

The Public, the Charter, and the Philanthropist

Education, Featured — By Fergus Hodgson on June 28, 2011 12:20 am

Getting education donations right

A new policy paper by the Cato Institute highlights the need for models of education that punish poor performance and reward good. Andrew J. Coulson focuses on the funding side and analyzes the relationship between philanthropic grants and academic performance in Charter schools.

While the nation's number of charter schools has more than doubled in the last 10 years, debate over the merits of charter schools remains heated. California has around 700, more than any other state, and comprises Coulson's data sample.

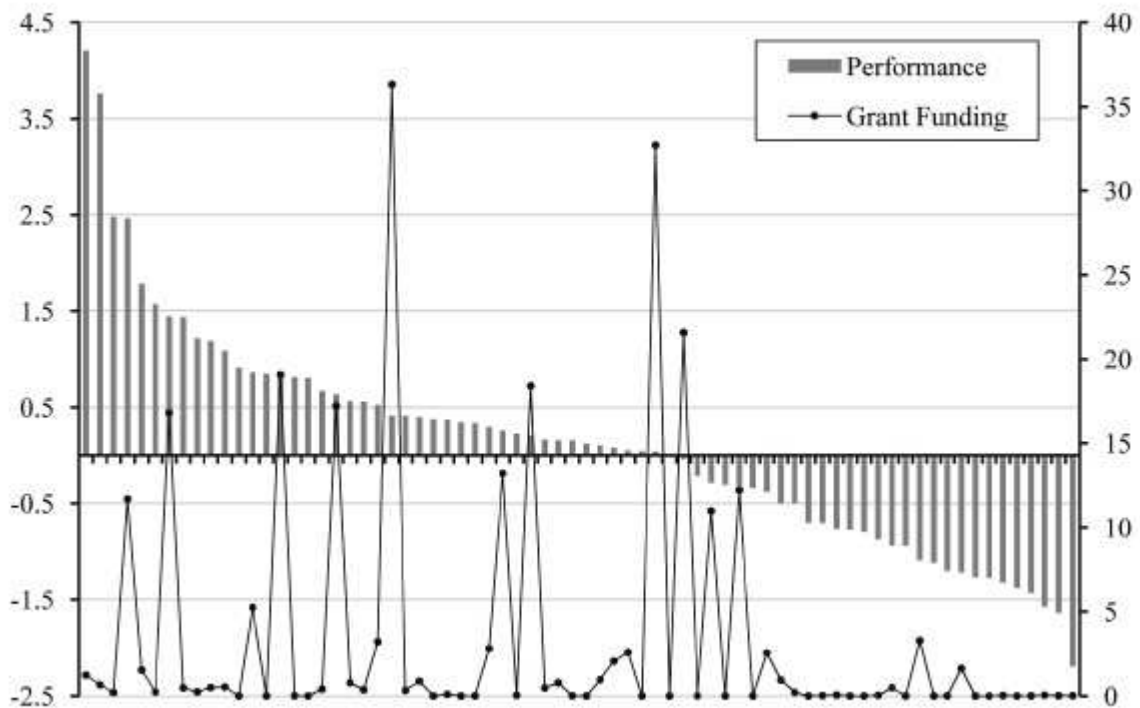
Louisiana's 90 charter schools, however, give it a higher per capita presence, which make the findings particularly relevant. Furthermore, Louisiana's Recovery School District recently announced that more of its failing high schools will join the New Orleans charter school network.

Coulson utilizes data on philanthropic giving over the past 8 years. He then combines this with 2010 academic performance on California's Standardized Testing and Reporting (STAR) and AP tests.

The main contention is that the vast sums of money that philanthropists give away need not stop, but there seems to be a break in accountability. The money is not having the impact it could.

With regard to the \$250 million given to California charters over the past 8 years, the biggest recipients are not the best performing. According to the study, the best performing charter school networks rank above public schools, but among other charters they rank only 21st, 27th, and 39th by the amount of grant funding they've received.

It is as if "the same random lottery that determines admission to oversubscribed charter schools were being used to allocate grants," says Coulson



The graph above illustrates the point. According to Coulson, if there were a strong positive correlation between the two, the bars and dots would follow each other. Higher performance would follow higher funding, but the evidence is far from compelling.

Coulson believes this lack of accountability is impeding the spread of superior approaches.

“Brilliant teachers and high-performing schools can be found in every state and nation, but, like floating candles, they flicker in isolation, failing to touch off a larger blaze.”

Rather than quick solutions, Coulson recommends further investigation into what distinguishes education from other fields, structurally and economically. Why are rewards and punishments not playing out in education, he asks?

In particular, he encourages analysis of areas where the best schools and teachers do reach large and growing audiences. In line with his prior work, he suggests these high performers are found in more free-market oriented education sectors – where parents have greater discretion for the school of their choice.

Matthew Cole prepared this article as research assistant with the Pelican Institute for Public Policy. He studies economics at Loyola University in New Orleans.

