

**A WIDE-ANGLE LOOK AT THE CHARTER SCHOOL
MOVEMENT IN OHIO/DAYTON, CIRCA SEPTEMBER
2004**

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Prepared at the request of Dayton Community Leaders

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Introduction

The purpose of this paper is to provide the reader with a general introduction to: 1) the growth of the charter school movement in Ohio since 1998, 2) the reaction of some who oppose this expansion in school choice, and 3) legal and political challenges that need to be met to ensure the sustainability and educational success of the charter school movement in Dayton and across Ohio in future years.

Background

The first charter legislation in Ohio passed in 1997. HB 215 created a pilot program, mainly in Toledo. Charter schools, known in Ohio as community schools, were defined as “a non-tuition public school attended and staffed by those who choose to go there; operated by a negotiation between the governing authority of the school and a sponsor.” In 1998, charter legislation was extended to all of the “Big 8,” Ohio’s largest urban districts. In 1999, additional law expanded the potential for charter schools to include 21 urban districts and, from 2000, districts designated as in academic emergency.

In 2003, HB364 enabled charter schools to be opened in any school district in “academic watch.” It also made significant changes to the types of organizations that could legally sponsor charter schools. The law terminated the State Board of Education's charter sponsorship role, permitted qualified 501(C)(3) organizations (and other entities) to become charter school sponsors, and created a two-year period for that transition. During 2003-04, the State Board, through the Ohio Department of Education (ODE), sponsored 140 charter schools, all of which must now locate new sponsors by July 1, 2005.

It is important to remember that charter school legislation was introduced in the state of Ohio because parents, particularly poor parents in urban areas, were fed up with the existing education system and wanted choice and control over their children’s education. Or, as state representative Jon Husted noted in 2001, “If public schools were working, charter schools wouldn’t exist.”¹ A survey of Dayton-area parents in 2003 by Paragon Alliance showed that 70 percent of parents would allow students in failing schools to attend another school of their choice, and the vast majority of parents support charter schools. For every one parent in the Miami Valley who would stop them, four would keep or expand them.² Charter schools are meeting a real need and addressing a real problem.

Charter School Growth

Both in terms of schools opened and students enrolled, the charter school movement has been on a growth trajectory since 1998-99. Graph I shows the rise in school numbers since 1998. It is important to note, however, that HB 364 limits to 225 the total number of “start-up” charters that can operate statewide until the cap expires on 7/1/05. (Districts can also convert traditional schools to charter status but few have wanted to; for example, the World of Wonder (WOW) school is Dayton’s only conversion charter.)

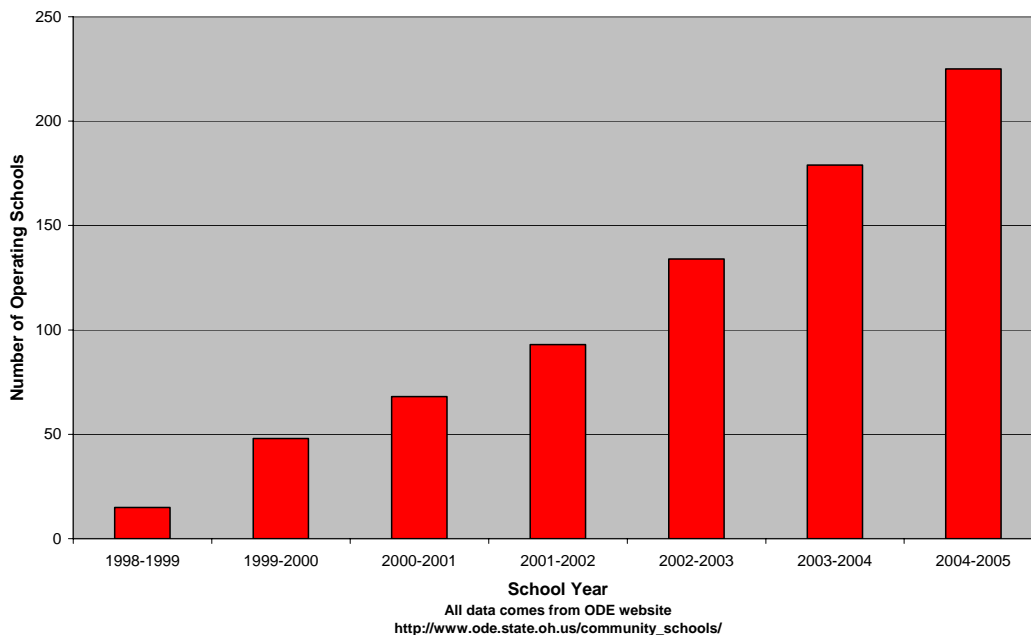
Statewide enrollments in charter schools have risen from 2,245 in 1998 to over 45,000 in 2003-04. The “Big 8” school districts account for more than two-thirds of that total. Graph II shows the number of charter schools in these districts during the 2003-04 school year.

¹ Quote comes from Dayton Daily News, “Suit Targets Charter Schools.” May 12, 2001, pg. 1b.

² Data comes from *Having Their Say: The Views of Dayton-Area Parents on Education 2003*. November 2003.

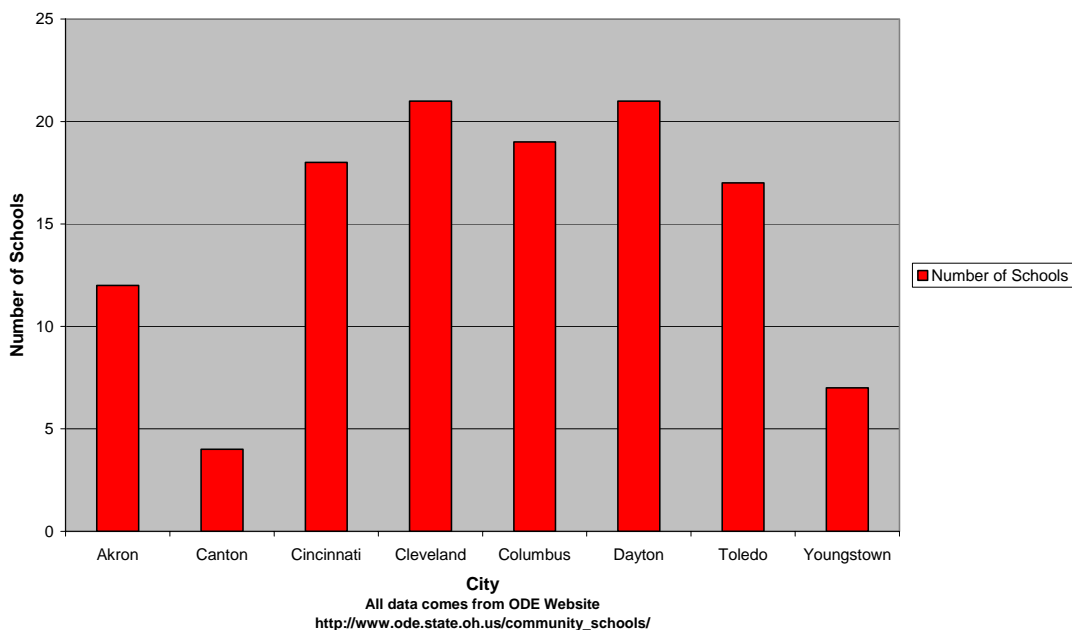
Graph I: Number of Charter Schools

Growth in Ohio's Charter School Numbers Since 1998



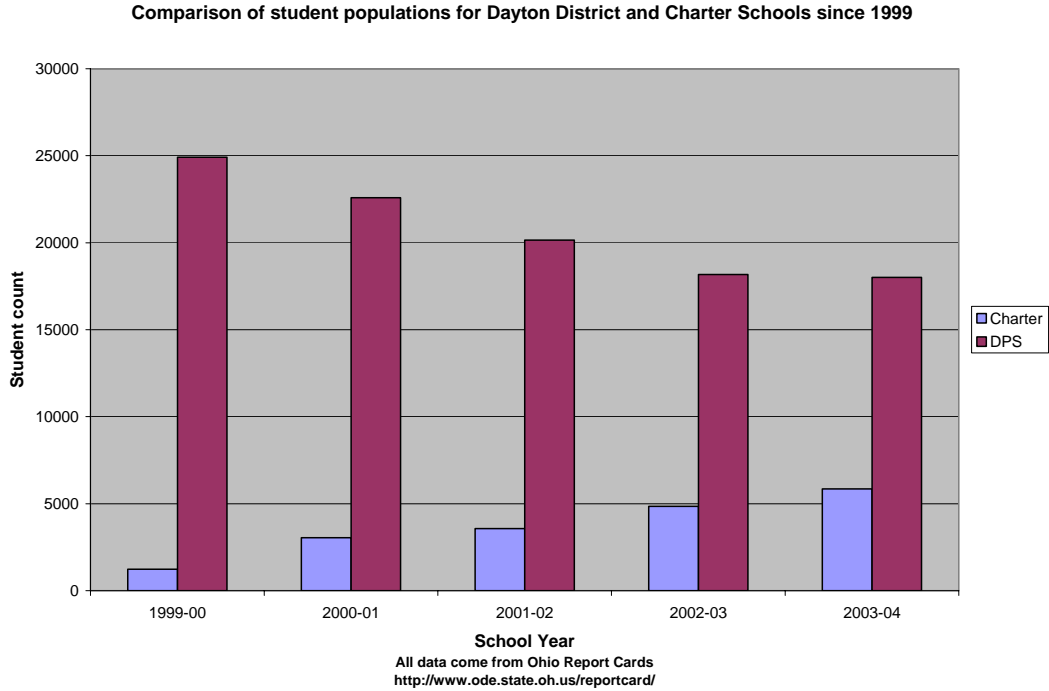
Graph II: Charter Schools in the “Big 8” School Districts in 2003-04

Number of Charter Schools in Each Big 8 School District
 2003-04 School Year



To put the enrollment growth in perspective, graph III contrasts the number of students attending Dayton charter schools with those attending district schools. Note the steady growth in charter school students and commensurate decline in DPS enrollments. By the end of the 2003-04 school year, fully a quarter of Dayton’s public school students were attending charter schools.

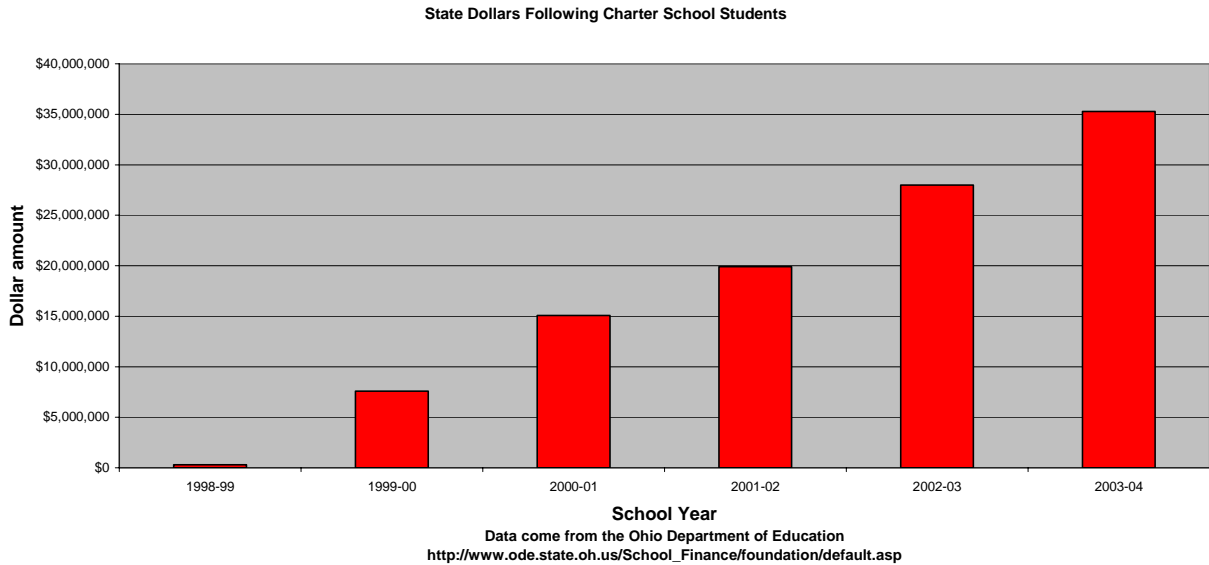
Graph III: Student counts in Dayton Public Schools and Dayton-area Charter Schools



The Economic Impact of Charter School Growth in Buckeye State

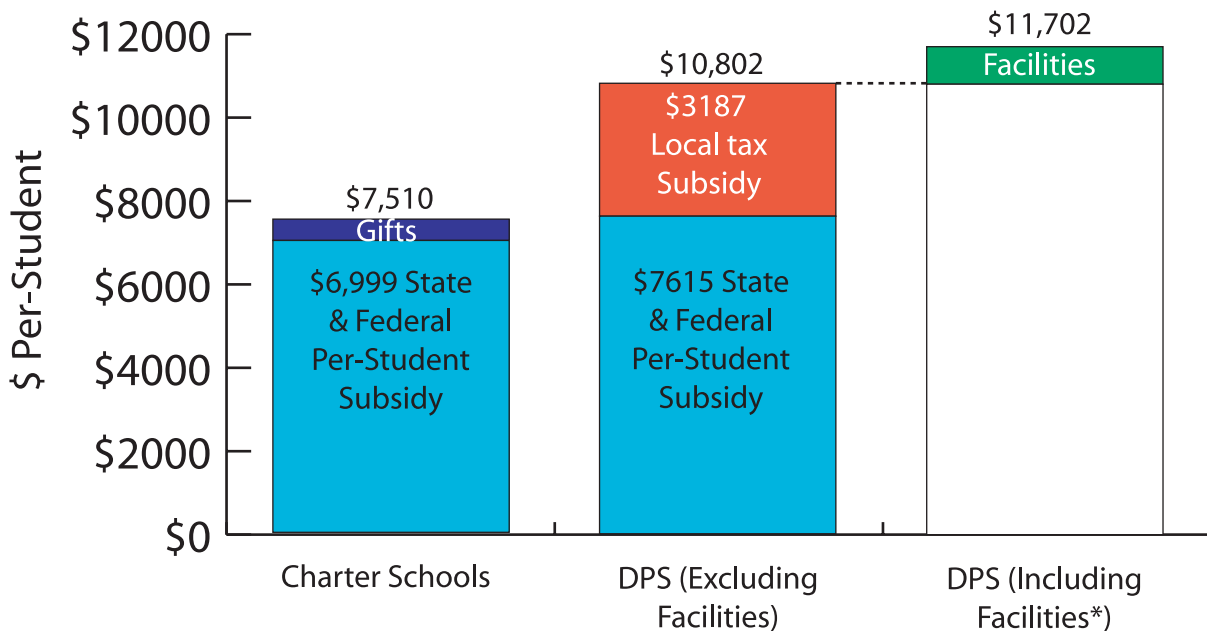
Not surprisingly, the total amount of state dollars following students from district schools into charter schools has also risen. Graph IV shows the trend in Dayton.

Graph IV: State Dollars Paid to Dayton-Area Charter Schools



Dayton is a vivid example of charter school growth, but the trends seen in Dayton are echoed in Ohio’s other big districts. Despite this growth in numbers, charter schools operate at a lower per pupil revenue than do traditional district schools. Graph V is a comparison of the revenue per pupil for Dayton district and charter schools. It shows that district schools in Dayton receive 44 percent more operating funds than do charter schools and, including facilities revenue, 56 percent more.

Graph V: Comparison of Dayton Public Schools, District and Dayton Charter Schools Revenue Per-Student (Numbers are from FY02)



Source: Public Impact, “A Comparison of the Revenues of the School District and Community Schools,” March 2004. (<http://www.edexcellence.net/foundation/publication/publication.cfm?id=330>)

*Imputed costs of facilities as estimated at \$900 per-student per year using average facilities cost of 12% incurred by Dayton charter schools.

Public school districts in Ohio receive tax money from three sources: 1) roughly \$5500-\$7500 per student in state and federal tax dollars; 2) local tax dollars (which do not vary by the number of students a district has); and 3) capital funds for buildings from state and local levies. Dayton Public Schools, in FY2002, received about 30 percent of its revenue in local taxes, 67 percent from state and federal taxes and the remainder from a variety of miscellaneous sources. Charter schools, on the other hand, receive only (per-student) tax money from the state and federal governments, and some support in the form of private gifts.

As illustrated in Graph V above, the Dayton Public School District receives approximately \$3,200 per student from local property taxes that charter schools do not receive. District schools also receive additional funds for buildings that charter schools do not receive.

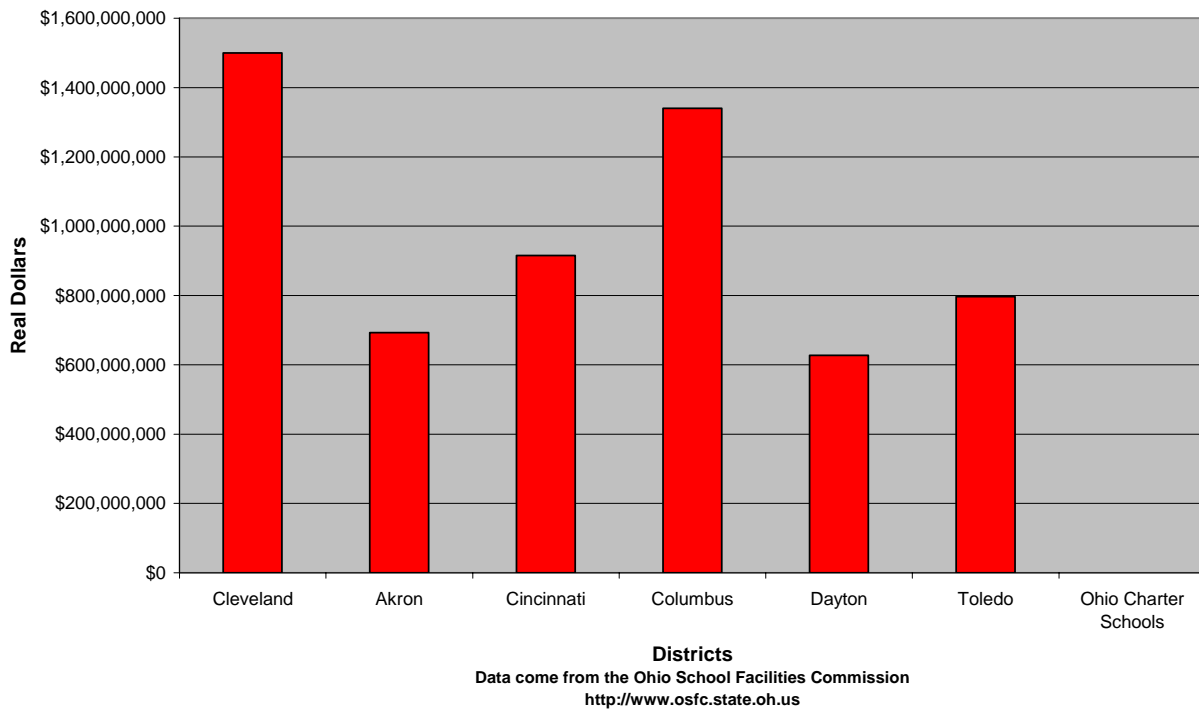
Additionally, as a matter of little-known fact, as the number of students attending charter schools has risen, districts find themselves with more money per (remaining) pupil than before. This occurs because districts receive (on average across the state) just 48 percent of their revenue from the state, while 46 percent³ comes from local tax revenues and six percent from federal sources. Yet only the state and federal portions pass through to charter schools. No local tax revenues follow children

³ **Note,** Dayton – like other urban districts – receives a much higher percentage of its total funding from state and federal sources (Title I) than do richer suburban districts. This explains why Dayton Public Schools receives only about 30 percent of its funding from local taxpayers, while the state average is 46 percent. Also, it must be noted, DPS serves more special education students which helps to explain why the district receives more state and federal per-pupil subsidy.

when they make the switch from a district school to a community school. Thus, the percentage of local tax dollars flowing to district students rises as classmates opt into charter schools. As noted above, the funding gap between charter schools and district schools is even more dramatic when one considers the flow of school construction dollars to traditional districts. Six districts (Akron, Cincinnati, Cleveland, Columbus, and Dayton) are set to receive \$5.74 billion (\$2.95 billion from the state), for school building and improvement projects over the next ten years. Charter schools receive none. Graph VI shows the approximate school construction dollars headed into the state's six largest districts.

Graph VI: Dollars for School Construction

Amount of State and Local Dollars for School Construction to the State's Six Largest District Building Programs and Ohio's Charter Schools



Legal/Political Challenges Facing Charter Schools

Charter schools, and those who would found, teach in and attend them, have faced opposition in Ohio since their inception. Both of the state's major teachers unions have opposed charter schools; so have traditional education organizations and special interests. Such opposition has taken the form both of litigation and of political and legislative activity.

Legal Challenges

In June, the state's largest teacher union, the Ohio Education Association (OEA), filed a suit in Dayton's U.S. District Court claiming that Ohio's charter school program violates the Equal Protection and Due Process Clauses of the Fourteenth Amendment to the United States Constitution. The state Department of Education, State Board of Education, and Superintendent Susan T. Zelman are named defendants. The suit seeks to enjoin the state from continuing its current method of funding charter schools.

This federal claim follows on the heels of two lawsuits filed in state courts by the other teacher union, the Ohio Federation of Teachers (OFT), in 2001. In April 2003, Franklin County Common Pleas Court Judge Patrick McGrath issued a strongly worded opinion holding that charter schools are indeed sanctioned by the Ohio constitution and are a legitimate part of Ohio's public education system if the legislature says they are. Judge McGrath effectively threw out all the claims against charter schools. However, in late August 2004, the 10th District Court of Appeals in Columbus ruled that the lower court must hear claims that charter schools aren't subject to the same academic standards as traditional public schools. The appeals court also said the lower-court must decide whether charter schools receive a portion of local property taxes in addition to state aid in violation of the state constitution.

There is every reason to expect charter schools will ultimately prevail in both the state and federal suits, but charter school opponents don't necessarily seek or expect judicial victory. There is a war of attrition designed to wear down, fragment, disrupt, confuse and exhaust charter operators, teachers, parent and supporters alike. (Thus far, Ohio's charter schools and their supporters have had to raise \$1.2 million for their collective legal defense.)

Political Challenges

On the political side, charter schools have faced a frontal assault since 2001 from a group styling itself "The Coalition for Public Education." It consists of the Ohio Federation of Teachers, the Ohio Education Association, the League of Women Voters, the Ohio PTA, the Ohio School Boards Association and the Ohio AFL-CIO. Recent actions include:

- The coalition sent out 173,000 copies of a flyer decrying "Public Education for Sale." This mailing was distributed across Ohio at the height of the political struggle in the General Assembly over HB364. In it, the coalition called charter schools "an academic disaster" riddled with "allegations of fraud, gross mismanagement, phony enrollment claims and misappropriated funds." (Despite these attacks, HB364 passed and was signed into law by Governor Taft in January 2003.)
- "These bad schools are like 700-pound hogs at the dinner table eating everything in sight, and the longer they're there, the harder it's going to be to move them out and away from the table," seethed the Cleveland Teachers Union president in September 2003 as he announced his union's \$70,000 'truth' campaign against charter schools. This campaign included letters to parents, brochures, television commercials and billboards. The central theme was that charter schools have failed academically.
- In March, 2004, a group of 14 legislators (10 Democrats and four Republicans) from Columbus introduced HB447 which seeks to:
 - 1) Create a two-year moratorium on new community schools sponsored by entities other than the school districts in, and
 - 2) Extends indefinitely the current statewide limit of 225 community schools sponsored by entities other than school districts.

In short, the opponents of charter schools are attacking these public schools at many levels in an organized fashion that unites political opposition, ceaseless litigation and public relations.

Charter School Academic Achievement

At day's end, the future of charter schools in Dayton, in Ohio, and indeed across the U.S. will largely be determined by their academic success vis-à-vis similar district schools and student populations. Aside from the unfounded lament about "losing" money to charter schools, the second favorite criticism of charter antagonists is that these schools are not delivering adequate academic

performance. The Coalition for Public Education argues that charter schools are “a failed ‘experiment’ with an abysmal academic record – far worse than public schools.”

For a time, this criticism was pretty hard to rebut, but there are now signs that Ohio’s charter schools are starting to make headway in terms of academic achievement.

Assessing the academic performance of charter schools is difficult because many of these schools are targeted towards specific populations such as at-risk students, disabled students, drop-outs, and juvenile delinquents. This makes it hard for analysts to draw fair comparisons – comparing a school like Dayton’s ISUS or Mound Street Academies to a neighboring public high school is like comparing apples to oranges. As a result, there are few reliable research findings on the academic quality of charter schools as they compare to similar district schools. Even with these limitations, however, in states like Florida, Texas, Massachusetts and Michigan, charter schools with longer histories are outperforming similar district schools on math and reading tests. For evidence go to: http://www.manhattan-institute.org/html/ewp_01.htm

In Ohio, charter schools have not yet made the achievement gains across the board that their supporters seek, and clearly some of the Buckeye state’s charters are chronic underperformers that should be shut down (and perhaps should never have been opened). But progress is starting to be seen. In Dayton, for example, a handful of charter schools showed meaningful test-score gains from 2003 to 2004; and if all charter school students in the Dayton-area area are treated as if they are part of a single school district they outperformed the Dayton Public School students on all sections of the 4th and 6th grade proficiency tests (see appendix A for methodology). This is especially impressive when one considers that the charter schools are doing this with about two-thirds of the per-pupil revenue afforded the district schools. It is also important to remember that charter schools have only been allowed to open in the state’s lowest performing districts (urban districts and those in academic emergency or academic watch), and are thus serving the state’s most underserved children. In short, the children attending charter schools come from districts with the weakest achievement levels in the Buckeye State.

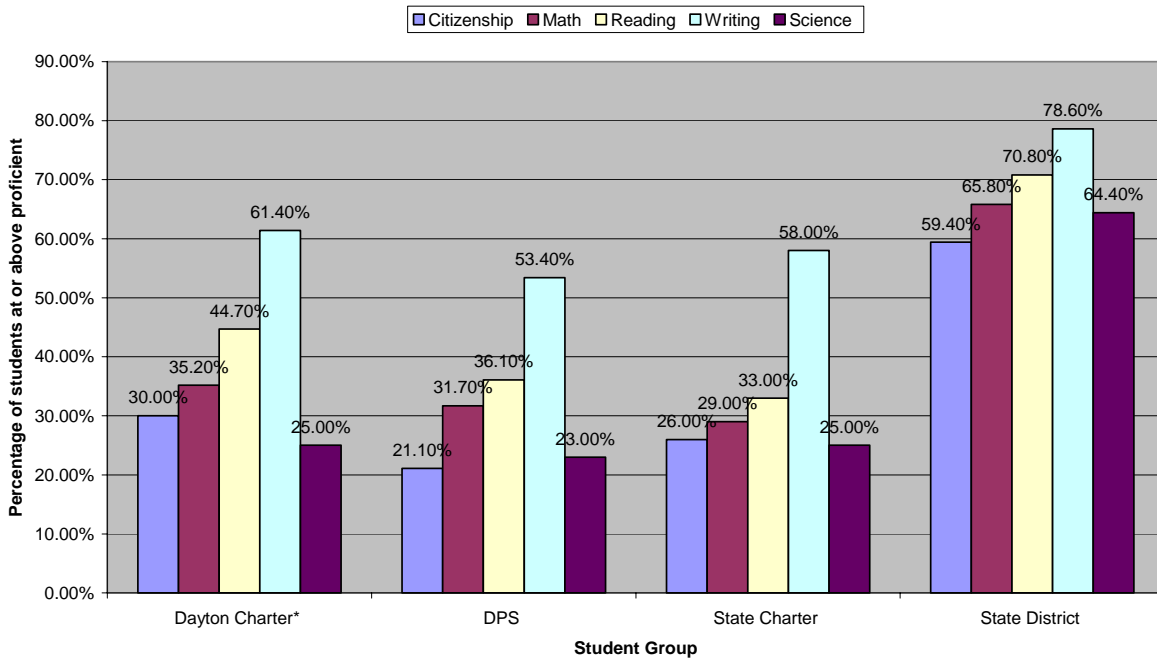
There’s reason for hope that the change in state law regarding charter-school sponsorship, effective July 1, 2005, will lead to the emergence of new sponsors dedicated to helping schools achieve real academic performance over time. Jon Husted, for one, hopes that sponsors will emerge across the state that bring resources, respect, and expertise to the sponsorship role. In laying out the logic behind HB364 in 2002, representative Husted argued for sponsors that would help in, “fostering better oversight, improved student performance, and more respect for the integrity of the charter school system.”⁴ Evidence from other states tells us that quality charter sponsors, those that provide effective oversight and targeted technical support, can help schools move from fair to good, and eventually from good to great.⁵ Effective sponsors also cull the educational community of schools that do not serve the needs of children, thus strengthening the overall charter school movement.

⁴ Quote comes from Education Week, “Audit Spurs Drive to Revamp Ohio’s Charter School System.” February 27, 2002.

⁵ For evidence refer to “Charter School Authorizing: Are States Making the Grade?” <http://www.edexcellence.net/foundation/publication/publication.cfm?id=67>

Graph VII: Student Achievement on 4th Grade Math and Reading Proficiency Tests

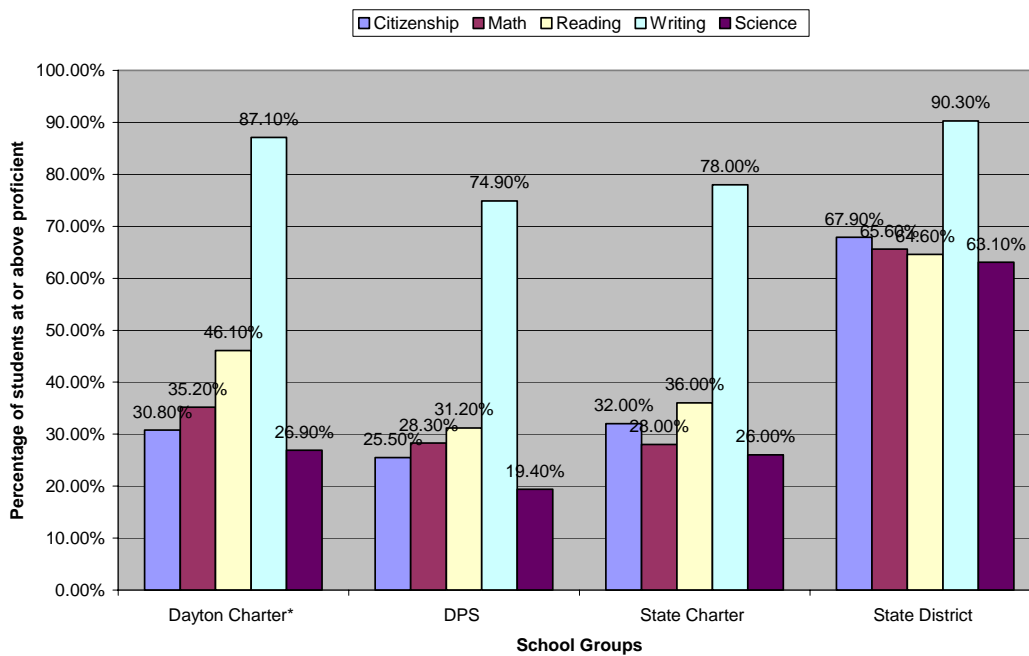
Comparison of 2004 4th Grade Proficiency Results for Dayton-area charter school students, for Dayton Public School students and the state charter and district averages



*The Dayton Charter group is treated as a single district, and reflects the student average of all Montgomery County charter school students whose schools reported 4th grade data

Graph VIII: Student Achievement on 6th Grade Math and Reading Proficiency Tests

Comparison of 2004 6th Grade Proficiency Results for Dayton-area charter school students, for Dayton Public School students and the state charter and district averages



*The Dayton Charter group is treated as a single district, and reflects the student average of all Montgomery County charter school students whose schools reported 6th grade data

Conclusion

Charter schools in Ohio were not set up to destroy public education but, rather, to create new forms of it for youngsters poorly served by traditional forms. They were opened to: 1) provide immediate relief to children trapped in persistently failing schools, and 2) to spur districts, through competition, to effective and sustained academic reform. Charter schools are succeeding on both fronts. Parents are choosing them, and there is little doubt that the various reform efforts underway in Ohio's largest districts have been triggered, at least in part, by the competitive pressures exerted by charter schools. No doubt charter schools still have a long way to go, especially on the academic side, but it is impressive that students in some of these schools already outperform academically the students in the district schools from which they came. This is especially impressive considering they do it at about two-thirds of the cost. Finally, as the numbers above show, charter schools are popular with parents and deserve more support from powerful friends than they have thus far received.

Appendix A

Methodology Note: When providing averages for state “charter schools” and “state districts,” see graphs VII and VIII above, the Ohio Department of Education (ODE) treats both as if they were single state-wide school districts. This report has used the exact same methodology for charter schools in Montgomery County, thus treating students in these schools as if they were all in a single school district for purposes of comparing student achievement across school types. You will notice a slight variation in the DPS scores listed in the table below and the scores listed in the charts above. The charts use “verified” numbers and as such are the official numbers used in the state’s report card, while the tables below are the preliminary numbers from March 2004. The differences in “percent proficient” are minimal.

I. The following table shows the precise method used by ODE for reporting the academic achievement of all 4th graders in the state’s charter schools.

County	School District	Subject area	Number tested	Number Proficient or Above	Percent Proficient or Above
Totals	Community School Totals	Writing	2981	1730	58
		Reading	2733	899	33
		Math	3008	878	29
		Citizen	3000	765	26
		Science	2991	746	25

II. The following table shows the precise method used by ODE for reporting the academic achievement of all 4th graders in the state’s district schools.

County	School District	Subject area	Number tested	Number Proficient or Above	Percent Proficient or Above
Totals	State Totals	Writing	134191	105193	78
		Reading	118234	75411	64
		Math	134295	88184	66
		Citizen	134230	79442	59
		Science	134160	86075	64

III. The following table shows the precise method used by ODE for reporting the academic achievement of all 4th graders in the Dayton Public Schools.

County	School District	Subject area	Number tested	Number Proficient or Above	Percent Proficient or Above
Montgomery	Dayton	Writing	1337	698	52
		Reading	1333	454	34
		Math	1337	412	31
		Citizen	1337	270	20
		Science	1335	307	23

IV. The following table shows the precise method used by ODE for reporting the academic achievement of all 6th graders in the Dayton Public Schools.

County	School District	Subject area	Number tested	Number Proficient or Above	Percent Proficient or Above
Montgomery	Dayton	Writing	1423	1071	75
		Reading	1417	422	30
		Math	1425	393	28
		Citizen	1418	353	25
		Science	1417	267	19

V. The following table shows the method used by the author of this report for reporting the academic achievement of all 4th graders in Montgomery County charter schools.

County	School District	Subject area	Number tested	Number Proficient or Above	Percent Proficient or Above
Totals	Montgomery county charters	Writing	541	332	61.4
		Reading	546	244	44.7
		Math	504	177	35.2
		Citizen	546	164	30
		Science	545	136	25

VI. The following table shows the method used by the author of this report for reporting the academic achievement of all 6th graders in Montgomery County charter schools.

County	School District	Subject area	Number tested	Number Proficient or Above	Percent Proficient or Above
Totals	Montgomery county charters	Writing	481	419	87.1
		Reading	483	223	46.1
		Math	481	169	35.2
		Citizen	475	146	30.8
		Science	480	129	26.9

*Except for the Colin Powell Leadership Academy, all Dayton-area charter schools provide ODE data. All data is available at:

http://webapp1.ode.state.oh.us/proficiency_reports/data/csvtoasp?filename=g4comm_mar04.csv&county=totals