

Tough truths about charters

Siphoning students from private schools is not a viable path to reform

BY [ADAM B. SCHAEFFER](#) / NEW YORK DAILY NEWS

Thursday, September 6, 2012

Is it possible for charter schools to increase educational options and diversity in the public school system but decrease diversity overall; to spend less money than regular public schools but cost taxpayers more overall, and to outperform regular public schools but decrease achievement overall?

Unfortunately, it is not only possible but is happening in cities across the nation. This mix of intended and unintended outcomes is what's known as the "charter school paradox," which hints at the uneasy place these relatively new educational options have in our society.

But it is only a paradox if we take a narrow view of charter school effects. Rigorous new research concludes that public charter schools are seriously damaging the private education market, adding to taxpayer burden, undermining private options for families and reducing healthy competition in the education sector.

The Cato Institute Center for Educational Freedom commissioned Richard Buddin, a former senior economist with the Rand Corp., to look at the enrollment effects of charter schools.

Buddin found that charters serving primary school students in highly urban districts take almost a third of their students from private schools, on average. Urban charters draw nearly a quarter of their middle school students and more than 15% of their high school students from the private sector. Even in nonurban districts, charters pull between 7% and 11% of all their students from private schools.

All this translates into about 190,000 students a year who otherwise would have been in private schools now attending public charter schools.

Charter students who migrated from private schools cost taxpayers about \$1.8 billion a year, based on Buddin's numbers — as well as figures from a Ball State

University study on charter school funding. Since the most recent data available for the analysis are from 2008, that figure is likely much higher today.

Moreover, state governments typically spend *more* per charter school student than they do for students in regular schools, adding to the total cost at the state level. Local governments, however, usually spend *far less or nothing at all* on charter school students. The cost, in other words, is borne by state governments, many of which are cash-strapped as it is.

And while charter schools may marginally improve the public education system on average, they are wreaking havoc on private education. Because charter schools take a significant portion of their students from private schools and cause a drop in private enrollment, they drive some schools entirely out of business.

That is, they end up raising *public* costs while decreasing *private* options.

But why is it important to have private schools at all? Why should we be upset that charters are eroding what many think (erroneously) to be bastions of elitism and privilege?

Actually, the private market is vital for innovation — and as competition for the government sector. A raft of rigorous studies finds that competition from private school choice programs significantly improves the performance of kids enrolled in public schools.

In short, competition from private schools is good — even necessary — for the entire education sector.

And while private school choice drives overall improvements in education, the verdict on charter schools is far more uncertain.

Another crucial point: Beyond academics, charter schools lack the leeway to do the things that, say, a progressive Montessori school or a conservative Catholic one can. Again, by hurting private schools, we limit parents' choice to tailor education to social, religious and cultural needs.

Thankfully, we can mitigate these negative and unintended consequences of charter school reform by enacting good private school choice reform. We need policies like education tax credit programs to even out the playing field for families and free them to choose the best school, public or private.

This will help prevent the erosion of private educational options while driving greater competition across the board — and, as ever, increasing pressure on public schools to improve.

The promise of charter school reform cannot be realized without a healthy private education marketplace.

Allowing charter schools to continue to cannibalize the private sector costs taxpayers millions, limits competition and, worst of all, hinders sustainable improvement in education overall.

Schaeffer is a policy analyst with the Cato Institute's Center for Educational Freedom and the author of "They Spend WHAT? The Real Cost of Public Education."