federal Charter Schools Program**

There are four federal programs that support public charter schools: the Charter Schools Program (CSP); the State Charter School Facilities Incentive Grant Program; the Credit Enhancement for Charter School Facilities Program; and the Charter Schools Program Grants for Replications and Expansion of High-Quality Charter Schools.

Created in 1994, the CSP provides financial assistance to help cover charter school start-up costs. Through a competitive process, the U.S. Department of Education awards grants to state education agencies (SEAs). In turn, SEAs make sub-grants to charter schools. If an SEA doesn't apply for funding or if its application for funding is not approved, the Department of Education can make grants directly to charter school developers. Since its creation, the CSP has received almost \$3 billion in funding and has impacted hundreds of thousands of public school students.

Created via the NCLB, the State Charter School Facilities Incentive Grant Program provides federal funds on a competitive basis to states to help cover charter school facility costs. The program is intended to encourage states to develop and expand per-pupil facilities aid programs and to share in the costs associated with charter schools facilities funding. Over the past seven years, the program has received over \$100 million in funding and has leveraged over \$1 billion dollars on the behalf of charter schools, serving over 472 schools.

The Credit Enhancement for Charter School Facilities Program provides grants on a competitive basis to public and nonprofit entities that enhance the ability of public charter schools to raise private capital to acquire, construct, renovate, or lease academic facilities. Since 2002, the program has received over \$221 million in funding helping over 335 charter schools finance facilities. It has done an exceptional job of using those funds to leverage private investment in charter facilities. In fact, more than \$9 private sector dollars have been raised for every \$1 dollar in federal funds.

Lastly, in 2010, the NAPCS, with help from bipartisan leadership in both the Senate and House, secured language in the appropriations process that allowed for a portion of the CSP funds to be used flexibly by the Secretary of Education to establish a grant program for the replication and expansion of high-performing charter schools. This has allowed the federal government to provide funds to high-quality charter models that have a strong track record of success.

## **ESEA Draft Proposal: Title V, Part D**

The NAPCS is optimistic regarding the proposed updates from your committee to the federal charter schools programs. The provisions related to charter school quality, sustainability and accountability are aligned with our organizational strategy and the best thinking from the field. Specifically, we support the provisions related to the replication and expansion of top-performing public charter schools, including allowing CMOs to apply directly to the Department of Education for funding. Expanding the federal law to allow this important growth of the sector will give charter schools the opportunity to continue practices proven to deliver results and expand innovations designed to meet the needs of 21<sup>st</sup> century learners. We also applaud the bill's rigorous levels of reporting; oversight and accountability for public charter school authorizers; focus on equitable funding; and prominence given to improving access to facilities for public charter schools.

There are a few areas within Title V, Part D that NAPCS would like to see strengthened as the bill moves through the Senate. We would like to expand access to grants in Subpart 1, the Successful Charter Schools Program, to nonprofit intermediary organizations with a track record of success in supporting high-quality CMOs. We are also supportive of the National Activities grant that bolsters charter school quality and encourages dissemination of best practices. In order to achieve the full impact of this program, the NAPCS supports increasing the percentage of funds reserved for Section 5420. We'd also like to see further assurances in place that will require eligible local education agencies to demonstrate that they are actively supporting environments for charter schools through such measures as having district-wide plans for charter growth and enhancing the availability of loans or bond financing for facilities.

The NAPCS is concerned about the definition of "high-performing charter school" as it may be too narrow, including the requirement that schools track persistence rates at institutes of higher education—some states simply do not have this capability. Also, by requiring that student achievement and growth be a primary factor in decisions around renewal could present conflicting requirements for the charter schools between authorizing state laws and the federal program. We suggest that the word "primary" be removed to allow for multiple measures of academic performance.

Moreover, we have concerns that the definition of high-performing charter school applied to Subpart 1, Section 5411, may have unintended consequences in the form of unfairly limiting credit availability to worthy charter schools that desperately need it. We have heard from a number public charter school leaders, who have achieved

amazing results in their schools, that some of the terms of this new definition would have prevented them from receiving financing or would restrict their expansion plans.

In addition to reviewing the Charter Schools Program, we thank you in advance for examining all parts of the bill to ensure the same levels of accountability found in Title V, Part D are applied throughout the law. It is essential that our nation do more to meet the educational needs of all children—including children of color, low-income students, populations with disabilities, or non-native English speakers. We would like to see Title II bolster efforts to provide children from underserved populations with exceptional teachers. The NAPCS has consistently witnessed that high-performing charter schools, which typically serve a large proportion of low-income and minority students, attribute much of their success to the caliber and commitment of their teachers. We support requiring some of the strongest provisions that are optional under the current proposal, such as recruiting, preparing, placing, supporting, rewarding and retaining highly-rated teachers and principals in high-need, low-performing schools.

We thank you for the opportunity to submit written testimony. We look forward to continuing to work with your committee as ESEA reauthorization moves forward.

Sincerely,



Ursula Wright  
Interim President & CEO

CC: Senators Murkowski, McCain, Bennet, Blumenthal, Isakson, Kirk, Roberts, Paul, Mikulski, Franken, Hagan, Burr, Bingaman, Merkley, Casey, Whitehouse, Alexander, Hatch, Sanders, and Murray.

## Endnotes

<sup>i</sup> Julian R. Betts and Y. Emily Tang: *The Effect of Charter Schools on Student Achievement: A Meta-Analysis of the Literature*. National Charter School Research Project, University of Washington-Bothell, 2011. [http://www.crpe.org/cs/crpe/download/csr\\_files/pub\\_NCSRP\\_BettsTang\\_Oct11.pdf](http://www.crpe.org/cs/crpe/download/csr_files/pub_NCSRP_BettsTang_Oct11.pdf)

<sup>ii</sup> Margaret Raymond: *Multiple Choice: Charter School Performance in 16 States*. Center for Research on Education Outcomes, Stanford University, 2009, P. 6. : [http://credo.stanford.edu/reports/MULTIPLE\\_CHOICE\\_CREDO.pdf](http://credo.stanford.edu/reports/MULTIPLE_CHOICE_CREDO.pdf)

<sup>iii</sup> Joshua Furgeson *et. al.* "Charter Management Organizations: Diverse Strategies and Diverse Student Impacts. *Mathematica*, 2011: [http://www.mathematica-mpr.com/publications/PDFs/Education/cmo\\_final.pdf](http://www.mathematica-mpr.com/publications/PDFs/Education/cmo_final.pdf)