

ISSUE BRIEF : Q2 2020

PUBLIC CHARTER SCHOOLS

HOW THEY WORK, WHY IT MATTERS,
AND WHAT YOU CAN DO TO HELP



BUSINESSFORWARD
FOUNDATION

EXECUTIVE SUMMARY

1. We're failing our kids, and it's affecting their future.
2. America is falling behind, and it's hurting our economy.
3. Public charter schools do better, with less money and smaller buildings – particularly for poor and minority students.
4. Public charters work because teachers and principals have more control; schools can specialize and stay open longer; good schools grow, and bad schools get replaced.
5. Public charters deserve equal per-student funding and access to empty or underused district school buildings. But serious oversight and accountability is also critical.

THE ISSUES

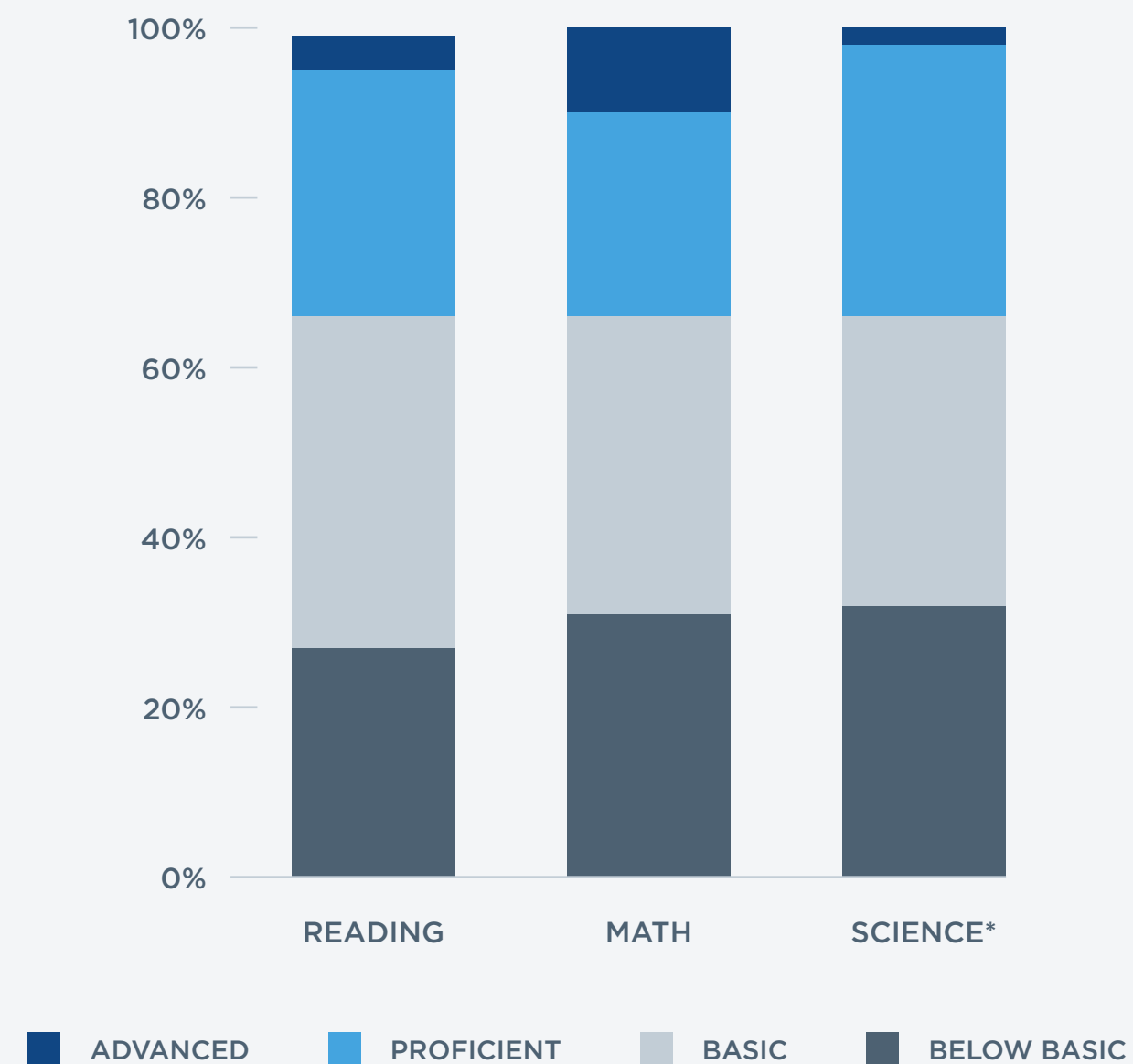
EXPLAINED

WE ARE FAILING OUR KIDS

LACKING THE BASICS

Only one in three 8th graders is proficient or above in math, science, or reading.

PERCENTAGE DISTRIBUTION OF 8TH GRADE STUDENTS, BY NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP) READING ACHIEVEMENT LEVEL (2019)¹

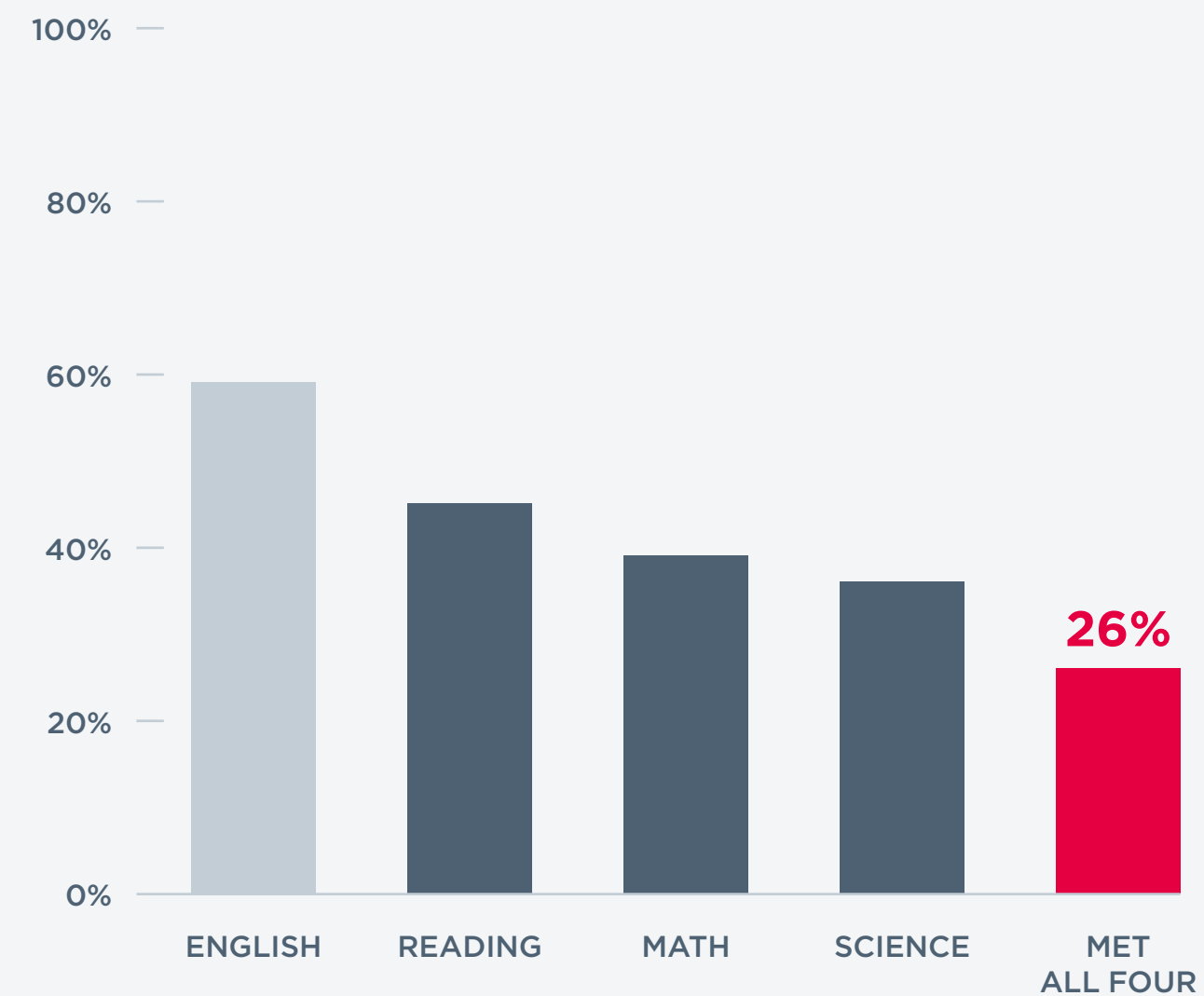


*2015 DATA

AN INCOMPLETE EDUCATION

Only one in four high school seniors is “college ready” in math, science, English, and reading.

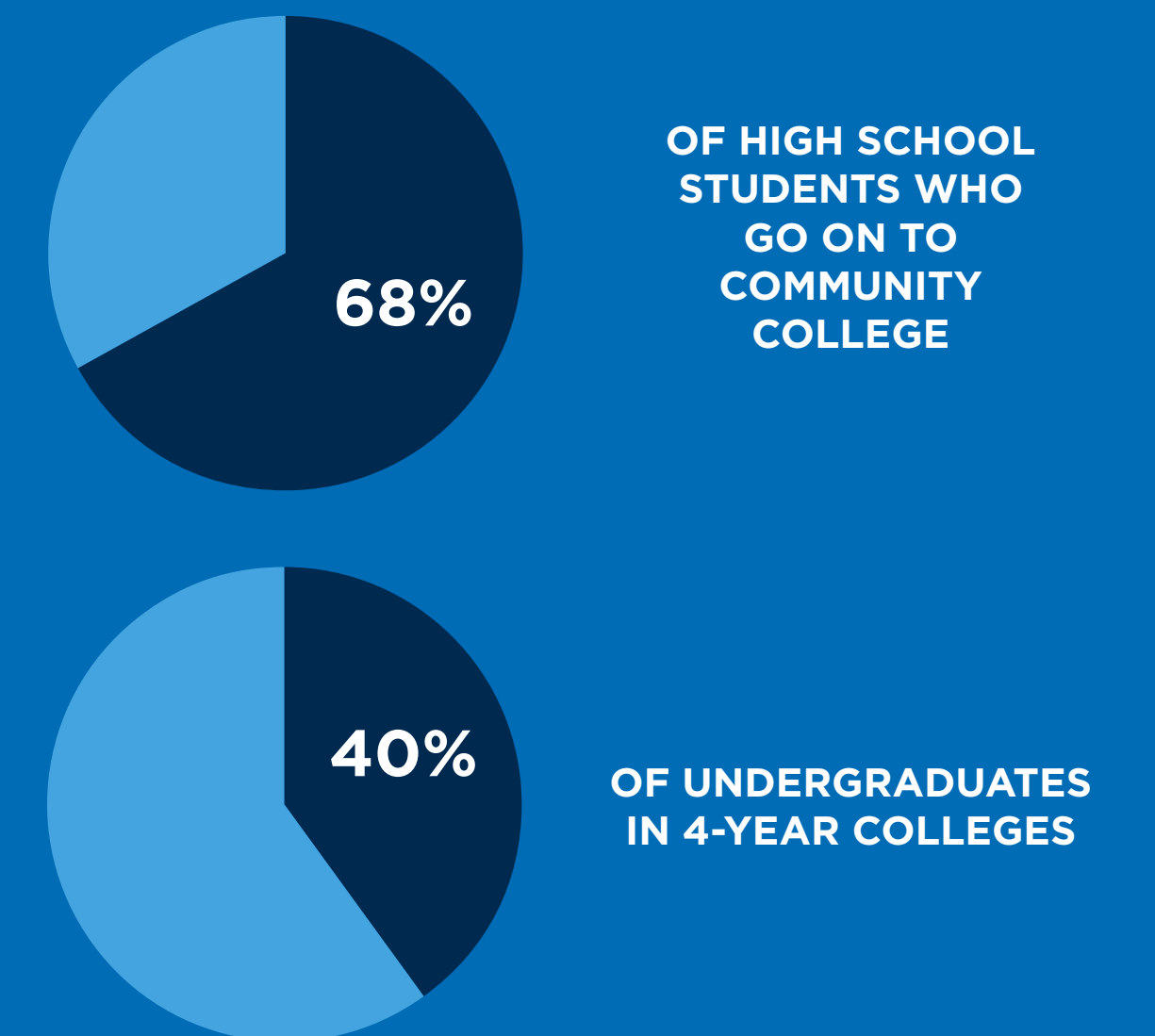
PERCENTAGE OF STUDENTS ACHIEVING BENCHMARK SCORE ON ACT (2019)²



THE COST OF REMEDIAL EDUCATION

More than four in 10 first-year college students require remedial education. These additional classes cost students \$1 billion/year. They also make it harder for students to graduate on time.³

PERCENTAGE OF STUDENTS REQUIRING REMEDIAL COURSES⁴

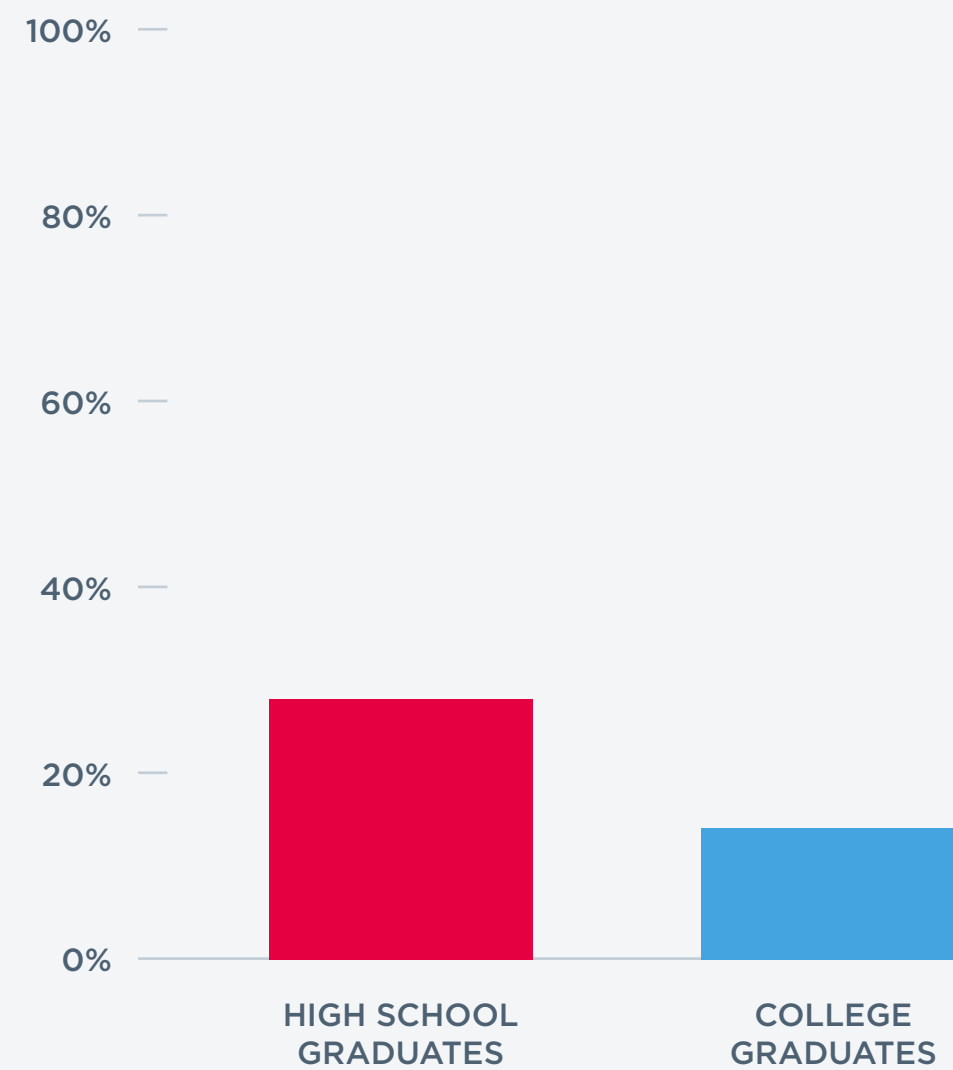


IT'S HURTING THEIR FUTURES

THE ODDS ARE AGAINST THEM

Students with only a high school degree are twice as likely to be unemployed as college graduates.

UNEMPLOYMENT RATE FOR WORKERS AGES 25-34, BY EDUCATIONAL ATTAINMENT (2017)⁵

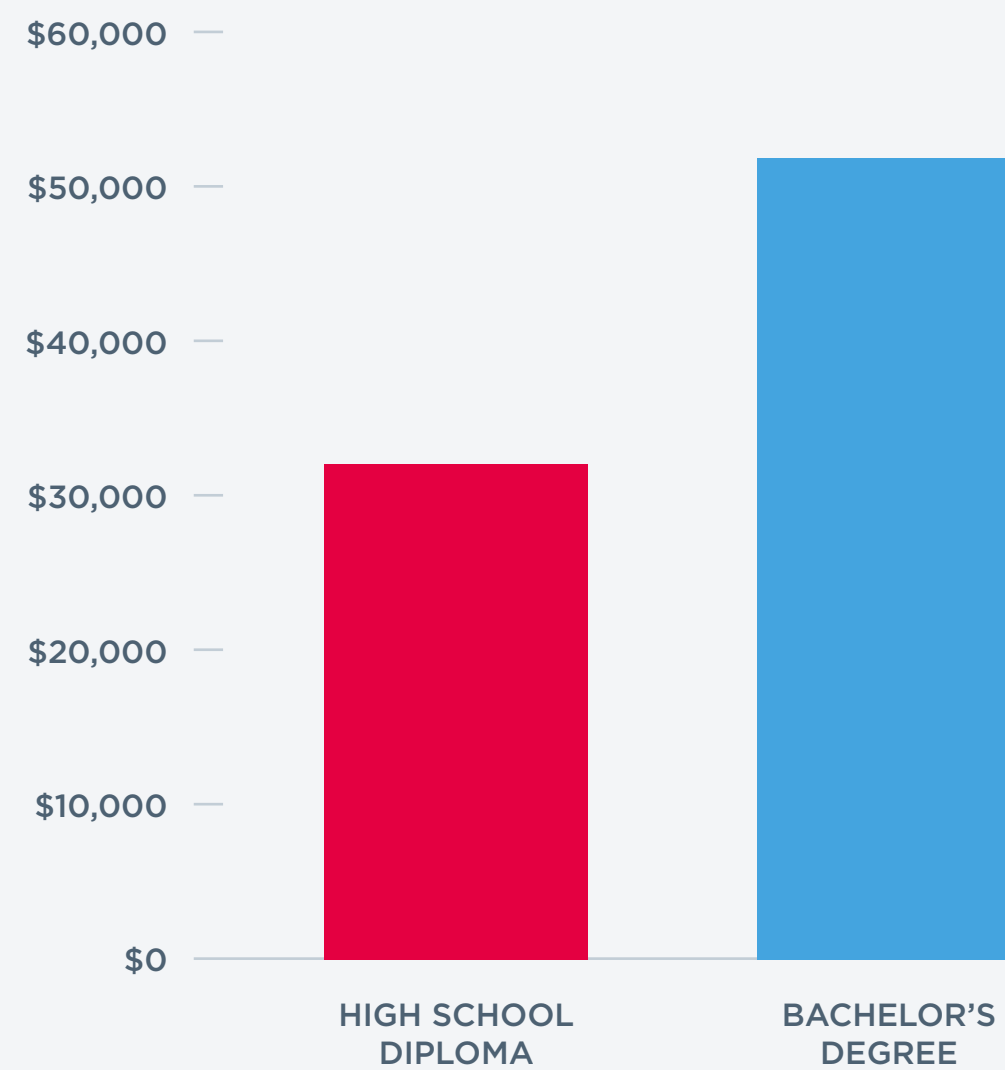


A LACK OF UPWARD MOBILITY

Four-year college graduates earn 62% more per year than high school graduates, on average.

A college degree is worth about \$2.8 million in lifetime income.⁶

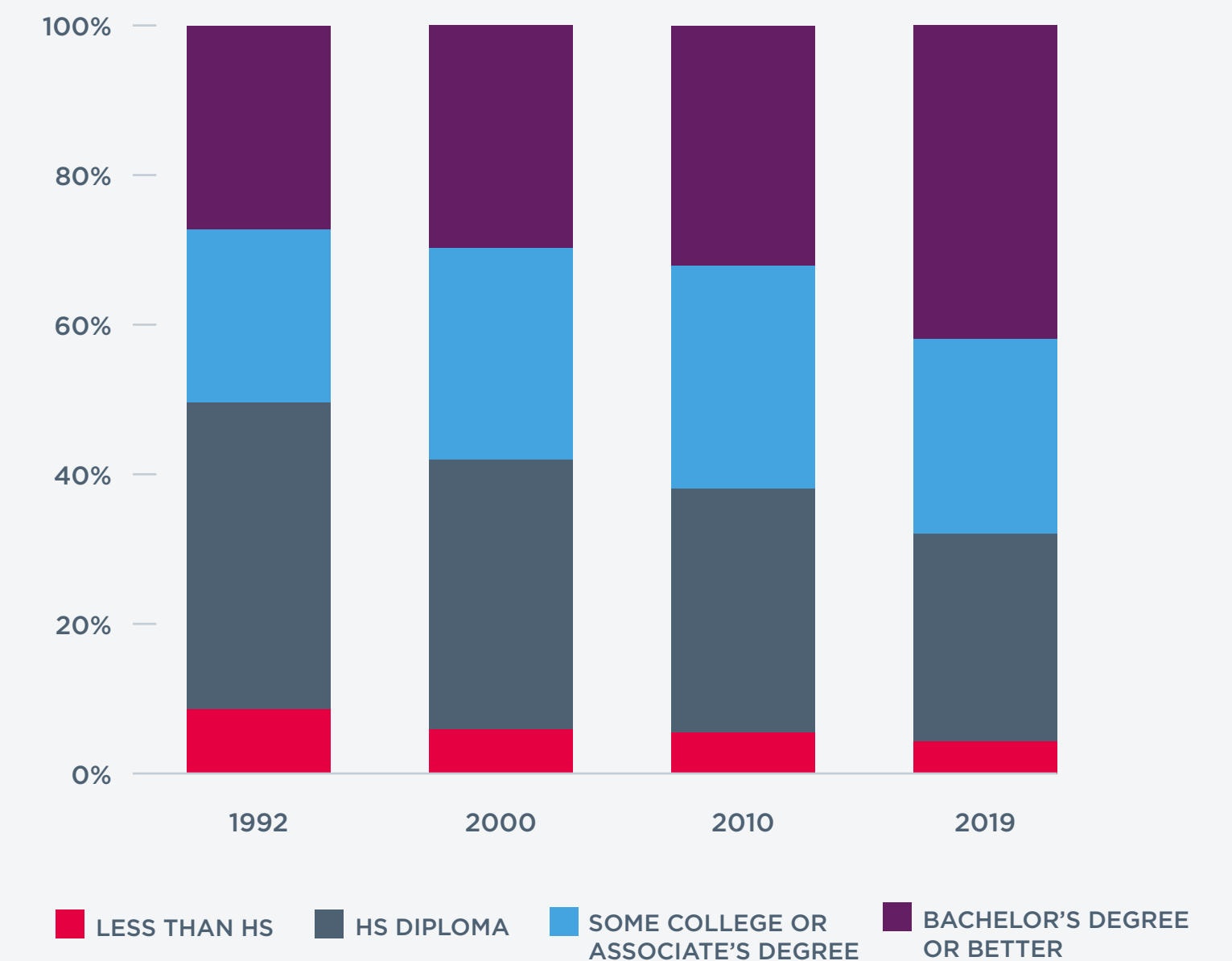
MEDIAN ANNUAL EARNINGS OF FULL-TIME, YEAR-ROUND WORKERS AGES 25-34, BY EDUCATIONAL ATTAINMENT (2017)⁷



CHANGING JOB REQUIREMENTS

67% of all jobs in the economy require post-secondary education and training beyond high school.

POST-SECONDARY EDUCATION AND TRAINING REQUIREMENTS⁸

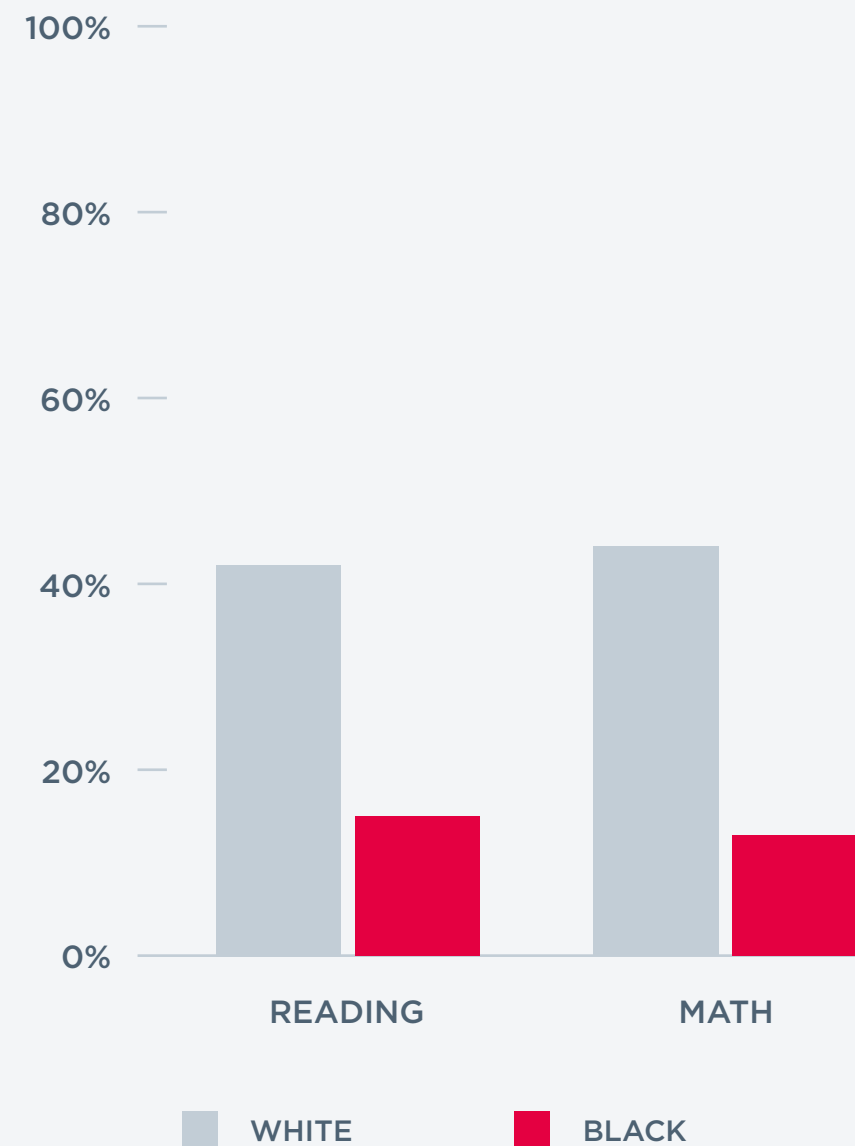


IT'S WORSE FOR POOR AND MINORITY STUDENTS

AN UNNECESSARY DIFFERENCE

African-American 8th grade students are three times less likely to be proficient in reading or math as white students.

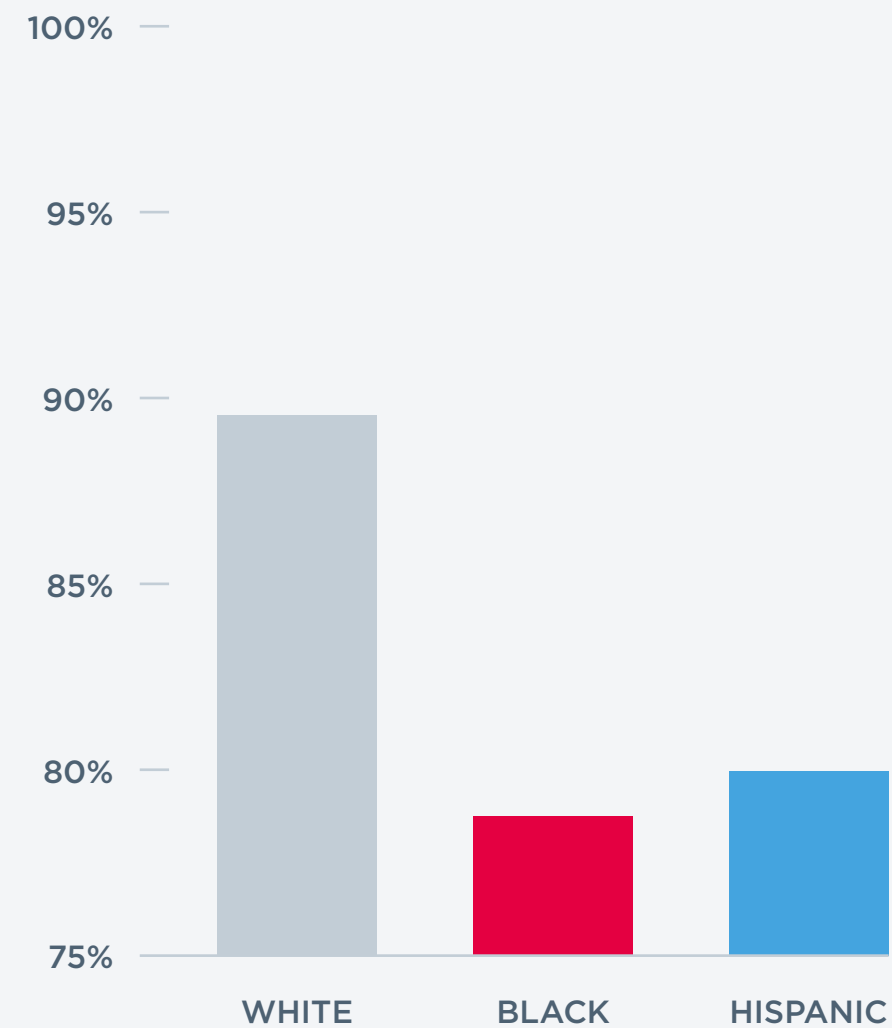
PERCENTAGE 8TH GRADERS PROFICIENT IN READING AND MATH, BY RACE (2019)⁹



DROPPING OUT

Students of color are twice as likely to drop out of high school than white students.

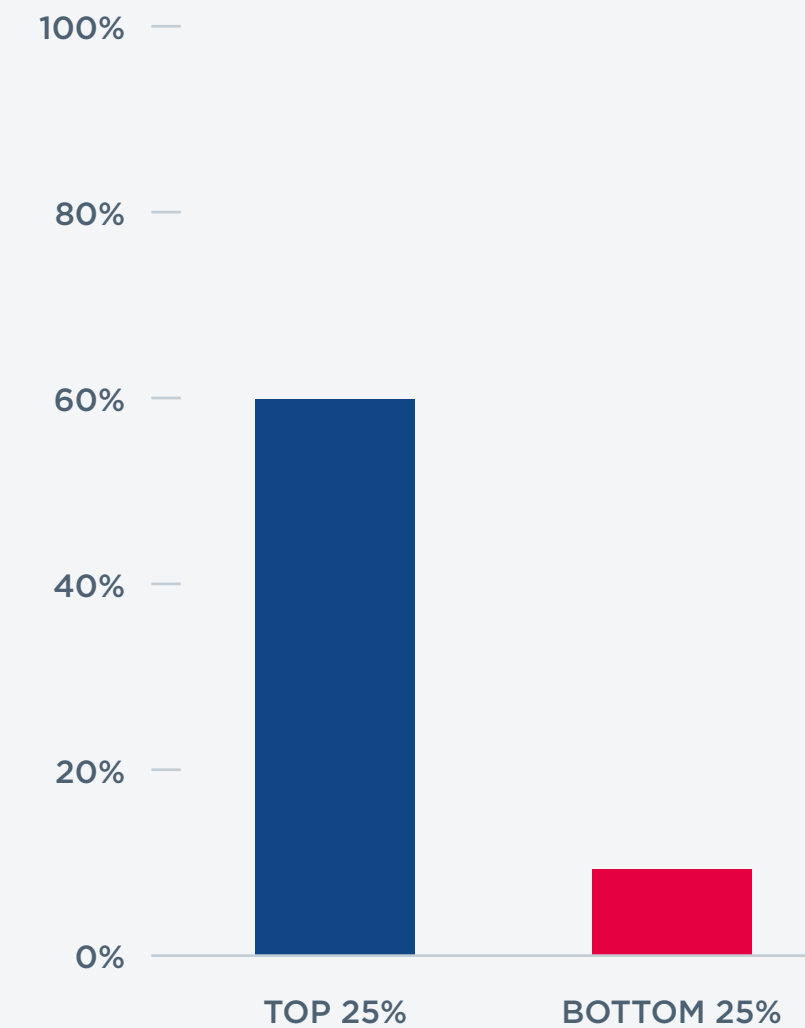
ADJUSTED COHORT GRADUATION RATE FOR PUBLIC HIGH SCHOOL STUDENTS, BY RACE (2016-17)¹⁰



THE GAP BETWEEN RICH AND POOR

Students from affluent families are four times more likely to earn a 4-year degree than students from poor families.

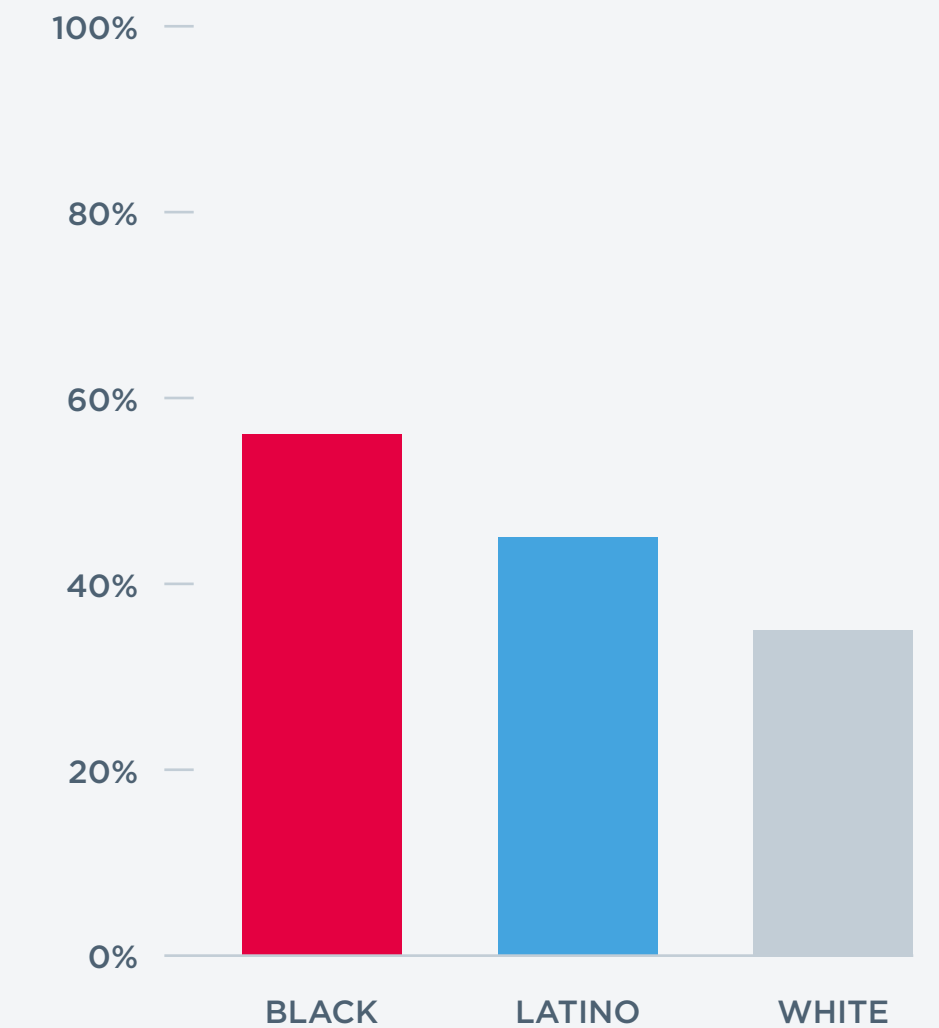
LIKELIHOOD OF GRADUATING FROM 4-YEAR COLLEGE, BY FAMILY INCOME¹¹



REMEDIAL EDUCATION

Black students are 21% more likely to require remedial education than their white peers.

NATIONAL RATES OF REMEDIAL EDUCATION ENROLLMENT, BY STUDENT GROUPS¹²



WE'RE FALLING BEHIND AS A NATION

WE NEED TO SPEND SMARTER

Despite ranking 2nd in per pupil spending for K-12, the U.S. ranks 13th in reading, 37th in math, and 18th in science.¹³

The U.S.'s per pupil spending on K-12 is 35% higher than the average for OECD countries.¹⁴

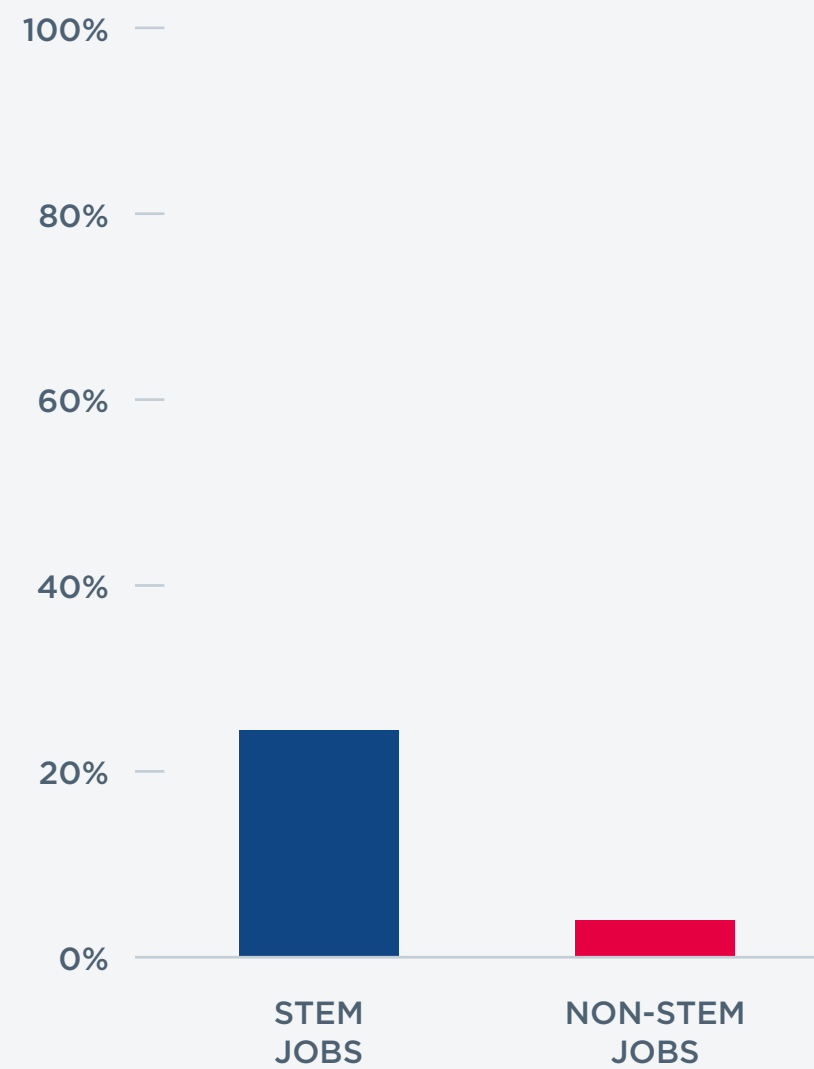
RANK	READING	MATH	SCIENCE
1	B-S-J-Z (CHINA)	B-S-J-Z (CHINA)	B-S-J-Z (CHINA)
2	SINGAPORE	SINGAPORE	SINGAPORE
3	MACAO (CHINA)	MACAO (CHINA)	MACAO (CHINA)
4	HONG KONG (CHINA)	HONG KONG (CHINA)	ESTONIA
5	ESTONIA	TAIWAN	JAPAN
6	CANADA	JAPAN	FINLAND
7	FINLAND	KOREA	KOREA
8	IRELAND	ESTONIA	CANADA
9	KOREA	NETHERLANDS	HONG KONG (CHINA)
10	POLAND	POLAND	TAIWAN
11	SWEDEN	SWITZERLAND	POLAND
12	NEW ZEALAND	CANADA	NEW ZEALAND
13	UNITED STATES	DENMARK	SLOVENIA
14	UNITED KINGDOM	SLOVENIA	UNITED KINGDOM
15	JAPAN	BELGIUM	NETHERLANDS
16	AUSTRALIA	FINLAND	GERMANY
17	TAIWAN	SWEDEN	AUSTRALIA
18	DENMARK	UNITED KINGDOM	UNITED STATES
19	NORWAY	NORWAY	SWEDEN
20	GERMANY	GERMANY	BELGIUM
21	SLOVENIA	IRELAND	CZECH REPUBLIC
22	BELGIUM	CZECH REPUBLIC	IRELAND
23	FRANCE	AUSTRIA	SWITZERLAND
24	PORTUGAL	LATVIA	FRANCE
25	CZECH REPUBLIC	FRANCE	DENMARK
26	NETHERLANDS	ICELAND	PORTUGAL
27	AUSTRIA	NEW ZEALAND	NORWAY
28	SWITZERLAND	PORTUGAL	AUSTRIA
29	CROATIA	AUSTRALIA	LATVIA
30	LATVIA	RUSSIA	SPAIN
31	RUSSIA	ITALY	LITHUANIA
32	ITALY	SLOVAK REPUBLIC	HUNGARY
33	HUNGARY	LUXEMBOURG	RUSSIA
34	LITHUANIA	SPAIN	LUXEMBOURG
35	ICELAND	LITHUANIA	ICELAND
36	BELARUS	HUNGARY	CROATIA
37	ISRAEL	UNITED STATES	BELARUS

IT'S HURTING OUR ECONOMY

VACANT POSITIONS

STEM jobs are growing six times faster than non-STEM jobs. Today, employers have 3 million STEM jobs they cannot fill.¹⁵

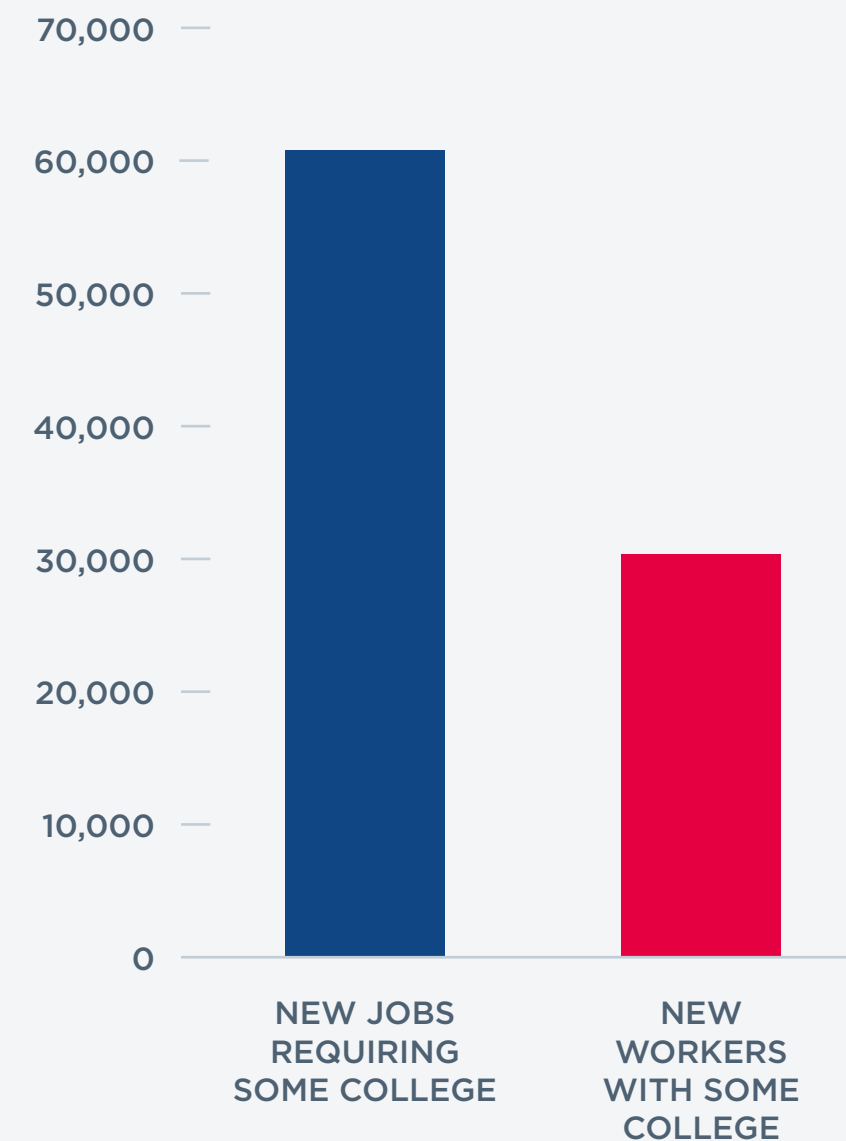
PERCENT JOB GROWTH, 2007 TO 2017¹⁶



LACK OF AGILITY

In fast-growing economies, local schools cannot keep up with skilled-job growth.

COLORADO'S ANNUAL GROWTH IN SKILLED JOB DEMAND AND SKILLED WORKERS¹⁷

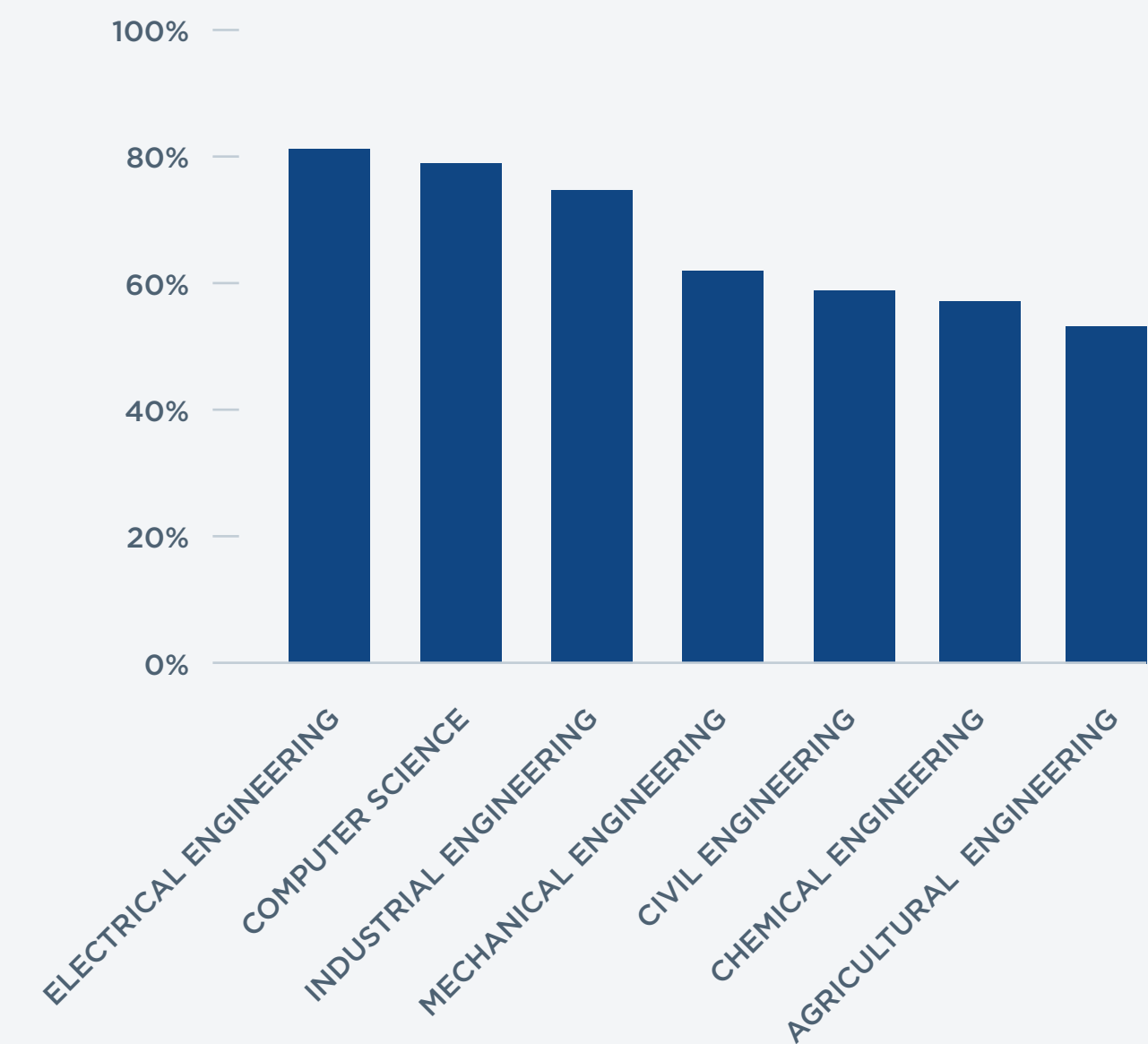


IMPORTING TALENT

As a result, employers in high-growth markets import workers from other states, leaving low-skilled workers underemployed.

Meanwhile, their universities import talent to fill STEM classrooms.

FOREIGN STUDENTS AS A PERCENTAGE OF GRADUATE STEM PROGRAMS (2015)¹⁸

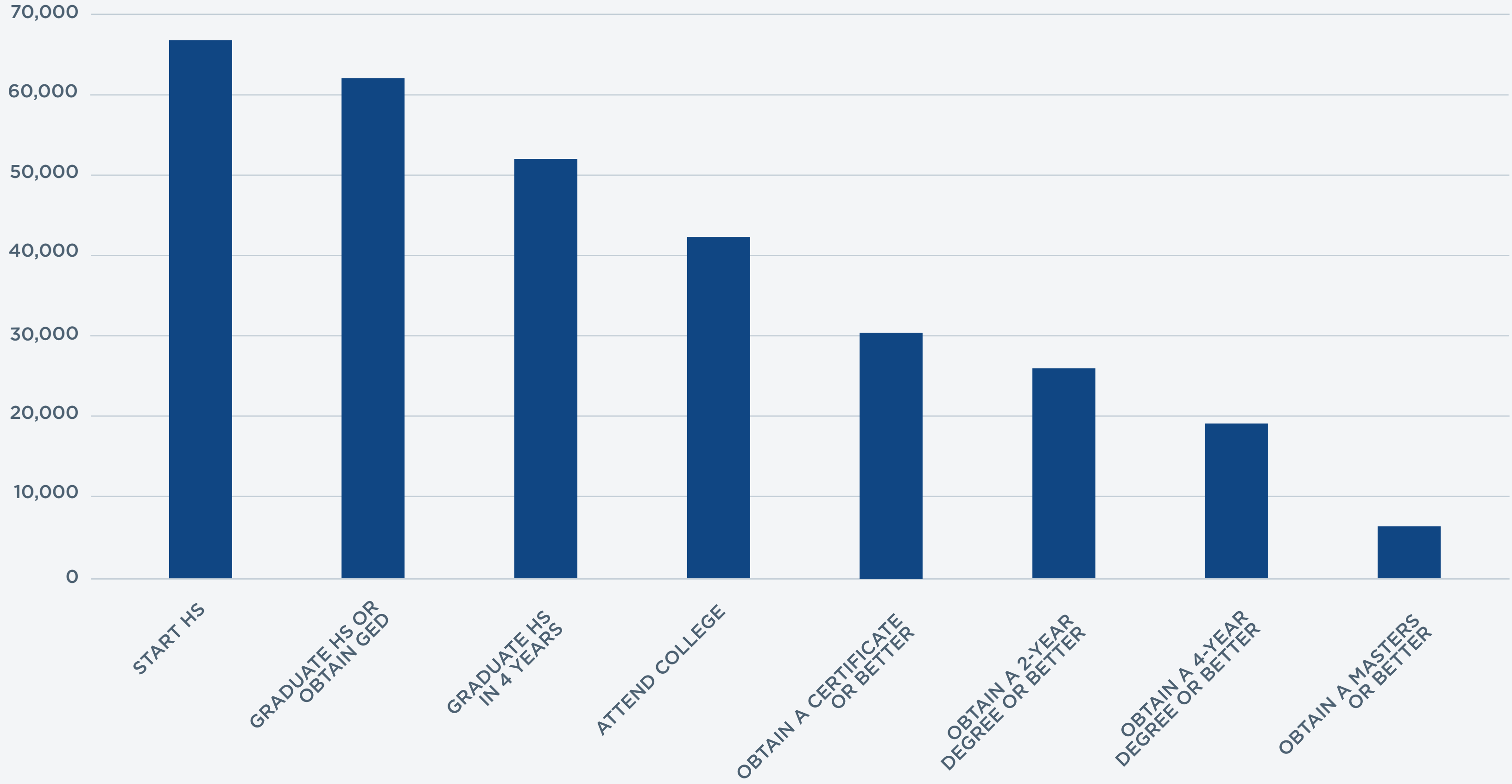


BUSINESS LEADERS APPROACH SCHOOL REFORM AS A “PIPELINE” PROBLEM

At each step, students fall out of the pipeline. The payoff for plugging the holes in this pipeline are enormous.

CASE STUDY: EDUCATIONAL ATTAINMENT IN COLORADO

Projected educational attainment of each 12th-grade class in Colorado¹⁹



THE PAYOFF

Colorado business leaders' effort to increase high school graduation rates for poor students from 75 to 93 percent could help those students earn

\$5 BILLION

more over ten years - and increase Colorado's 10-year GDP by

\$7 BILLION.

PUBLIC CHARTER SCHOOLS PERFORM BETTER, ON AVERAGE

CRITICAL DECISION MAKING

In a traditional school, the principal controls less than 1% of her budget. She and her teachers have little control over the curriculum or the length of the school day and year. A father can't move his daughter to a different school that matches her background, interests, or learning style.

With public charter schools, families decide what's best for their kids. Teachers have more control over their lessons. Principals have more control over their budgets. Schools can specialize (and stay open longer). High-performing charter schools grow; and underperforming schools are replaced.

More than 7,000 charter schools serve 3.2 million students across 43 states. They represent seven percent of schools nationwide and educate six percent of all public school students.²⁰

CHARTERS DO MORE WITH LESS

Charters receive 73 cents on the dollar compared with traditional public schools. That's a \$5,828 difference, per student.²¹ Yet on average, charters are:

40%
MORE
COST-EFFECTIVE

and produce a

53%
LARGER RETURN
ON INVESTMENT

when compared to traditional public schools.²²

CLOSING THE GROUP GAP

Black and Hispanic charter school students are twice as likely to be proficient in math than their district school counterparts, and 50% more likely to be proficient in English.

Additional days of learning of urban charter school students, compared to urban district students, by subgroup and subject²³

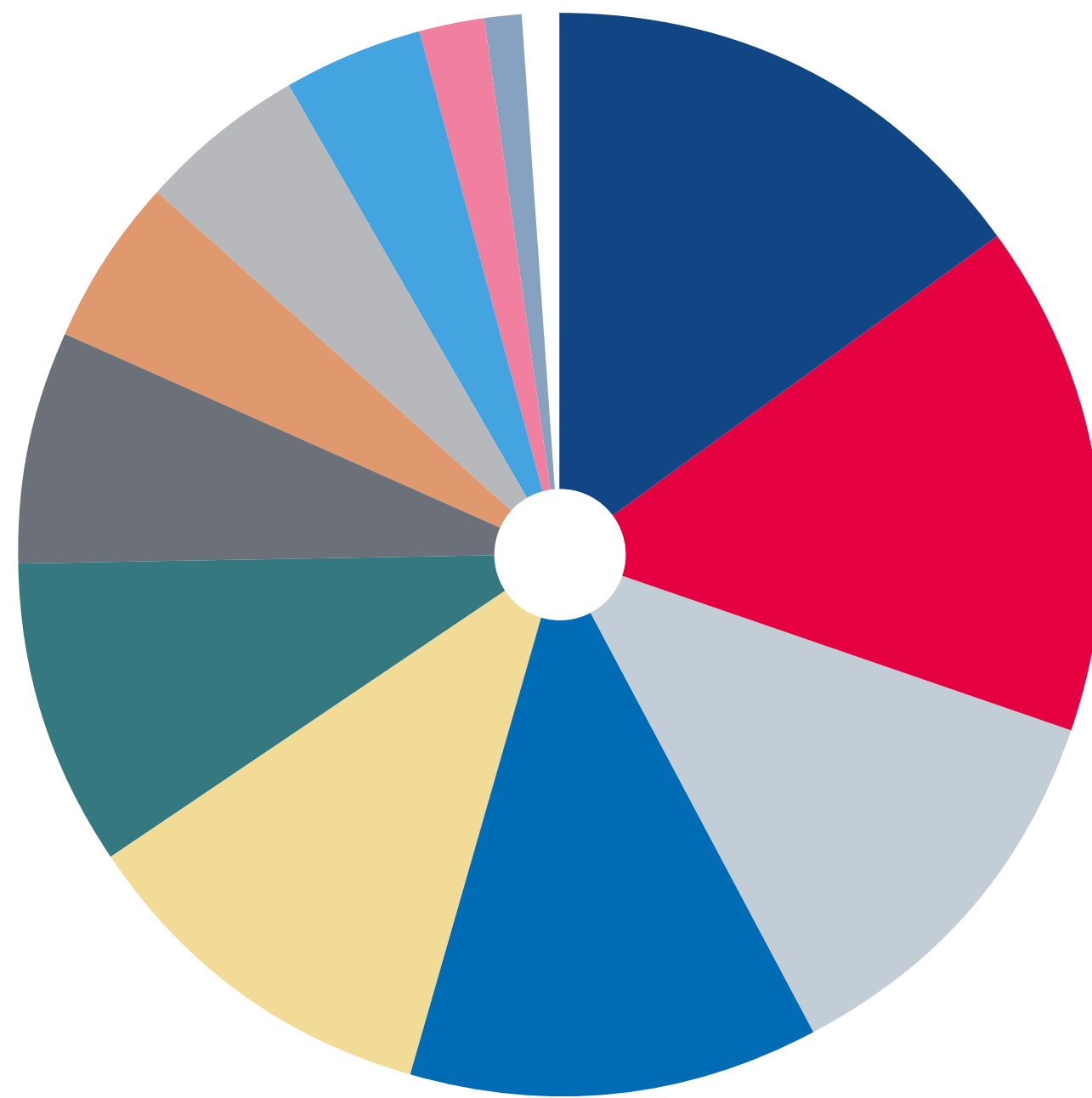


Data from 2013; recent studies consistently support the significant positive relationship between charters and closing the achievement gap.²⁴

SPECIALIZED SCHOOLS: TEST SCORES TELL ONLY HALF THE STORY

Half of charters specialize by teaching model, subject matter, or student population - providing options for families who can't afford private schools.²⁵

SAMPLE OF SPECIALIZED SCHOOL OFFERINGS



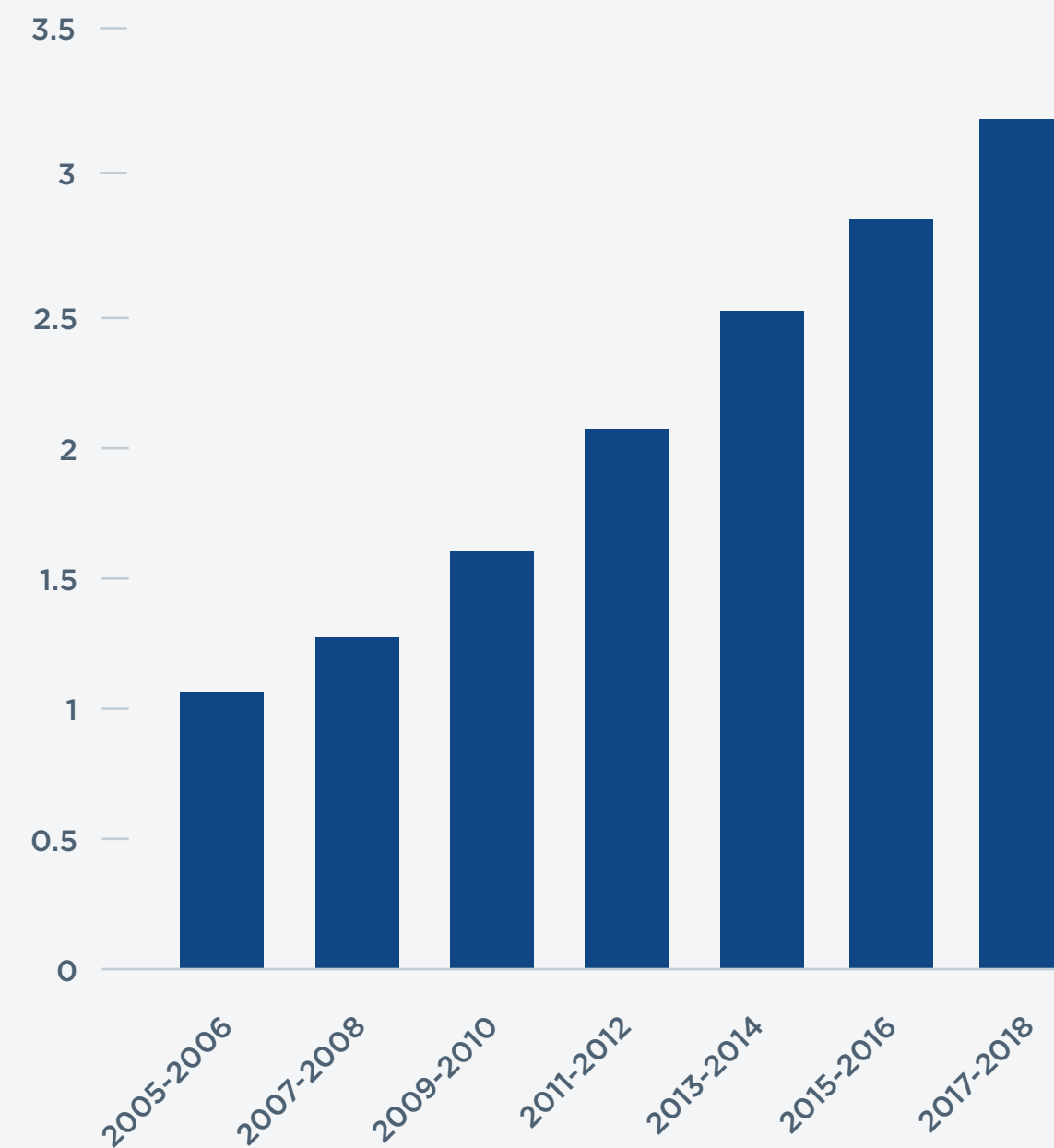
- NO EXCUSES**
Strict discipline policies and high expectations of students.
- PROGRESSIVE**
Teaching designed to build determination, "grit," and work ethic. Child and learner-centered.
- CREDIT RECOVERY**
Specialize in helping dropouts graduate.
- HYBRID**
Divided between human educators and computers.
- STEM**
Specialize in math and sciences.
- INTERNATIONAL/BILINGUAL**
Students learn foreign language and global cultural practices.
- ARTS**
Focus on fine or performing arts, use arts immersion education model.
- SINGLE SEX**
Entirely single sex or single sex by grade level
- PUBLIC POLICY**
Focus on civic engagement, political knowledge and participation and development of public policy knowledge.
- CLASSICAL**
Use the Socratic method or emphasize the three-fold way.
- VOCATIONAL**
Job skills and hands on training.
- PURPOSEFULLY DIVERSE**
Purposefully trying to create racially and socioeconomically diverse student bodies.
- MILITARY**

FIVE MILLION MORE STUDENTS WOULD ATTEND A CHARTER, IF THEY COULD

COMPOUNDING INTEREST

In the last 15 years, enrollment in charter schools has more than tripled (to 3.2 million). 7,038 charter schools cover 43 states (+ D.C.).

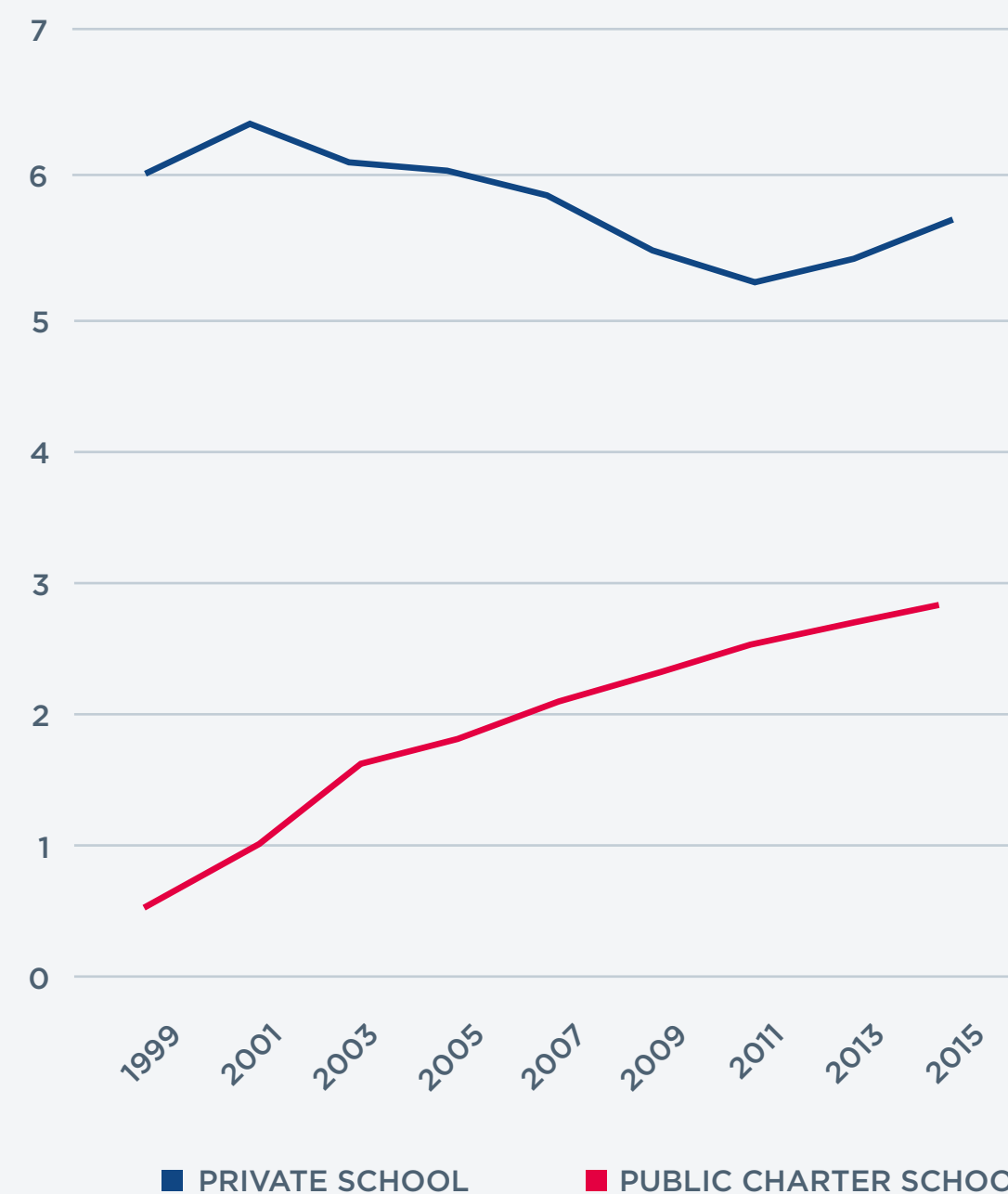
Public charter school enrollment (in millions)^{26 27}



GAINING ON PRIVATE SCHOOLS

From 1999 to 2015, charters grew to serve half as many students as private schools.

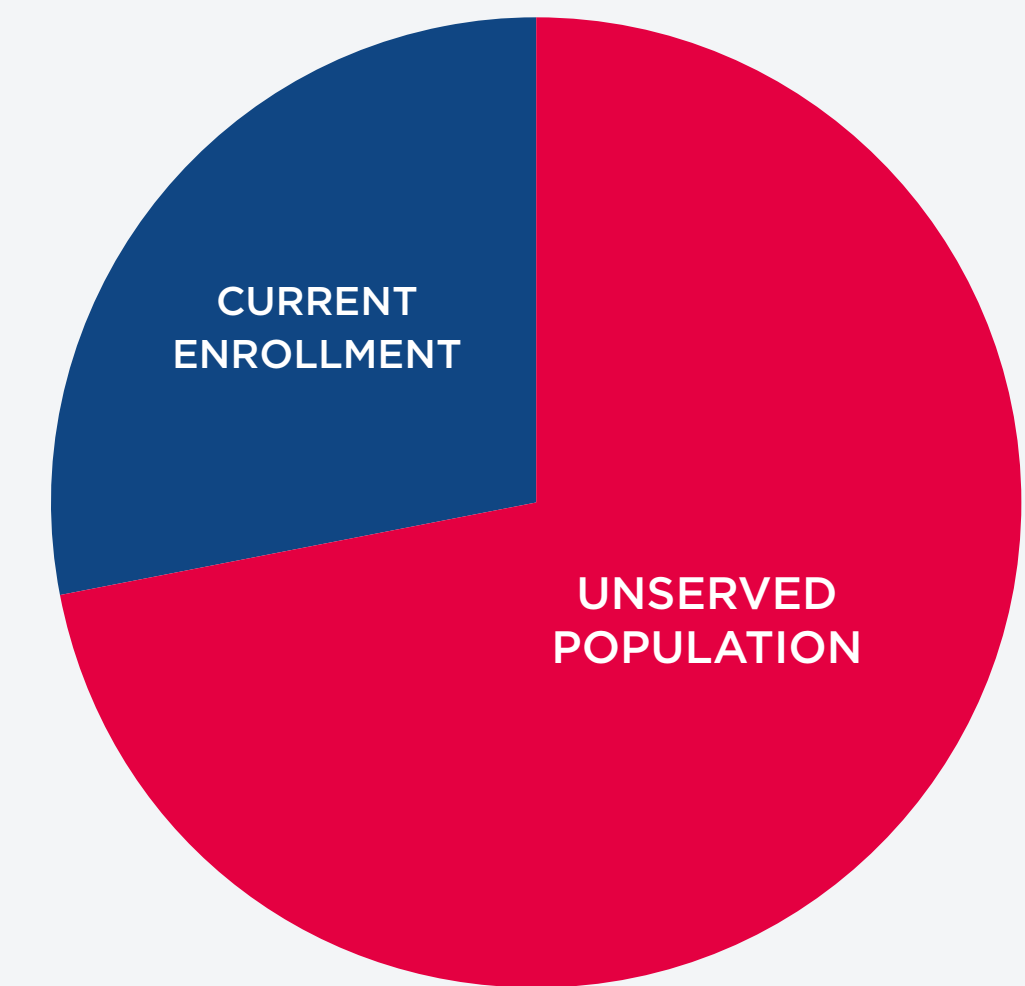
Private school vs. public charter school enrollment (PK-12)²⁸



REDEFINING NECESSITY

Parents representing 8.25 million students prefer charters, but today's charters can only serve 3.2 million.

Student demand for charters²⁹



CHARTERS NEED EQUAL FUNDING AND ACCESS TO EMPTY BUILDINGS

Public charter operators, authorizers, and school boards have 20 years of data and experience from thousands of schools across hundreds of cities that demonstrate what works for students, their families, and their communities. We can replicate highly successful STEM, arts, single sex, vocational, and credit recovery programs in new cities. We can help proven school managers expand their networks to struggling districts. And we can apply authorization policies that work in more states.

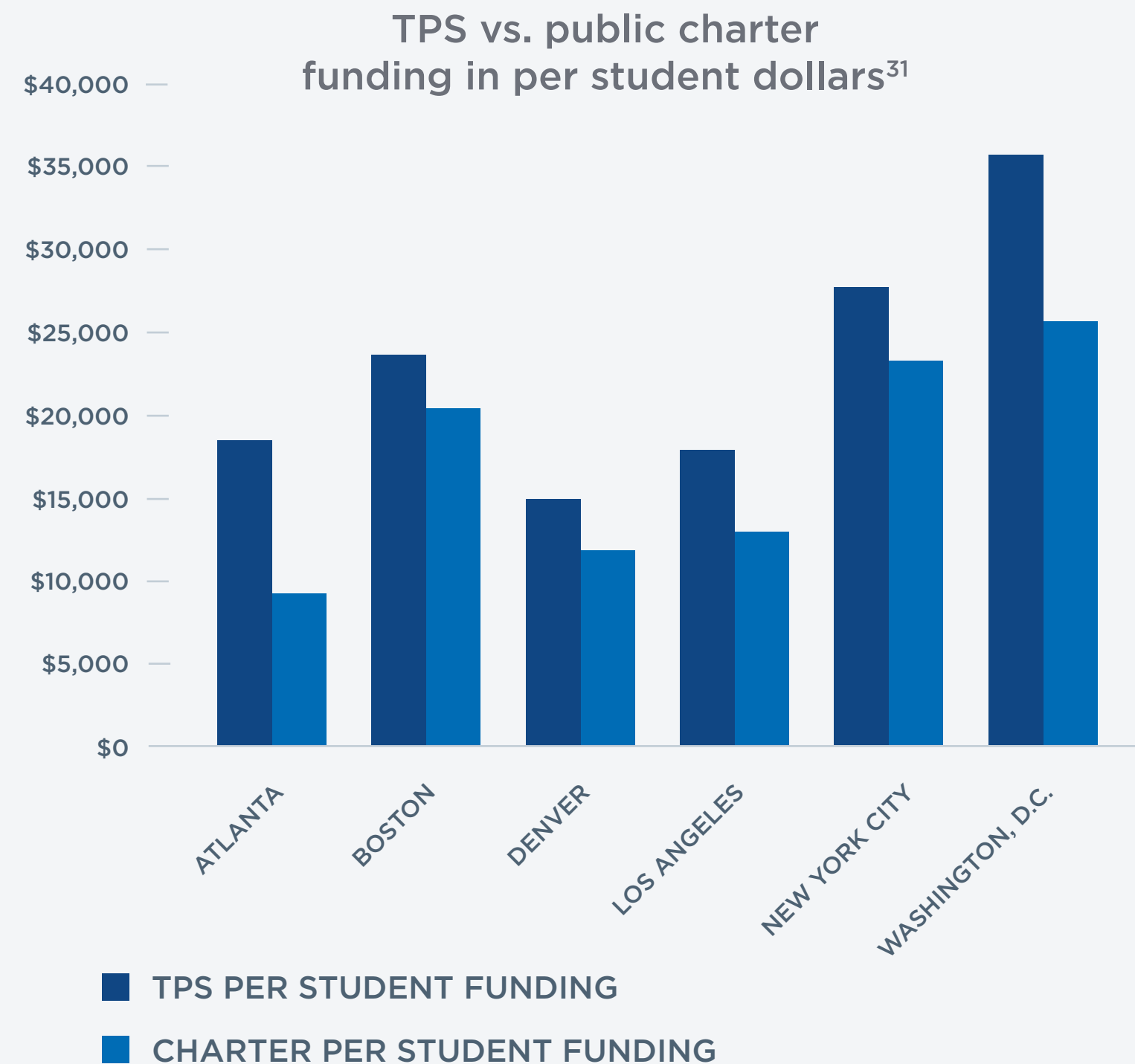
To help the millions of children waiting for a place in a public charter school, charters require:

EQUAL SPENDING

Public charters should receive the same funding per student as traditional public schools (TPS). A 2018 study of 14 regions found that, on average, public charter schools receive \$5,828 less per student than TPS - that's a 27 percent difference.³⁰

Public charters should qualify for equal state and local building funds, so they can provide libraries, labs, and gyms, like TPS.

Public charters should qualify for equal transportation support (like school buses) and teacher support (pensions).



ACCESS TO BUILDINGS

We can meet today's rising demand for public charters and help more children succeed by requiring school districts to transfer school buildings to proven charters.

No child is helped by an empty school.

BECAUSE RESULTS VARY, STRONG OVERSIGHT IS ESSENTIAL - AND ONLINE CHARTERS MUST IMPROVE

STRONG OVERSIGHT

Each year, administrators close hundreds of public charter schools. That's a good thing, because it helps children find the right school and creates room for successful schools to grow.

Accountability and a results-oriented approach are key to the success that thousands of public charter schools have shown.

Public charters realize their potential when charter boards conduct annual audits and hold teachers and principals accountable for student results.

CASE STUDY: ONLINE CHARTERS

A small fraction of charter schools teach full-time students exclusively online. Some of these charters are high performing, but the sector's overall results are weak.

Although these virtual schools educate just six percent of charter students, they cannot continue to operate if students aren't benefitting.

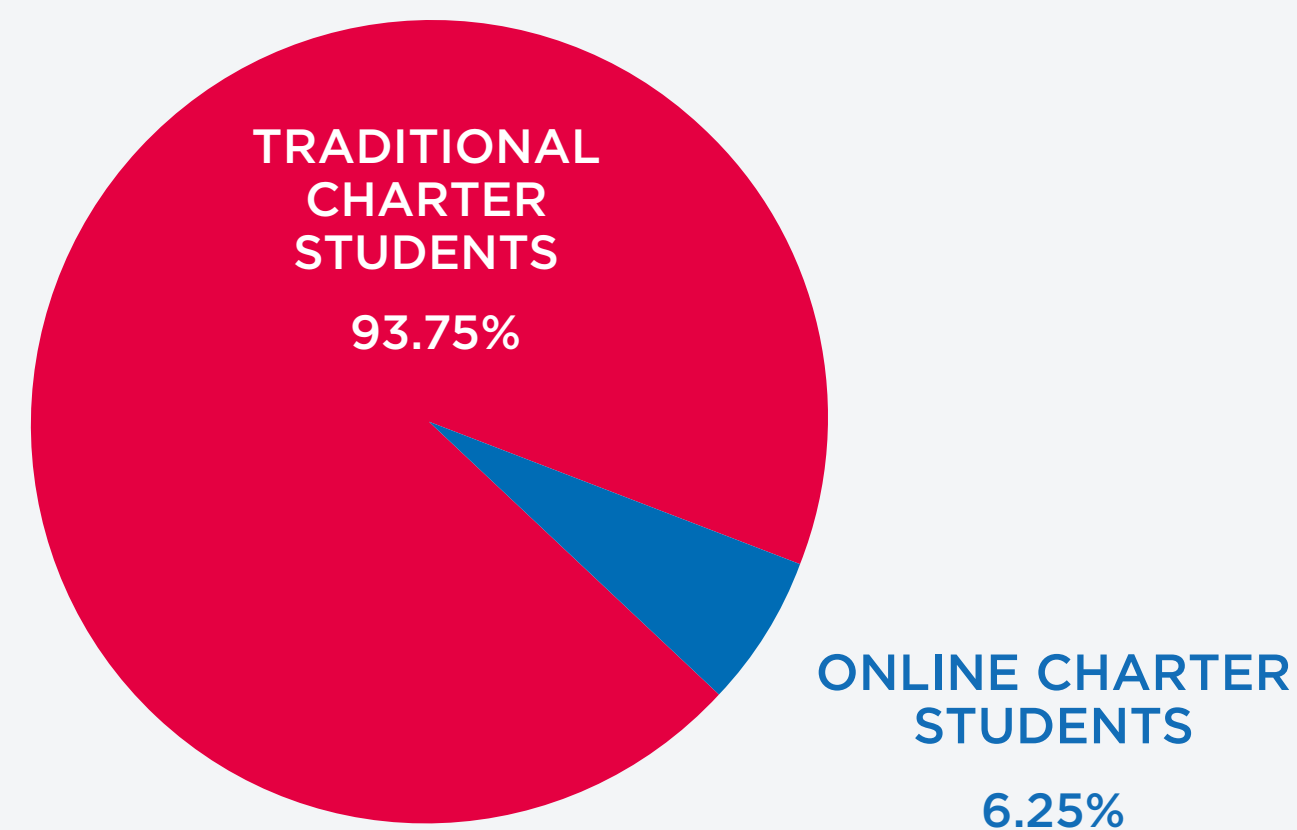
ONLINE SCHOOLS MUST BE RESTRUCTURED

Despite difficulties in assessing student outcomes, experts in the field generally recognize online charters have failed to replicate the success of traditional charters.

A piece by charter advocates Marc Sternberg and Marc Holley of the Walton Family Foundation captures the current perspective on virtual charters:

“Our first priority is always making sure that students are served well... Online education must be reimaged. Ignoring the problem - or worse, replicating failures - serves nobody.”³³

Traditional charter students vs. online charter students³²



HOW BUSINESS FORWARD CAN HELP

1. We organize conference calls, webinars, and local briefings for business leaders on school reform options and their impact.
2. We train business leaders how to work with local media, publish an op-ed, testify at government hearings, and speak out on social media.
3. We introduce educators and school administrators to business leaders in their communities (and in other communities looking to improve their schools).
4. We promote best practices and business leader recommendations across our network and through earned and social media.

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