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# Update of IRP's 2008 Report on Charter Schools in the Twin Cities

Institute on Metropolitan Opportunity
*University of Minnesota Law School*

institute on race & poverty
Research, Education and Advocacy

# Update of "Failed Promises: Assessing Charter Schools in the Twin Cities"

## Institute on Race and Poverty

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## *Introduction*

The Institute on Race and Poverty's 2008 analysis of charter schools in the Twin Cities metro found that charter schools have failed to deliver on the promises made by charter school proponents.[1] The study showed that charter schools were far more segregated than traditional public schools in the metro, even in school districts where traditional public schools already have high levels of racial segregation. The analysis also showed that charter schools performed worse than traditional public schools. The findings made it clear that, at that time, charter schools offered a poor choice to low-income students and students of color—one between low-performing public schools and charters that fared even worse. Compared to charter schools, other public school choice programs such as the Choice is Yours program offered much better schools to low-income students and students of color. Finally, the report found that charter schools hurt public education in the metro by encouraging racial segregation in the traditional public school system.

This work updates the 2008 study with more recent data—updating the work from the 2007-08 school year to 2010-11 in most cases. The results show that, despite significant changes to the state's charter law during the period, little has changed in the comparison between charters and traditional schools. Charter school students of all races are still much more likely to be attending a segregated school than traditional school students and the trends are largely negative. Charter schools are also still outperformed by their traditional equivalents. Analysis of 2010-11 test score data which controls for other school characteristics shows that charters still lag behind traditional schools, including especially the schools available to Choice is Yours participants.

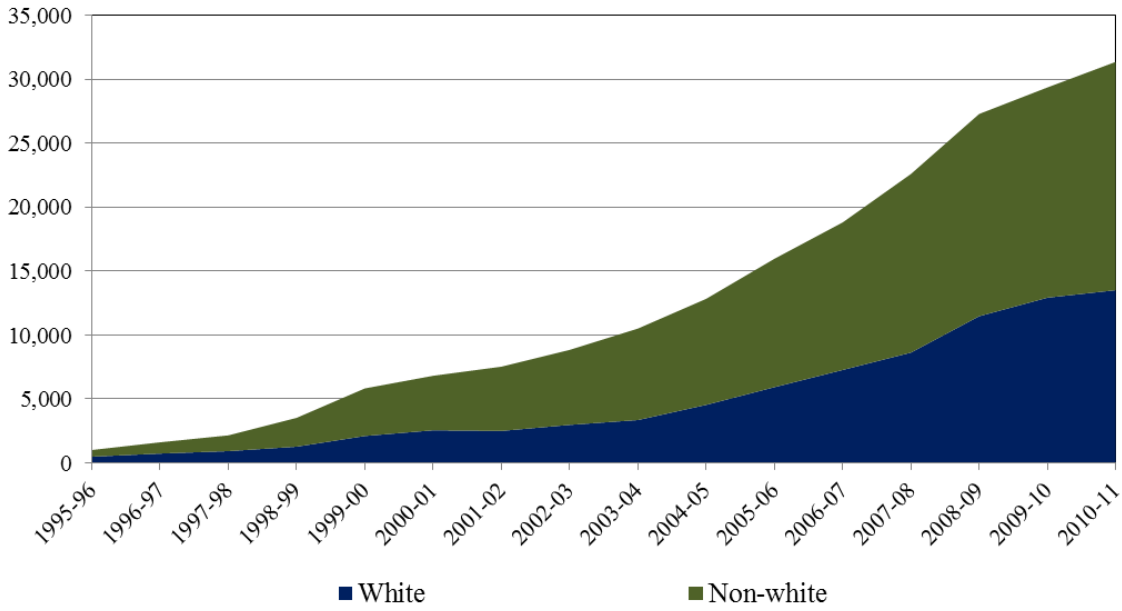
## *Charter Schools are Severely Segregated*

Charter school enrollments in the Twin Cities have continued to climb, although growth has not been as rapid as in earlier years. (Chart 1) Changes enacted during the 2009 legislative session have contributed to slower growth—enrollments grew by just 7-8 percent per year from 2008-9 through 2010-11 after many years of double digit growth.

The composition of charter school students has been changing as well. Charter enrollments peaked at 68 percent non-white in 2003-04 but growth since then has been split more evenly and the percentage of charter students who are non-white fell by 11 points to 57 percent in 2010-11. Charter schools are also still much more likely to serve non-white and/or poor students than traditional schools. In 2010-11 57 percent of charter students were eligible for free or reduced-price lunch compared to 33 percent in other public schools.

[1] Institute on Race and Poverty, "Failed Promises: Assessing Charter Schools in the Twin Cities," November 2008.

**Chart 1: Charter School Enrollments in the Twin Cities, 1995-2011**




Source: Minnesota Department of Education

The more balanced enrollment growth has had little effect however on the mix of schools available to potential charter school students. The charter system remains highly segregated. (Table 1) Indeed, the distribution of schools has been remarkably stable over time. The percentage of charters which are predominantly non-white remained in the mid-50s for most years since 1995-96 and the integrated share has varied very little around 18-20 percent.[2] During the same period, the percentage of traditional schools in the region that were integrated increased from 20 to 36 percent, while the percentage that were non-white segregated share remained well below the share for charter schools.

Looking at the data in other ways shows that the situation is even more unbalanced than implied by the definitions used in Table 1. Map 1 shows very clearly that most of the "non-white segregated" schools in the core of the region (where most of them are located) are actually single-race schools, or very close to it, and that most of the "integrated" schools are relatively small. (The two large, relatively integrated schools in southeast Minneapolis are both virtual, internet-based schools which therefore involve no actual face-to-face contact among classmates.)

[2] The definitions used in Table 1 are different from those used in the original 2008 report—the new definitions are simpler—but the shares and trends are substantively the same.

**Table 1: Distribution of Charter Schools and Traditional Schools by School Type, 1995-2011**

| | Charter Schools Number of Schools | | | Charter Schools Percentage | | | Traditional Schools Percentage | | |
|---|---|---|---|---|---|---|---|---|---|
| School Year | Pred. White | Non-white Segregated | Integrated | Pred. White | Non-white Segregated | Integrated | Pred. White | Non-white Segregated | Integrated |
| 1995-96 | 4 | 6 | 1 | 36 | 55 | 9 | 64 | 15 | 20 |
| 1996-97 | 4 | 7 | 3 | 29 | 50 | 21 | 64 | 16 | 20 |
| 1997-98 | 5 | 9 | 3 | 29 | 53 | 18 | 63 | 18 | 19 |
| 1998-99 | 7 | 15 | 5 | 26 | 56 | 19 | 61 | 19 | 20 |
| 1999-00 | 11 | 20 | 5 | 31 | 56 | 14 | 61 | 20 | 19 |
| 2000-01 | 11 | 21 | 10 | 26 | 50 | 24 | 58 | 21 | 20 |
| 2001-02 | 11 | 27 | 7 | 24 | 60 | 16 | 55 | 23 | 22 |
| 2002-03 | 14 | 33 | 10 | 25 | 58 | 18 | 53 | 23 | 24 |
| 2003-04 | 15 | 39 | 10 | 23 | 61 | 16 | 48 | 24 | 28 |
| 2004-05 | 22 | 43 | 15 | 28 | 54 | 19 | 48 | 24 | 27 |
| 2005-06 | 25 | 57 | 21 | 24 | 55 | 20 | 48 | 24 | 28 |
| 2006-07 | 29 | 56 | 23 | 27 | 52 | 21 | 45 | 25 | 31 |
| 2007-08 | 35 | 62 | 19 | 30 | 53 | 16 | 42 | 24 | 33 |
| 2008-09 | 36 | 68 | 23 | 28 | 54 | 18 | 41 | 25 | 34 |
| 2009-10 | 40 | 62 | 25 | 31 | 49 | 20 | 39 | 24 | 37 |
| 2010-11 | 37 | 67 | 23 | 29 | 53 | 18 | 39 | 25 | 36 |

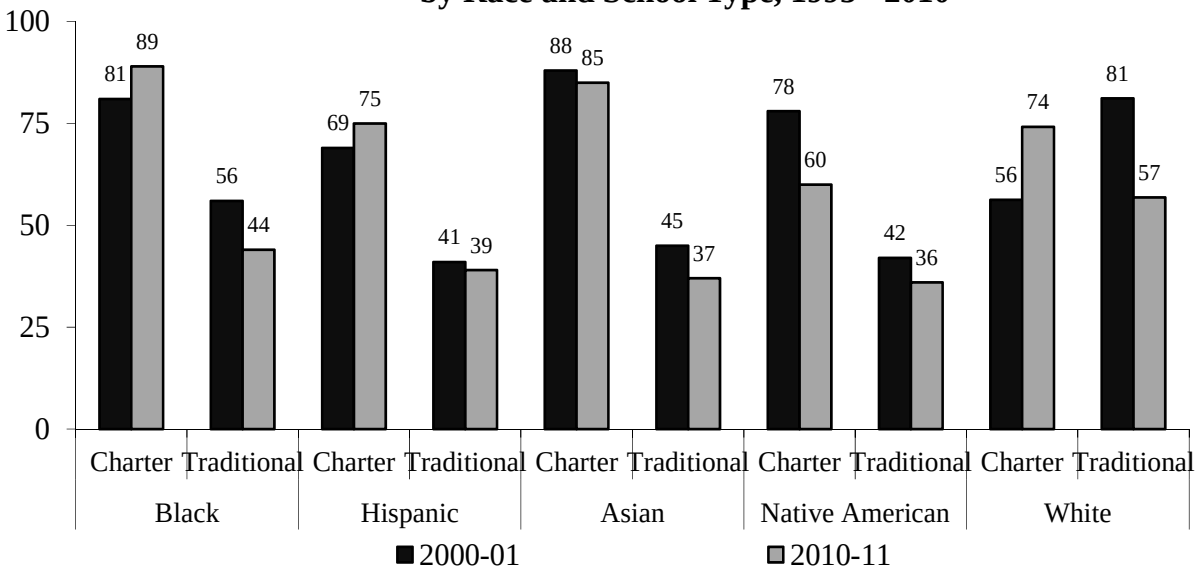
Source: Computed from Minnesota Department of Education data.
Predominantly White: non-white student share < 20%; Non-white Segregated: non-white student share > 60%; Integrated: non-white student share between 20% and 60%.

This pattern is reflected even more dramatically when comparing the school environments of different types of students (Chart 2). An overwhelming majority of students attending charter schools do so in segregated settings, especially students of color. Eighty-nine percent of black students in charters attended non-white segregated schools in 2010-11, up from 81 percent in 2000-01; 75 percent of Hispanic charter students attended non-white segregated schools in 2010-11, up from 69 percent in 2000-01; and 85 percent of Asian charter students attended non-white segregated schools in 2010-11, a slight improvement from 88 percent in 2000-01.

Further, these rates compare very poorly with traditional schools. Students of color attending charter schools were roughly twice as likely to be in a segregated school setting as their counterparts in the traditional public schools in 2010-11—89 to 44 percent for black students; 75 to 39 percent for Hispanics; and 85 to 37 percent for Asians.

The recent growth in white enrollments in charters has also been accompanied by increasing separation of white students from students of color. In 2000-01, white charter students were actually less likely to be in a predominantly white school than their traditional counterparts—56 percent compared to 81 percent. However, by 2010-11, the share of white charter students in predominantly white schools had risen to 74 percent while it declined to 57 percent in traditional schools.

**Chart 2: Percentage of Students in Segregated School Settings by Race and School Type, 1995 - 2010**




Source: Computed from Minnsota Department of Education data.
"Segregated setting" is defined as non-white segregated schools for students of color and

Charter schools also remain highly segregated geographically. Rather than working to mitigate the effects of neighborhood segregation by providing opportunities for students of color in high-opportunity areas, charters tend to mirror the racial make-up of the neighborhoods where they are located (Map 2). Most non-white segregated charters are either in racially segregated urban school districts or in racially transitioning inner suburbs. White-segregated charters, in contrast, are mostly located in white suburban school districts, with a few in white urban neighborhoods with racially diverse district schools.

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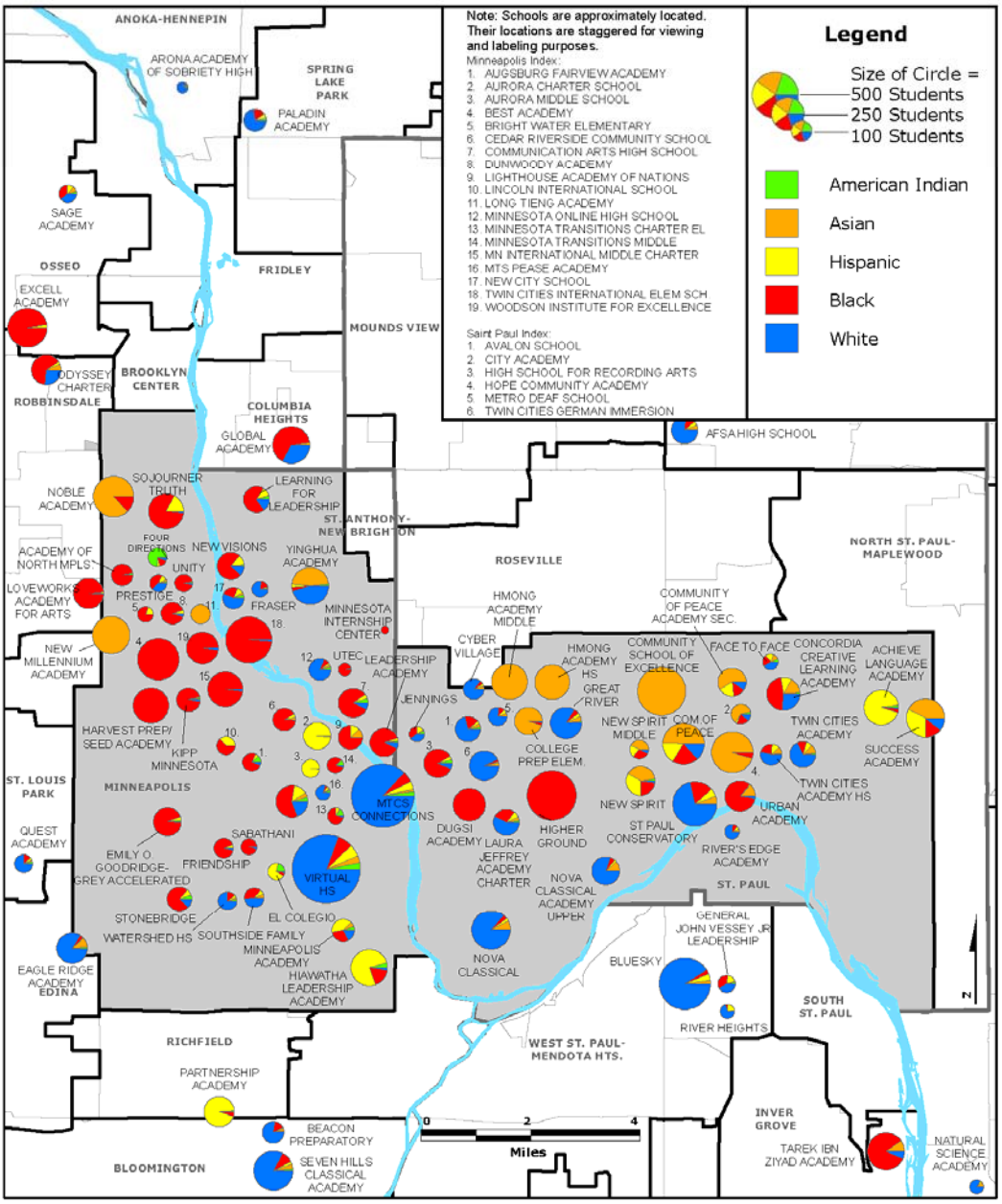
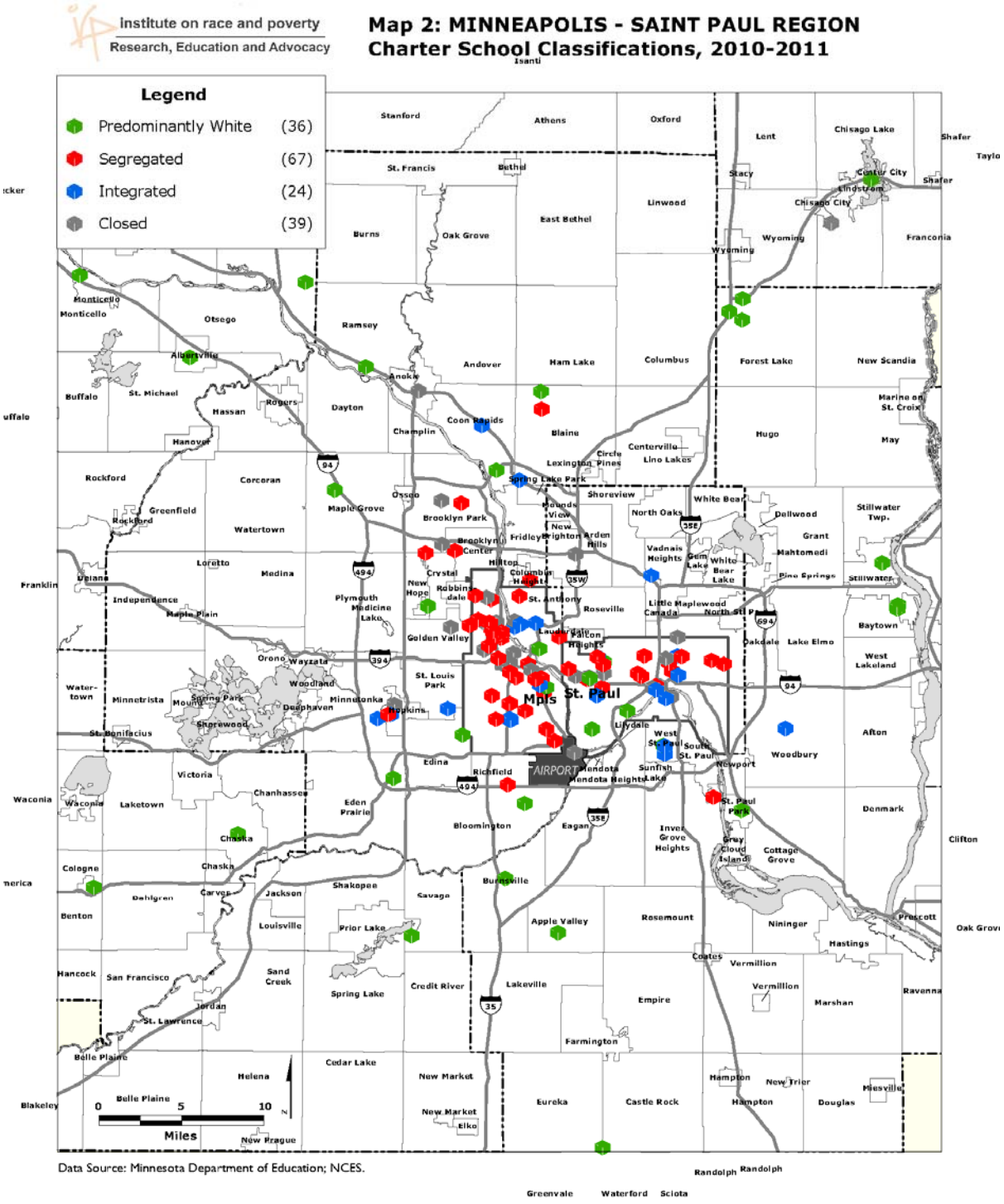
# MINNEAPOLIS - SAINT PAUL (CENTRAL REGION)
## Race and Ethnicity
## Charter Schools, 2010-2011




Data Source: Minnesota Department of Education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Map 2: MINNEAPOLIS - SAINT PAUL REGION
Charter School Classifications, 2010-2011
Legend
Predominantly White (36)
Segregated (67)
Integrated (24)
Closed (39)
Miles
Data Source: Minnesota Department of Education; NCES.

### *Charter Schools Don't Perform As Well As Traditional Public Schools*

The core rationale in favor of charter schools for most advocates is that charters improve student performance. In most comparisons of educational approaches these days, performance trumps virtually everything, including the potential benefits of integration. The argument that we should not expect a student of color to perform better simply because s/he sits next to a white student is often expressed by opponents of pro-integrative strategies involving school boundaries, magnets or bussing. Charter proponents also defend single-race or highly segregated charters by arguing that since students and parents have chosen these schools, they should not be regarded as "segregated" in the traditional sense of the term.

While it is true that the element of choice makes these arguments more compelling than they ever were in the days of Jim Crow and "separate but equal", they ignore a substantial literature on the academic and social benefits of integration (to children of all races). IRP has reviewed this literature elsewhere.[3] Among other things, the empirical literature shows that, all else equal, integrated schools contribute to higher test scores, lower drop-out rates, higher college attendance rates and greater earnings later in life for students. Integrated schools also help to stabilize neighborhoods.

Even more relevant for the purposes of this work, the defenses of segregated or single-race schools also lose much of their appeal if the schools involved do not in fact enhance student performance. IRP's 2008 study provided clear evidence that charter schools in the Twin Cities were *not* out-performing traditional schools. Analysis of more recent data shows that very little has changed since the original analysis.

Statistical models which update the original analysis from 2007-08 data to 2010-11 reaffirm that traditional schools outperformed charter schools after controlling for student poverty, race, special education needs, limited language abilities, student mobility rates and school size.[4] Consistent with the earlier study and other research, student poverty was found to be the dominant factor in the performance of schools. The 2010-11 results also imply that all else equal, proficiency rates are 7.5 percentage points lower for math and 4.4 percentage points lower for reading in charter elementary schools than in traditional elementary schools. The findings also show that another choice option available for low-income students in Minneapolis—the Choice is Yours Program—offers stronger options than charters, on average. The results show that all else equal, Choice is Yours receiving schools outperform charter schools in math by 10.5 percentage points and by 6.8 points in reading.

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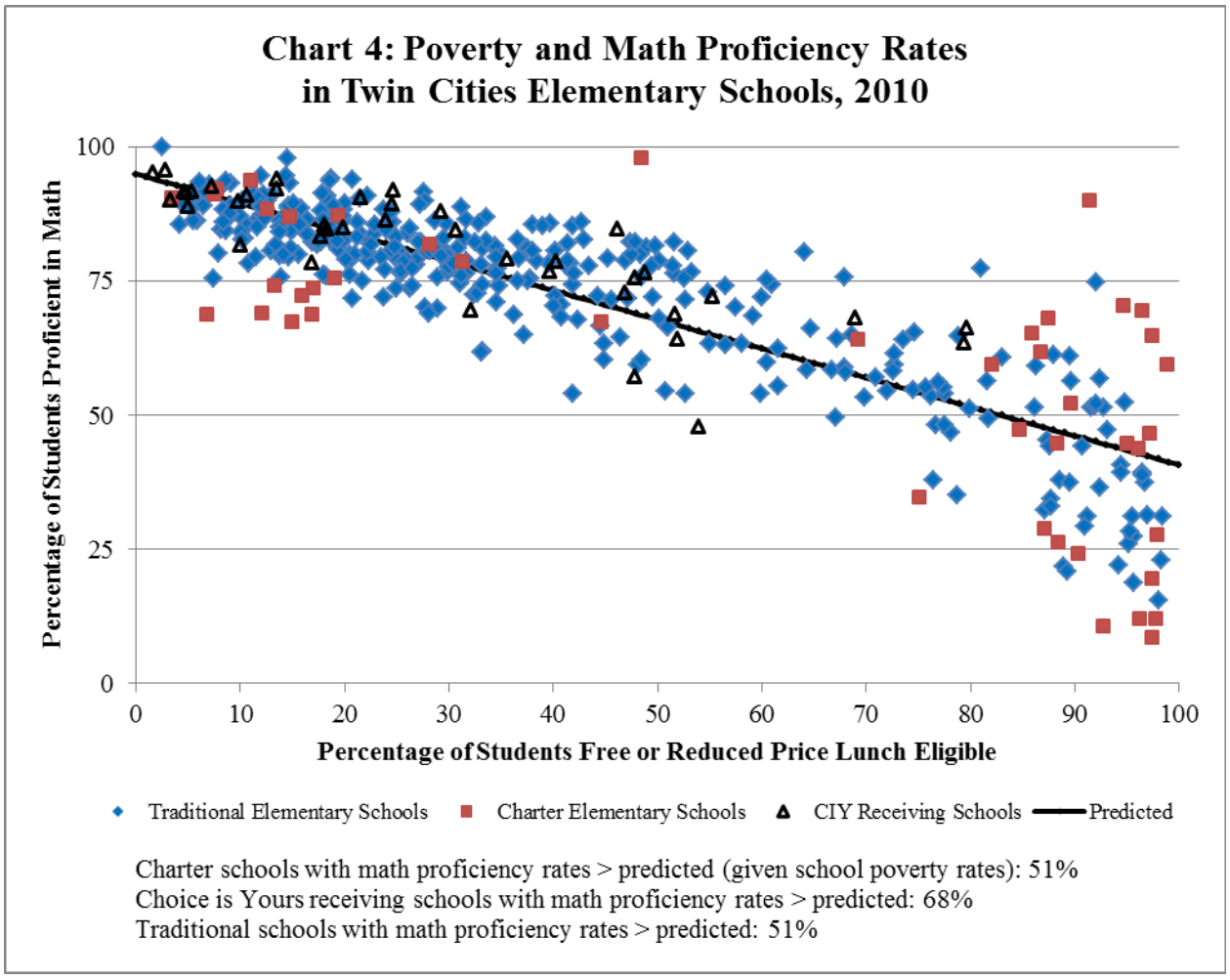
[3] See Orfield and Luce, *Region: Planning the Future of the Twin Cities*, University of Minnesota Press, 2010, pp. 88-96.

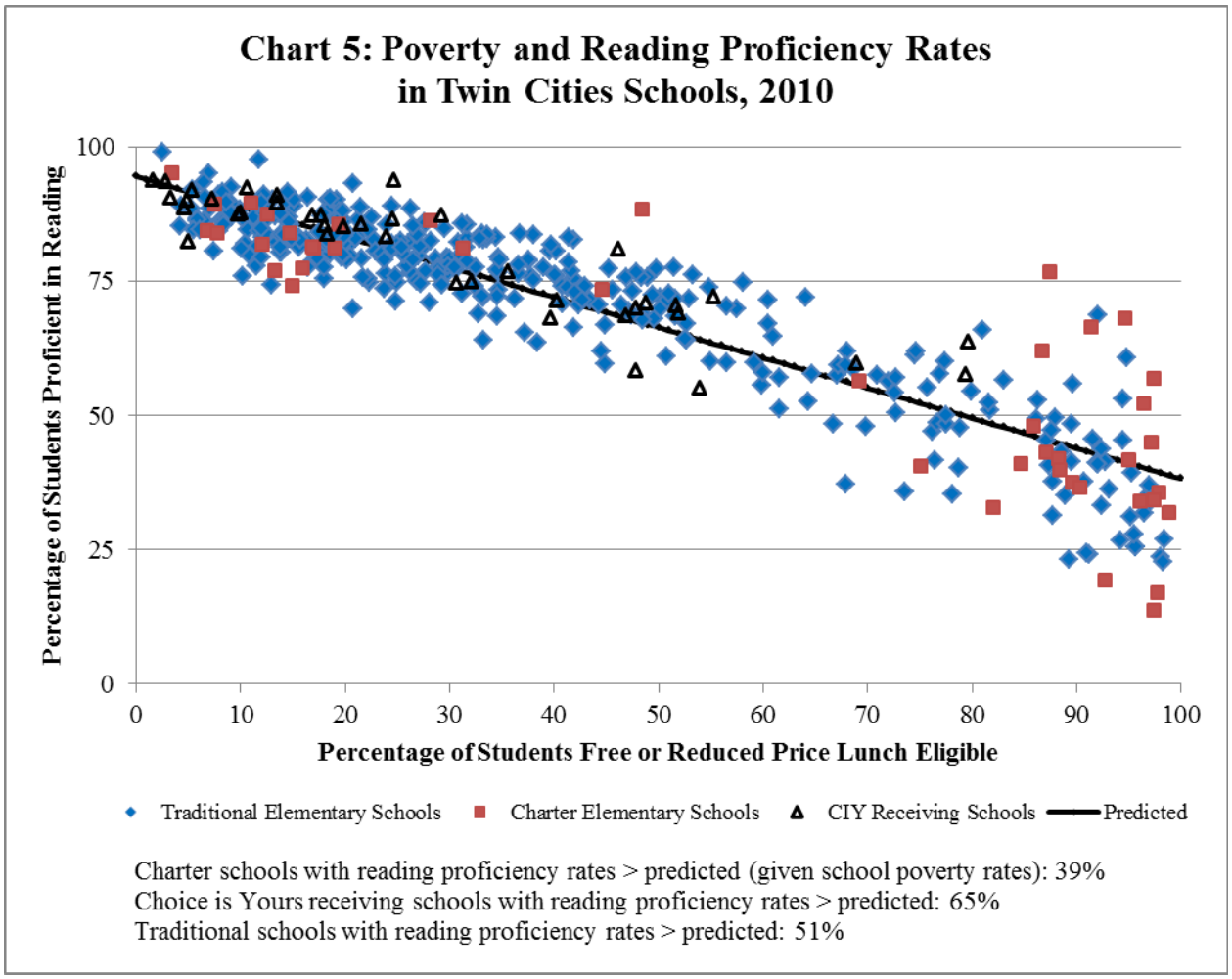
[4] For details of the regression results, see Institute on Race and Poverty, "Failed Promises: Assessing Charter Schools in the Twin Cities," November 2008, Table 1, p. 27. The results for 2010-11 are available on request. The new analysis adds school days per year, school hours per day, attendance rate and more complete measures of student mobility to the analysis.

Charts 4 and 5 demonstrate the relationship between student performance and the dominant explanator in the analysis—poverty. The predicted line in these figures corresponds to the performance level one would expect from schools given their student poverty rate. The figures break down the performance of charters, traditional public schools and suburban schools that participate in the Choice is Yours Program.

The figures illustrate the findings from the more complete analysis described above. In 2010-11, the reading performance of students in 61 percent of charter schools was lower than expected given the poverty levels of these schools. Similarly, it was a coin toss whether charter schools performed as predicted by poverty rates in math.

In contrast, two-thirds of the schools that participated in the Choice is Yours Program performed better than expected in both reading and math. The Choice is Yours program clearly offers students a much better selection of schools than charter schools.






A final aspect of charter school performance which was not included in IRP's original study should also be considered when evaluating charter schools—the overall management performance of charters. Minnesota Department of Education school data imply that 39 charter schools have closed since 1995. It is very difficult to trace the reasons for all of the closings. However, where they exist, the records suggest that a disproportionate share of charter school closings result from malfeasance or gross mismanagement of some sort. Map 3 shows the reasons for closing of 14 charter schools where the reasons could be found in the public record. Four of the 14 closed as the result of criminal acts involving misappropriation of funds. Another seven involved financial mismanagement or irregularities which didn't cross the threshold into illegality (although at least two instances included elements suggesting malfeasance). Only three closings were for relatively benign reasons like inadequate facilities or enrollment declines. This is clearly not a full sample, but the findings are suggestive of problems in the charter sector not commonly seen in traditional public school systems.

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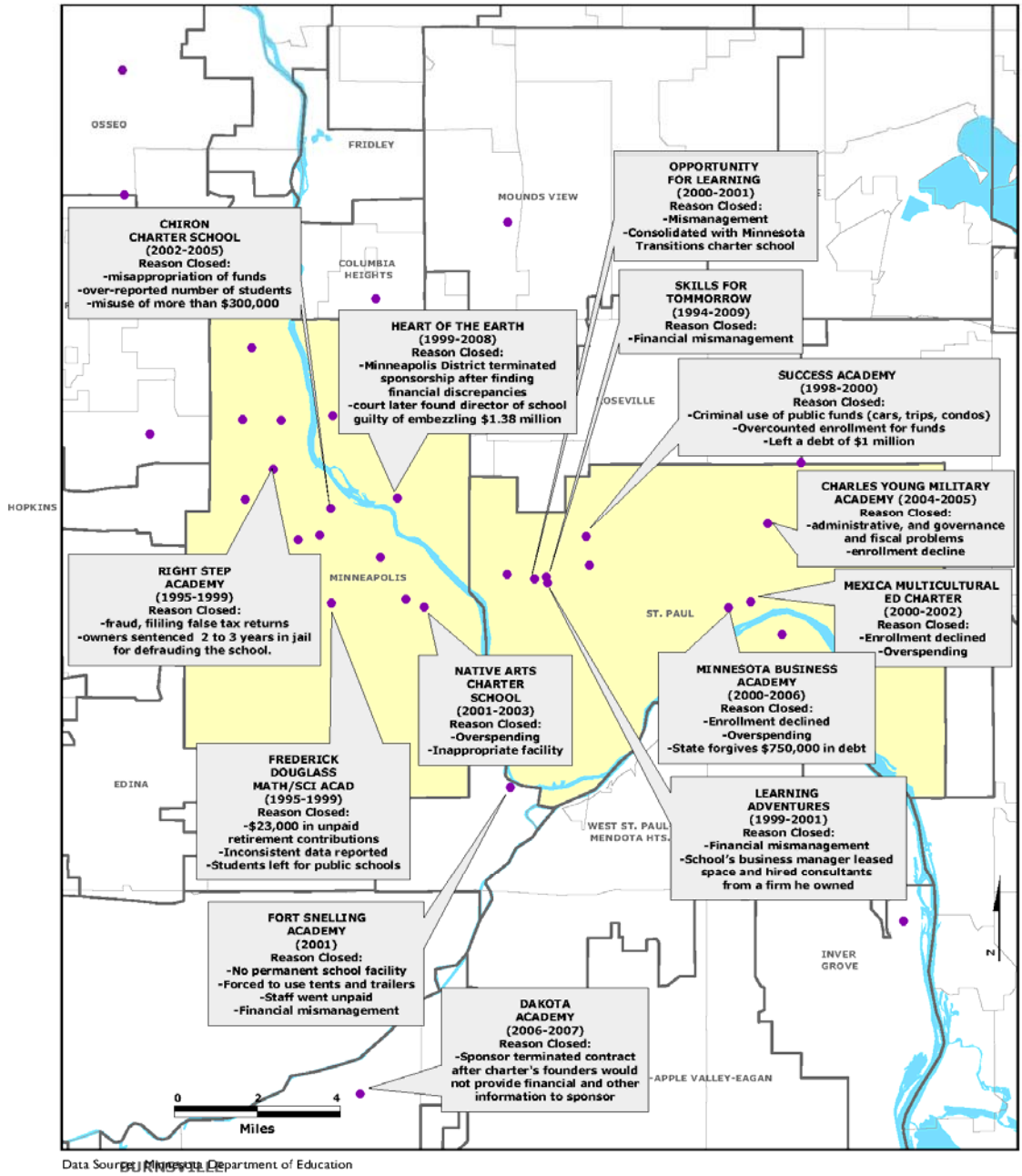
## Map 3: MINNEAPOLIS - SAINT PAUL (CENTRAL REGION) Reasons for Charter School Closings, 1995-2010




Data Source: Minnesota Department of Education

### *Conclusions*

The most recent data available show that little has changed since IRP's 2008 study of charter schools in the Twin Cities metropolitan area. Charter schools, as a group, continue to fail to meet the objectives most often cited in their defense. A distressingly high proportion of charters are essentially single-race schools. In sharp contrast with the traditional system, where the percentage of schools which are integrated has increased steadily, the share of integrated charter schools has been stagnant. As a result, charter school students of all races are still much more likely to be attending segregated schools than their counterparts in traditional schools, and the gaps are widening.

Charter schools are also still outperformed by their traditional counterparts in standardized testing, even after controlling for school characteristics like poverty. Analysis of 2010-11 test score data which controls for a wide variety of school characteristics shows that charters still lag behind traditional schools, including especially the schools available to participants in the Choice is Yours program. Proficiency rates for most charters still fall short of the rates one would predict given their poverty rates, especially in reading.

Finally, the charter system as a whole has shown no clear management advantages over the traditional system. Although explanations for all charter school closings are not available, the charter system has exhibited management problems, sometimes criminal in nature, not often seen in the traditional system.