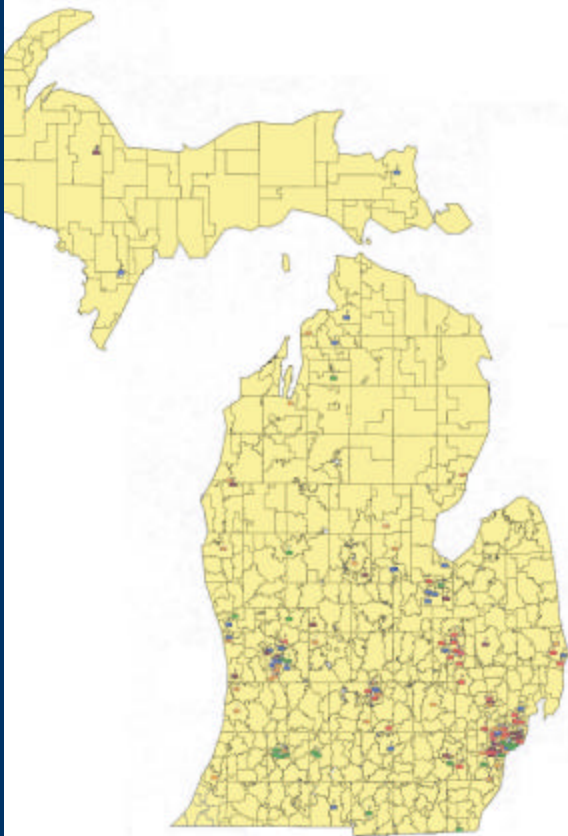


An Evaluation of the Michigan Charter School Initiative:
Performance, Accountability, and Impact

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Chapter One

Introduction and Methodological Frame of the Evaluation

1.1 Background of the Study

The Evaluation Center at Western Michigan University has been engaged in evaluating the charter school movement for a number of years now.¹ In 1995, evaluators at the Center began informal discussions with a small group of persons from the private and public sectors about evaluation and accountability of this new type of publicly supported school in Michigan. At that time, concerns were being expressed about the legality of the Michigan initiative; the title of the schools, i.e., Public School Academies (PSAs) vs. the commonly known title of charter schools;² competition with the regular/other public schools; impact on private and parochial schools; the profit motive; educational and financial accountability; and a host of other issues and concerns. Some of these issues have been addressed through regulation or legal action, others have diminished over time, and still others of importance and concern remain today. Through contractual arrangements with The Evaluation Center (and with a firm from the private sector) and the Michigan Department of Education, parallel evaluation studies of the Michigan Public School Academy initiative were completed in 1998 with reports dated January 1999.

Clearly, there is widespread interest in the charter school initiative in Michigan and across the country. With this new chapter in American education that has school choice and the use of market forces as its centerpiece, there is both hope and concern among well-meaning people.

There are a wide variety of anticipated outcomes of charter schools. Among the commonly expected

outcomes, proponents suggest that charter schools will accomplish the following:

- F** Increase diversity of school options and promote choice among public schools
- F** Provide opportunities for educators and others to create new schools
- F** Demonstrate accountability to oversight agencies
- F** Induce traditional public schools to be more accountable as a result of competition
- F** Improve schools and instructional practices as a result of innovations developed in charter schools
- F** Assume explicit responsibility for improved achievement, as measured by standardized and other measures

Opponents of charter schools are concerned about such matters as the following:

- F** The creation of unnecessary and destructive competition among traditional public schools, charter schools, and private and parochial schools
- F** A reduction in the public funds available for schools serving students with the greatest educational needs
- F** Curricula that are based on religious beliefs or values of specific elements of society
- F** The profit motive of various businesses and organizations operating charter schools and the potential privatization of K-12 education
- F** Accountability or the perceived lack of accountability to oversight agencies and the general public

Summary of Key Findings From Our First Study

Listed below are selected highlights and findings from the Western Michigan University (WMU) study (Horn & Miron, 1999):

- F** Considerable diversity exists among charter schools, but they are generally characterized by exceptional commitment on the part of founders, teachers, parents, and students who are generally satisfied and convinced the academic climate is or can be superior to that in the public schools.
- F** While charter school teachers and parents are generally positive in their perceptions of charter schools, their initial expectations were significantly higher than what they are currently experiencing.
- F** Charter schools are clearly drawing students away from the state's public schools, pulling more than two-thirds of their students from public schools, resulting in financial setbacks for some districts with a high concentration of charter schools. Those same districts also experience some positive results from the existence of charter schools. Among those positive effects are increased emphasis on customer satisfaction and marketing, increased efforts to involve parents, and more emphasis on such programs as foreign language instruction and before- and after-school programs.
- F** While there may be claims of innovative practices and procedures in some charter schools, many of the practices and curricula found in these schools are commonly found in local public schools or have been known among professional educators for some time.
- F** Attempts have been made in a number of ways to increase parental involvement, but with mixed success.
- F** Because of the lack of start-up monies, the limited ability to obtain loans for school construction/renovation, and the inability to form taxing authorities to raise capital funds for construction, independently operated charter schools have struggled to remain financially solvent or have sought outside assistance from newly emerging management companies for remedies for financial problems. Most schools have, however, been able to work within the financial parameters of their per-student state allocation.
- F** Teacher salaries in charter schools lag far behind the salaries of the local school districts in which they are located.
- F** While the number of students enrolled in charter schools increased dramatically in the years preceding the evaluation, the percentages of minority students in these schools declined. This was due to the establishment of new charter schools that enroll fewer minorities.
- F** A surprisingly large number of conflicts were evident between charter school founder-leaders and school boards, between teachers and school administrators, or between parents and the school personnel. Most often, the conflicts resulted from differences in educational philosophies, goals, leadership/administrative styles, or differences in understanding about areas of responsibility. In some cases, the conflicts were due to individuals or groups vying for control and power. Oftentimes, these situations result in broad-based turnover of board members, school staff, and students.
- F** The role, responsibilities, and authority for oversight and monitoring are not consistently understood and practiced among the various authorizers. In some cases, charter school authorizers attempt to conceal rather than reveal weaknesses and problems at their schools.
- F** Charter school administration was found to be an area of significant difficulty, with administrative boards being generally weak,

charter authorizing agencies' role and authority being poorly defined, and management companies rapidly emerging as a major power in the charter school movement.

- F Many individuals or small groups of parents who founded charter schools with the intent to operate them locally have sought outside assistance in the form of contracted services from management companies and other providers of such services. During the 1997/98 school year, just under 50 percent of the schools were contracting out services to EMOs, and this was expected to grow to more than 70 percent before 2000.
- F Although student and teacher perceptions of academic achievement is high, the MEAP results indicated that the charter schools, as a group, had lower test scores than their host districts³ and that in terms of gains over time, a slightly larger number of host districts were increasing their MEAP scores more than the charter schools within their district boundaries. Nevertheless, the study indicated that it was still too early in the charter reform process to attribute high or low test scores to the influence of the charter schools.

Independent and parallel to our own evaluation, the Michigan Department of Education commissioned another evaluation that was to be conducted by a private sector firm. As it turned out the findings from this other evaluation matched—in many respects—our own findings. The final report for the other study is entitled *Michigan's Charter School Initiative: From Theory to Practice* (Public Sector Consultants, 1999).

1.2 Objectives of the Evaluation

The list of selected key findings outlined in the previous section are only representatives of a much longer list of findings. A number of unanswered questions or issues surfaced from the evaluation reports submitted in January 1999 or were raised after the study was completed. These were framed

in the form of the following questions that the Michigan Department of Education asked us to address in this follow-up evaluation.

1. What is the impact (negative and positive) of selected types of charter schools on local schools and communities?
2. To what extent do students leave charter schools and for what reasons?
3. What is the current and potential role and impact of management companies in the charter schools initiative?
4. What is the impact of charter schools on student achievement, and what would be an effective procedure/methodology for determining future progress in comparison with traditional public schools?

In addition to these evaluation questions, we also examined the following questions and issues in this follow-up study:

The scope and nature of innovations in the charter schools. This was addressed in the initial study, but given the emphasis placed on this issue in the legislation and given that we were able to collect limited data on innovations in our first study, we requested further documentation from the schools regarding innovative or unique practices in the following three areas: curriculum, instruction, and operation and governance of the school.

Provision of special education in Michigan's charter schools. During the course of our data collection, it became apparent that one of the main reasons for students leaving charter schools was the lack of special educational services. Likewise, public school districts were reporting that one of the key areas where they were being negatively impacted concerned special education. For these reasons we examined the overall legislative framework for special education, then examined the nature and number of students with special educational needs in the charter schools compared with host districts, and—finally—we considered the

implications of the shifts and concentrations of students with special education needs.

Trends in the revenues and spending of charter schools. Even though we were not required to examine issues regarding finance, we thought it was necessary to look more closely at the spending patterns of the charter schools over time in order to obtain more information regarding the impact charter schools were having on traditional public schools as well as the impact that educational management organizations (EMOs) were having on the charter schools. Therefore, comparisons were made over time between the revenues and spending of charter schools and their host districts and between independent charter schools and those operated by EMOs.

For a complete evaluation of the Michigan charter school initiative, it is important to review the original intent of the charter school initiative, as described in the authorizing legislation in the state of Michigan Public Act 416 of 1994 and more fully defined in the school code as a part of Public Act 289 of 1995. The purposes and objectives of this legislation and initiative are described in Section 511(1) of the School Code.

Sec. 511(1) To improve the public elementary and secondary schools of this state, public school academies may be established within this state's system of public schools, as provided under this part, as a means of achieving the following purposes.

- (a) To improve pupil achievement for all pupils, including, but not limited to, educationally disadvantaged pupils, by improving the learning environment.
- (b) To stimulate innovative teaching methods.
- (c) To create new professional opportunities for teachers in a new type of public school in which the school structure and educational program can be innovatively designed and managed by teachers at the school site level.

(d) To achieve school accountability for pupil educational performance by placing full responsibility at the school site level.

(e) To provide parents and pupils with greater choices among public schools, both within and outside their existing school districts.

(f) To determine whether state educational funds can be more effectively, efficiently, and equitably utilized by allocating funds on a per pupil basis directly to the school rather than through school district administration.

In the initial evaluation we were asked to address most of these specified objectives of the Michigan charter school initiative. Although it is not within the scope of the current study and this report to address the extent to which this legislation has been fulfilled, we have made an attempt in this report to relate our findings to these purposes and identify and provide information that will contribute to the long-term evaluation of this initiative.

1.3 Recent Studies on Michigan's Charter School Initiative

In Michigan, there have been an increasing number of studies and reports on charter schools. Some have been authorized by the Michigan Department of Education (MDE) in fulfilling its responsibilities, and others have been conducted by university researchers, private individuals, and organizations with a professed interest in this movement. While there have been some differences in the interpretation of the findings, there seem to have been remarkable similarities in most of the conclusions. The parallel but independent studies in 1998-99 by The Evaluation Center at Western Michigan University and Public Sector Consultants, Inc. produced almost identical results, although they studied schools in different (and defined) geographic sections of the state. At the end of 1999, a group of Michigan State University professors reported on independent studies they are conducting (Arsen, Plank, & Sykes, 1999) in which

they drew similar conclusions to MDE-commissioned evaluations. Other studies, conducted by individuals and groups, have focused on specific schools and specific elements of the charter schools. In this section, a summary of some of the most noteworthy academic studies is included.

Leveraging Local Innovation: The Case of Michigan's Charter Schools (Mintrom, 2000)

Mintrom's report examines innovation occurring in Michigan charter schools by comparing charter and traditional public schools. To make this comparison Mintrom conducted a two part study. In the first part, 100 of the 138 principals of the charter schools that existed in Michigan in 1999 were interviewed. Likewise, a group of principals from traditional public schools were interviewed (105 from urban districts and 66 from suburban districts). The principals were asked about various school practices, how they spend their time, who they interact with, and perceived barriers to change in their schools. In the second part of the study, all the principals who were interviewed received a mail survey and were asked to rate the "innovativeness" of more than 60 different practices that were earlier suggested by the same principals. Unfortunately, there was only a 33 percent response rate on this survey.

Mintrom defines the term *innovative* as ideas or practices that are perceived to be new within the context of the school. He commends and criticizes charter schools for being both slightly innovative and not innovative enough, claiming that overall, charter schools in Michigan are not innovative. But throughout his report he defines redeeming innovative qualities that charter schools possess. According to Mintrom, some charter schools exemplify innovations, but for the most part they are more traditional than they are innovative. Mintrom highlights three innovations that are distinctive from traditional public schools: nontraditional scheduling (such as block scheduling or all day kindergarten), a required foreign

language, and school uniforms. He sees little innovation with regard to instructional practices and concludes that charter schools are stuck with a traditional school mentality and cannot or do not see beyond that framework.

With regard to the diffusion or sharing of innovations, Mintrom found that not much sharing is occurring between charter schools and traditional public schools. With the two paired against one another in competition, he does not foresee a time when sharing will occur until an information sharing lever is put in place—a mechanism both parties can work through in order to share ideas. Mintrom sees a future where positive changes can occur, spurred by both charter schools and traditional public schools, since both have that potential. But Mintrom concludes that charter schools, as they are organized currently, do not have the potential to transform public schooling.

School Choice Policies in Michigan: The Rules Matter (Arsen, Plank, & Sykes, 1999)

This report was prepared by members of the Working Group on School Choice at Michigan State University. It draws upon existing data obtained from the Michigan Department of Education, databases developed by members of the Working Group, and a review of other studies in the field. In addition to the quantitative data, the authors conducted interviews with a wide variety of stakeholders (e.g., superintendents; principals from public, private, and charter schools; teacher union representatives; representatives chartering authorities; management companies; etc.) and made site visits to a large number of schools. The report focuses on the impact of charter schools as well as interdistrict schools of choice.

Some of the key findings from this study include the following:

F The rise of education management organizations is a prominent feature of Michigan's charter school movement. This

needs more study because it has the potential to work some good and some harm on schools, students, families, and communities.

- F** Choice is accelerating white- and middle-class flight from the cities to the suburbs, which continues to increase divisions along race and class lines. Because charter schools cannot choose their student populations specifically, there should be little discrimination; however, with niche-centered curriculums, the programs offered will shape the clientele and the composition of the schools. The authors reported that charter schools also recruit and enroll the students who are less costly to educate.
- F** There is evidence that some districts are responding positively to competition. While most districts are not affected by the choice policies, others are impacted minimally, and some are severely impacted and are losing the ability to compete because they are losing dollars and students.

Follow the Money: An Initial Review of Elementary Charter School Spending in Michigan (Prince, 1999)

The study focused on fiscal areas of general fund spending patterns, comparing charters with local districts with only elementary grade levels. Comparison of spending patterns was also made between charter schools in their second year of existence and elementary charter schools in their first year of operation. This latter comparison helped to understand the impact of start-up costs, their duration, and classification in financial terms.

The source data used in the report were gathered from the Michigan Department of Education (MDE)

annual Form B Report, which is compiled from year-end financial data of each local and intermediate school district and from each charter school. The report has two major categories, instruction and support services, which are further subcategorized. Instructional expenditures include basic instruction, added needs (which includes special education and compensatory education services), and adult and other instruction.⁴ Support services expenditures include instructional staff support (improvement of instruction), student support (library, guidance, attendance, etc.), school administration (office of the building principal), general administration (board of education, superintendent, central offices), business office, maintenance and operations, transportation, and other support services.

The per pupil weighted mean dollar expenditures for two fiscal years for various subfunctions for both the charter schools and for each comparison group of local elementary districts were separately aggregated from the Form B Report data. The study included the 1995/1996 and 1996/97 fiscal year data as reported on Form B to the MDE. (This period cover the initial start-up of charter schools and represents a very small percentage of the total student population: 398 charter school students compared with 1,600,000 local district students). The study focused on elementary spending only, which is traditionally lower than high school spending requirements.

Key findings from this study include the following:

- F** Charter schools spent an average of 57 percent of their general fund resources on instruction and less than 43 percent on support services compared with 65 percent and 35 percent for comparable enrollment in local districts.
- F** Most charter schools reported no special education students in their population, which

⁴ It should be noted that the Prince study indicated community education is included as “other instruction.” Within most public schools such programs are properly classified as “community services,” since they are usually recreational in nature. See Michigan School Accounting Manual, Appendix II-Definitions, page 31.

may account for some of the lower costs for “added needs.”

- F Charters expended less than 5 percent of general funds for added needs compared with 11 percent by local districts.
- F Charters spent an average of 26 percent on support services as compared with 17 percent by comparable local districts (includes general administration, school administration, and business services).
- F Some charter school administrators appear to be relative novices in the use of school accounting categories; Form B reports from the initial years contain some reporting errors.
- F Charter schools in their second year of operation continued to spend general fund resources on administrative costs and business office expenses at a proportionately higher level than comparable local districts (the author recommended further research in this area).
- F Surprisingly, findings from the second year of operation indicate that charter schools spent an even smaller proportion on instruction than they did the first year, with increased spending in business office expenses.

In addition to these findings, Prince also discussed the possible impact of start-up costs and their effects on budgetary planning and spending in the long run.

1.4 Methodology and Data Collection

In this section, the various data collection methods used are outlined, and the process of data collection, analysis, and reporting is summarized. We used a variety of methods and data sources to answer the specified evaluation questions.

Because we have also drawn upon the findings and data collected in our first evaluation, it seems appropriate to sum up the methods we used for that

initial study. School-based data were collected from 51 charter schools (approximately half of all operating schools at the time) during the 1997/98 school year. Specific data collection methods included the following: (i) charter school surveys developed at Western Michigan University for teachers/staff, parents, and students; (ii) nationally-normed school climate surveys administered to charter school teachers/staff, parents, and students; (iii) interviews with the representatives of all stakeholder groups included in the charter schools as well as with superintendents and school personnel from traditional public schools, officials from the Michigan Department of Education, representatives of authorizing agencies, management companies, and community representatives; (iv) demographic data, financial data, and test scores from all available years for the charter schools and their host districts were analyzed; and (v) documents, literature, school portfolios, and student work samples were reviewed. The first evaluation was both formative and summative in nature.

To complement the existing data and information and in order to collect new information that addresses the new evaluation questions, we used the following data collection methods: document review; analysis of existing information from the Michigan Department of Education including demographic data, financial data, and MEAP data for all the charter schools and their host districts. We also visited several charter schools, management companies, and representatives of traditional public school districts. From these data, we were able to develop case studies of several school districts. More details on these methods and the resulting information are highlighted in the paragraphs that follow.

It should be pointed out that in our first study we largely limited our site visits and data collection to surveys to the 51 schools outside of Detroit and its surrounding counties. This division of the state made generalizations more difficult. However, our analysis of the data obtained from MDE was across all 106 schools that were operating at that time. In this second study, we solicited and collected

documentation from all 171 charter schools currently operating; however, we limited site visits to charter schools and case studies of school districts in our geographical part of the state.

While authorized studies by MDE and the chartering agencies are both necessary and important, it should be pointed out that a considerable burden has been placed on the charter schools by the massive number of requests for information by researchers, various government agencies, the media, and others with an expressed need for information. Aside from the large number of requests for information, these new schools are inexperienced in operating in the public eye and not currently well staffed for research and evaluation. For these reasons, it was determined that the current study by The Evaluation Center would use existing documents and records as primary sources of information, to the extent possible.

Document Review

In January, The Evaluation Center mailed a detailed letter to each charter school requesting descriptive information that would address the evaluation questions. It was clearly stated in the first sentence that “The Michigan Department of Education has asked us to conduct a follow-up study on Michigan Public School Academies.” This statement was written because we knew that many of the schools are currently being swamped with requests for information and survey data and understood how frustrating and time-consuming that can be. Many requests by researchers are not mandated, and the schools are not required to participate. We wanted to differentiate our legitimate requests from others.

Wishing to be as unobtrusive as possible, we requested documentation already produced by the schools that would likely contain the information we wished to collect regarding each individual charter school. We requested the most recent copy of their School Improvement Reports and/or annual reports required by Public Act 25. We also asked for descriptive information/evidence about their school’s success and its ability to fulfill its mission as well as any innovative or unique aspects of the

school in terms of curriculum, instructional methods, or governance/administrative/operational aspects. The deadline for materials was stated as February 8, 2000. Only a handful of schools responded by the deadline.

Our next step was to do extensive follow-up with telephone and fax requests to the schools during the month of February and the first half of March. This increased our collection materials to approximately half of the charter schools.

We were aware that the Michigan Department of Education did not have the materials we needed, so our third endeavor was to request copies of annual reports for charter schools operating within their borders from Intermediate School Districts (ISDs).

During the first few phone contacts, we were repeatedly told that ISDs were no longer required by law to keep them on file. Few ISDs were able to respond. We abandoned this approach.

Our last attempt to obtain materials was to write a letter to the authorizing agencies on March 16. In it, we explained in detail the purpose for our request, the information needed, and a listing of the schools from which we still needed materials. This endeavor increased the percentage of returned materials from approximately 50 to 72.7 percent. None of the state university authorizers sent materials to us, but some of them apparently put pressure on the schools to respond to our request.

Several schools reported that they could not remember receiving the original January 24 letter or the fax of the original letter that was sent later as a reminder. Two reasons may account for this fact. First, many school leaders expressed how extremely busy they were. Secondly, numerous telephone and fax numbers of schools had been changed from the records we received from the Michigan Department of Education. It was extremely difficult to talk to directors and principals in our follow-up phone calls. Many schools leaders expressed that they were “very busy” or “overwhelmed” by all the work involved in setting up and/or developing a charter school. One director shared she was “swamped” and “only doing the most important tasks.” Another

director said he was very busy with lots of requests, but maintained “children come first.” He made no promises, but said he would see what he could do. We never received the annual report for this school.

In visiting with directors and principals via phone conversations, a few questioned why the same materials couldn’t be used for both the original and the follow-up study. Others were confused by the requests sent by other research groups. Administrators from new schools seemed to feel the most overwhelmed. One new principal stated, “I am new and feel overwhelmed.” When we explained we were simply requesting existing documentation because we were aware of the demands made on them, some schools responded. Another director/principal expressed great frustration in being audited by the Michigan Department of Education. He asked, “Are we required by law to send the materials?”

One director outright stated, “We do not want to participate because we receive no student foundation money and do not do MEAP tests because we are a technical school and don’t offer a full curriculum.”

Although each charter school is supposed to have the freedom to act alone, several schools were reluctant to send materials without the consent of their educational management company (EMO). One director indicated that he had forwarded our original letter to the EMO. Another director first said he would send the materials, but then added, “I’ll check with my management company to see if it is OK.” One principal stated that his EMO had five schools in Michigan and all five would have the “same materials,” implying we could use one set for all five schools. We were told by many school principals that we should request such documentation from their EMO. In these cases, we informed the charter school representatives that we were authorized to work with the public school academies and that the private management company was accountable to the board and not the state. In some cases, we did request documentation directly from the management company. For example, six of the schools operated by National

Heritage Academies refused to respond to our many requests. Therefore, during a visit to their headquarters, we asked for copies of the annual reports from the company representatives. Unfortunately, we never received them.

Aside from the frustration with this difficult task, we recognized that a majority of schools were positive about providing materials for the evaluation study. They appreciated that we were requesting existing documentation rather than requiring them to write up lengthy responses to our questions. Another reason that many were positive is that they recognized that this was a chance for the schools to tell “their” story. We emphasized this point in our written and verbal communications with the schools. One principal called back to say they would send the materials immediately. She enthusiastically added, “We support the work you are doing!”

In the end, we received documentation from 126 of the 171 charter schools, a 74 percent response rate.

Case Studies of School Districts

In-depth case studies of several of public school districts were prepared. The case studies were based on documentation, existing demographic and financial data, and interviews. Documentation was collected from districts and charter schools within the district boundaries, as well as from media sources. Demographic, financial, and other types of school- and district-specific data were largely available from MDE, although some districts and intermediate school districts were also able to supply us with data we could use in our case studies. A wide range of interviews made in the case study districts included the following stakeholders:

- F** District superintendents
- F** Representatives of the local public school districts, particularly persons responsible for student records, finance, and special education
- F** Principals and staff at charter schools
- F** Principals and staff at traditional public schools
- F** Representatives of intermediate school districts

- F Representatives of educational management companies
- F A variety of community representatives such as real estate agents, church/religious leaders, businesses, builders/developers, family/social service organizations, and immediate neighbors to the school

Case studies were prepared for the following public school districts:

- F Grand Rapids Public Schools
- F Holland Public Schools
- F Kalamazoo Public Schools
- F Kentwood Public Schools
- F Lansing Public Schools
- F Northview Public Schools
- F Walker Public Schools
- F Wyoming Public Schools

A separate case study was also prepared for Holland and Grand Rapids Christian Schools.

The case studies addressed the positive and negative impact that charter schools were having on the public school district, on private/parochial schools, and on the immediate community. Given the specific evaluation questions we were addressing, particular attention was given to the mobility of students and special education.

When considering the impact on the community, we attempted to limit the focus of the impact to the immediate community surrounding charter schools; questions to community representatives were directed to the impact on the immediate neighborhoods surrounding the schools. Specific topics addressed include the following:

- F Visibility of the neighborhood
- F Property values
- F Educational opportunities for children and youth
- F Traffic and safety
- F General appearance of the area
- F Behavior of children and youth in the neighborhood
- F Sales/purchases from businesses in the area
- F Employment

A separate report was prepared on the case studies, which were so extensive it was impossible to contain them in this final report. Chapter 2 summarizes the findings from the case studies, and Chapter 3 draws heavily from the data reported in the case studies. Because these cases are so rich in detail, we decided to include them under separate cover and make them available electronically after the final report has been received and approved by the Michigan Department of Education.

Analysis of Data Available from the Michigan Department of Education

From the Michigan Department of Education web site we were able to download data pertaining to charter schools and their host districts. By host district, we are referring to the traditional public school district in which the charter school resides. We downloaded databases pertaining to head counts, finance, and MEAP test results. We had to download separate files for the academic years ranging from 1995-96 to 1998-99. In some cases, we were also able to include data from the 1999-2000 school year. Since most of our comparisons were made with host districts, we extracted the records for the charter schools and their matching host districts. Next we merged the charter school and host district data into the same records for each year. Finally, we merged records for each school and year into the same database. The structure of these databases allowed us to make longitudinal analyses of the charter school data relative to the host district.

Financial data. We used the data from the Michigan Department of Education *Bulletin 1014* to obtain per pupil costs by expenditure category. The data are compiled by the Department of Education from the Form B Reports submitted by each local school district, intermediate school district, and charter school. The schools use the year-end financial data to complete these reports. Further details on how we analyzed this data are available in Section 2.3, which addresses the patterns and impact of charter school revenues and expenditures.

Analysis of MEAP results. Because the charter schools are all so unique and diverse, we think that the best comparisons should be done on a school-by-school basis. In our technical report that accompanies the final report, we include all test data for all 171 schools organized by grade, subject, and year. The layout of our data facilitates comparison over time. In completing our analysis of the MEAP results, we undertook the following comparisons:

- Compare absolute scores for each charter school with its host district for each year of operation for which test data is available
- Compare 2-, 3-, 4-, and 5-year gain scores between charter schools and their host districts
- Compare overall performance of all charter schools versus host districts for each year
- Compare the performance of charter schools (percentage meeting state standards) over time with state average
- Compare groups of EMO schools with charter schools as a whole
- Compare groups of charter schools based on first year of operation

Chapter 5 contains the charts that depict the MEAP analyses by grade, subject, and year. Appendix C contains the tables depicting the school by school MEAP results. This chapter also contains further details on the methods we used to analyze the MEAP results.

Chapter Two

Impact of Charter Schools and the Mobility of Students

2.1 Impact of Charter Schools on Traditional Public Schools

In order to address the evaluation questions dealing with the mobility of students and the impact that charter schools were having on other schools, we decided to develop case studies on a number of school districts. Information sources for these cases included interviews with representatives from district and charter schools, document review and review of relevant documentation and media articles. The cases that were developed were rich in detail and supporting documentation. Because the cases were so large, we have decided to disseminate them in a separate report. The sections that follow summarize the main findings from the case studies that address the specific evaluation questions.⁵

As one examines the distribution of charter schools across the state, it is clear that charter schools tend to be concentrated in and around more populated areas (see Appendix A, which contains maps highlighting the location of schools over time). Some charter schools are located in the more urban sections of these cities and have unique missions; as a result of the unique missions and attraction of a narrow segment of school-age children and youth, there is little impact on the local schools with large enrollments and more generalized missions. However, others have been founded and are operating in suburban areas and serve simply as another neighborhood school choice for many families. Certainly, other variables influence the

impact of a charter school on a local school or school district, such as length of time the charter school has been operating, stability of the organization, official relationship with the local district, etc. At the same time, other factors, such as mission of the school, recruitment practices, grade levels, location of the school, enrollment sizes, reputation of the charter school and the local school, etc., make many responses to this question subject to caveats or conditions as well as exceptions to general findings.

In discussions with administrators and other school personnel, there is a range of estimated impact from “zero” to a “major impact” in particular ways. Overall, most of the positive impacts that we could detect are related to improved accountability, marketing, and communications. Below we have listed a number of the “positive” impacts on local schools that summarize the findings from our interviews, document review, and case studies.

F Caused a need to review and more carefully define the mission, goals, and curricula for public understanding. While many of these areas/issues had been thought to be commonly understood among educators and board members, it was recognized that the local schools needed to be more focused in descriptive materials and explanations to parents and others about the schools, their programs, and operating practices.

⁵ The report is entitled: *The Impact of Charter Schools on Public and Parochial Schools: Case Studies of School Districts in Western and Central Michigan* (Evaluation Center, 2000), and can be downloaded from the Evaluation Center’s website <www.wmich.edu/evalctr/>.

- F Created a need to be more responsive to parent concerns and in some cases demonstrate a greater concern about the importance of parental understanding and support for the schools. Greater responsiveness is evident in newly initiated practices of follow-up contact with parents regarding a variety of issues, including school attendance, requests for transfers to other schools, need for additional services, etc.
- F Established the need for more before and after school programs to address both educational and custodial needs of students. Parents in some working class neighborhoods must arrange before and after school care for their children when adults of the home are at work; when this need was recognized by a charter school, the local school responded in a similar way. Special programs that provide tutorial type assistance to students beyond the school day are one example of after school academic assistance that has been presented as a factor in school choice. Academic offerings that have been added to some local school programs in response to charter schools in the community are foreign languages at the elementary school level, magnet school programs, environmental education, and writing programs.
- F Created options for parents and students that may better fit the social and educational requirements of students. In addition, some think that parents are giving or have the potential for giving more serious thought to what setting, program emphasis, and other learning conditions (whether in a charter school or a local public school) would be best for their child.
- F Heightened awareness about communication and relationships between parents and teachers and/or administrators. Also, the initiative has resulted in teachers, administrators, and others with responsibilities for local public schools to develop a more consensual understanding of what the school is attempting to accomplish and to focus on improvements in areas of identified

weaknesses. While some of these efforts relate to achievement test scores, other areas have received attention, such as student attendance and behavior, inviting parents to school functions and activities, receptivity and friendliness of all employees, communications with parents and the general public, etc.

While some local school officials report that there is little contact with and impact from the development of one or more charter schools in their communities, others are in general agreement that there have been some negative effects. While the following list is not inclusive of all comments or perceived to be true for all schools, it identifies those most relevant to the purposes and the audience of this report.

- F An unnecessary atmosphere of competition was created between two publicly funded entities (public school academies and local public schools). Since there is money tied to each enrolled student, there is competition to attract students, which forces parents to make choices for which they are unprepared or even sometimes falsely informed about important issues related to the education of their children.
- F Monies that could be used for instruction and other direct student services were diverted to public relations and promotion of the schools. One school district reported spending \$65,000 on marketing “which is the number one way for us to stay competitive with charter schools.” The school official indicated that they would rather spend this money on students, but they see marketing as a necessity in order to keep the public informed. At the same time, there is concern about whether parents are able to make good decisions with regard to claims of “new and improved” promoted by emerging charter schools.
- F Students and thus budget were lost, with a resulting reduction in personnel and services critical to other students in the public schools. For example, Holland Public Schools reported that it has lost about \$2 million per year as a

result of the establishment of three charter schools in or around its district. Without the potential for growth and housing, with the shift of funding for schools as defined by the passage of Proposal A in 1994, and with the establishment of three charter schools in the community, there is little hope of turning around a declining enrollment and shrinking budget. While some small changes in procedures and expenditures have occurred in this district, major cuts in staffing, supplemental educational services, professional development for teachers, and specialized equipment and personnel are being made now and will be made to an even greater extent in the future.

- F The Lansing School District is another district in which the impact of charter schools deserves special attention. In the last five years, since the advent of charter schools, the Lansing School District has lost approximately 3,000 students. One-half to two-thirds of those students have transferred to charter schools, which equates to a loss of \$9 million or more per year. These losses have resulted in the consolidation of four elementary schools whose enrollments are projected to be fewer than 202 students in 2000-2001. In spite of these financial losses, few employees have lost their jobs, but there are fewer opportunities for new employees in the district. According to district officials, it is perceived that the charter schools in the Lansing area are contributing to a segregation problem by creating elitist schools and others that tend to attract a particular racial/ethnic group of students.
- F Because budgets are developed and approved long before the “official” count day, local public schools are unable to develop budgets that could best reflect real needs for the following school year. Since charter schools actively recruit students up to and even into the school year, traditional public schools and districts report an inability to do proper planning. Additionally, the traditional public schools must accept all students who return

from charter schools or others who qualify for enrollment in the local district at any time of the year without compensation after the designated “count” day. This impact is felt in terms of the availability of classroom space, curricular materials, transportation, special education assistance, and other specialized goods and services.

- F While most shifts of students to charter schools in grades 1 and above occur in the first year or two following the opening of a charter school in a community, there is an indeterminate number of new kindergarten students, homeschooled students, and private/parochial school students who have not attended the local schools and who began in or transferred to charter schools. Enrolling these students in the charter schools results in cuts in resources to the traditional public schools. Local districts typically base much of their long-term planning on the number of students enrolled in the lower grades and who, in future years, will be requiring space and services in the middle/junior high schools and high schools. Since most Michigan charter schools are pre-high school (86 percent of all charter school students are enrolled in grades K-8), there is potential for a major enrollment and resource impact in the next 4-8 years when a large number of charter school students will be returning to the traditional public schools for high school instruction, which costs substantially more per student than instruction at the elementary and middle school levels.
- F The loss of only a few students to a charter school does not influence the number of teachers or the number of classrooms that will be required, but each student represents a loss of about \$6,000 to the district. The loss of this revenue must be absorbed by the local district in some way, and the areas that seem to be the major targets for these budget reductions are the arts, music, and extracurricular programs and support staff and services.
- F Since the per capita funding for schools does not differentiate among the various levels

(primary, upper elementary, middle/junior high, and high schools), there is a predominance of charter schools authorized to operate at the pre-secondary school level. Some have estimated a differential of \$2,000/student between the lower costs of elementary school and the more expensive cost for educating a high school student. As a result, the traditional public schools are left with a greater proportion of the most expensive students to educate, i.e., high school students and students with identified special needs.

- F** Budget officers of local school districts are wary of the potential closing of some specific charter schools with large debts and/or unstable administration and governance. For example, one charter school is reported to have close to 600 students and a debt of some \$500,000. We are aware of a few other charter schools, though smaller in size, that are in precarious financial situations because they could not attract/retain the number of students for which they were receiving funding. With the blending count formula, they will receive less money in autumn 2000 although they intend to increase enrollments. Since these schools already have deficits, this situation is likely to exacerbate their financial viability and could result in untimely closure of the schools. When charter schools are closed during the school year, these students return to the local school district, which is required to provide instruction for them. Such an event would have major impact on the educational programming and financial planning of the local district. As a result, business and other educational planners find it necessary to have contingency plans in place where there are precarious situations surrounding a charter school.
- F** While net gains or losses between charter schools and local schools have stabilized in most cases, there is still a substantial movement of students between the two entities. This generates a substantial amount of paperwork to accommodate these moves, as well as disruption of the students' educational

experiences. In the following section, student mobility will be discussed in greater detail.

- F** In a number of districts, it was reported that students returning to the local school district are often in need of special education services or have records of disciplinary problems. One district official reported that 48 special education students returned to the local public schools from charter schools shortly after the fourth Friday counts in October and February. Further, it has been reported that students with severe special education problems or unique educational/custodial needs are "counseled away" from charter schools during the recruitment and enrollment periods. In our initial evaluation we interviewed parents with disabled children who were counseled out of charter schools because the charter schools could not guarantee that they would provide special education services. In the case studies we conducted in this second evaluation, a few parents and special education teachers confirmed that this was occurring in their charter schools. While this information is still anecdotal in nature, the enrollment figures/patterns of special education students in charter schools, which are outlined in Chapter 3, confirm that this is a serious problem area for charter schools. Both the shift of special education students and the disproportionate nature of the students with disabilities in traditional public schools and charter schools have a financial and programmatic impact on the local school districts.
- F** Missions of charter schools that promote a particular emphasis or profile, such as college prep, African-American-centered curriculum, etc., attract a select element of society and thus have the potential for impacting the balance of diversity that may exist in a selected school. While this may seem to be a small issue, this situation, combined with the location of a school in a particular neighborhood and selective recruitment, could have a major impact on the types of students that remain the public schools. For example, a number of the

educational management organizations use a number of strategies to recruit particular students (these strategies are outlined in Chapter 4). In Grand Rapids, several public school representatives pointed out that National Heritage Academies use the location of their schools and the selective dissemination of information advertising the school to limit the diversity of students who register to enroll. In at least one case, the selective advertising and location of the proposed school away from where the needs are the highest backfired, since an insufficient number of students expressed interest. This resulted in the EMO not building/opening the already approved school.

- F** There is a loss of community among students from the same neighborhood, since they may attend different schools with different schedules and may transfer between schools during the school year. Social as well as recreational activities are often arranged around neighborhood schools; therefore, students may not be notified of opportunities or simply cannot participate with neighborhood children because of different school schedules, locations, and/or peer pressure.

From the findings in the case studies, it appears that private schools are viewed by traditional public schools as less competitive, while many charter schools are perceived as aggressive in student recruitment practices. These conditions have resulted in an atmosphere of competition, negativism, and animosity between the traditional public schools and charter schools. As one local school administrator indicated, “The charter schools are critical of public schools, which instills a spirit of competition and alienation rather than cooperation and collaboration.” In some cases, we have seen that the relationship between traditional public schools and charter schools normalized over time. Part of the fear on the part of the traditional public schools is likely to be due to the fact that the charter schools are new and no one really knows how they will impact the traditional public schools. After a few years, the enrollment patterns at the charter school stabilize, and the traditional public

schools have a sense about the impact they will have. In a few cases, charter schools have extended offers to the local school district to cooperate in programming on an annual basis. After three or four years, we have seen a few cases of cooperation in terms of opening arts and athletic activities for each others’ students.

2.2 Impact of Charter Schools on Private/Parochial Schools

While this study was not specifically designed to investigate the impact of charter schools on private or parochial education, these schools are an important component of several communities, so we decided to talk with representatives of these schools in order to determine how private schools are impacted and to determine if the presence of charter schools affects the existing relationships among public and private schools.

Interviews with private school and traditional public school officials indicated that they maintained ongoing and generally positive relationships with one another but had very limited contact with the charter schools except for required communications with regard to student transfers. Since charter schools are a new form of public school, one might imagine that relations between traditional public schools and charter schools would be better than between traditional public schools and private/parochial schools. This is not the case, however. Some reasons to explain this include the following:

- F** A number of traditional public school districts provide transportation and selected services for students attending private/parochial schools, but do not provide these services for charter schools since the charter schools receive funding for these services and districts say the charter schools should therefore pay for them.
- F** Private schools have been in existence longer than charter schools, and there is a tendency to fear new things that may threaten resources for public schools.

F Private school environments are rather stable, and the quality of the private schools is more consistent. Thus, fewer families move back and forth between private and traditional public schools. This has not been the case with charter schools.

F Charter schools and traditional public schools compete for the same funding

Interviews with representatives of Christian schools produced some interesting findings in regard to their attitudes toward charter schools. First, they seem to have a limited but somewhat mixed relationship with the charter schools in their area.

One Christian school administrator suggests that charter schools be defined as a “public school with public funding” or a “private school with public funding” and that the appropriate accountability and reporting procedures should then be applied. At present, this person thinks there is “no accountability for charter schools” and that they “seem to be doing what they think is best according to their own ideas, which is unfair to the traditional public schools.” Overall, the impact that charter schools were having on this particular private school has been quite small, since it largely attracted students who were homeschooled. According to another Christian school representative, National Heritage Academies (NHA), which is one of the largest EMOs starting and operating charter schools in the state, would like to “see their schools as quasi-Christian, which is illegal. If public money is used, it should be used in the same way by all schools.”

In some communities, it has been reported that the charter schools are attracting a large number of students from private Christian schools, which has negatively affected them. From a *Wall Street Journal* article on 9-15-99, it was reported that

About one-tenth of the nation’s 4,000,000 plus charter-school students come from private schools. But at National Heritage, 19.7% are private-school transfers. And that doesn’t count any of the 17% or so of

the student body who started at National Heritage in kindergarten, and might otherwise have opted for private school.

In our interviews with representatives from Christian school associations and Christian schools, this was confirmed. In the case of the Grand Rapids Christian Schools, it seems that NHA is now up front with them about future development plans for new schools and targeted neighborhoods. Also, it was reported that National Heritage Academies has now gone out of its way to purge Christian school students from its mailing list when it does direct mailings in Grand Rapids. This was not always the case, however. Some Christian school representatives were apprehensive when talking about National Heritage Academies; and while things seem to be better since *The Wall Street Journal* article highlighted problem areas, there are still areas of contention between National Heritage Academies and Christian schools in Grand Rapids and Holland.

Since the charter schools began operating in 1995, there has been a “small siphoning of students,” but no major reduction in enrollment. Grand Rapids Christian Schools have lost around 100 students since 1995. Since tuition to their schools is approximately \$4,000, this represents a loss of \$400,000. This loss of students is also reflected in staff reductions in the past five years. However, the school-age population in Grand Rapids appears to be declining, so the reduction in numbers may not be completely attributable to the impact of charter schools.

In Holland, close to 20 students from Christian schools (grades 1-8) have left for charter schools over the past 4 years. The number of students returning to the Holland Christian Schools has exceeded the number leaving for charter schools in the 1999-2000 school year. This was largely due to students enrolling in the Christian high school since the charter schools in this city do not have high school instruction.

The largest number of students entering the charter schools enter at the kindergarten level, before they

are actually enrolled in a Christian school. This is because charter schools have the most openings at the kindergarten level, and because families are more likely to make a choice for a student entering kindergarten than for a child already enrolled in a school. The Christian schools in both Grand Rapids and Holland have seen a reduced number of incoming kindergarten students since 1995-96 when the charter schools began operating in their communities. This has caused smaller than average elementary school classes during the past four years.

Both the Grand Rapids Christian Schools (GRCS) and the Holland Public Schools conduct interviews with parents leaving their schools for charter schools as well as those parents returning from charter schools. Currently, more students between Grades 1 and 12 are returning to the Christian schools than are leaving (this does not include kindergarten students just entering the charter schools).

There are a number of likely reasons for students to be returning to the Christian schools from charter schools, some of which are highlighted below:

- F** The two most common reasons cited by parents returning to Christian schools in Grand Rapids were that the charter school was “not what we thought it was going to be” and “the program described to us by the charter school is not what we got.”
- F** According to representatives of the Holland Christian Schools (HCS), 99 percent of students leaving HCS for a charter school left due to cost. Those returning from the charter schools cite three main reasons. First, they said the charter schools did not offer enough programs, and they were discouraged that there wasn’t more assistance in such areas as special education. The second reason given is a desire for more academic rigor in the curriculum. The third reason is that they want the Christian point of view taught and agree with the mission of the Christian schools.

- F** The Christian schools offer high school instruction, and few charter schools offer instruction at the high school level.

In terms of impact, the charter schools have pressured GRCS to have a much sharper focus. GRCS representatives stated that they now have a clearer understanding of their mission. This sharpened focus, the Christian schools believe, will result in a stronger institution. GRCS has engaged in more advertising and now uses a much more strategic sales technique, something that was unnecessary before the advent of charter schools. In the classroom, teachers make sure the students understand the connection between faith and learning and the purpose of GRCS. Reportedly, Holland Christian Schools also has become more conscious of marketing since the charter schools began. “Charter schools have made education a more competitive arena.”

2.3 Impact of Charter Schools on Surrounding Communities

Other information related to the impact on the larger community was gathered through interviews with a variety of persons in the neighborhoods of the charter schools in Grand Rapids, Holland, Kalamazoo-Portage, and Muskegon. Among those targeted for interviews were representatives and employees of real estate companies; churches or other religious groups; family, youth, or other family/social service organizations; restaurants and nearby food centers frequented by students; police/firefighters; local businesses; homebuilders or developers; and immediate neighbors to the charter schools.

While one might expect that a charter school would increase the value of homes in a neighborhood, we found no evidence to support this idea. However, this situation may change over the years, as the schools become better known and established. Some charter schools are located in urban, built-up areas, and there is little chance for much change in the housing pattern. However, some charter schools

are located in suburban or undeveloped areas, and the potential for housing development is quite large.

Most businesses located near charter schools report little impact or involvement with the school, employees, or the students. The most prevalent criticism relates to increased traffic—particularly around NHA schools—and unsupervised students off the school grounds. A few convenience stores, dairy bars, or other businesses that sell food report some sales to students.

As is true in most situations, each charter school and its neighborhood must be considered on a case-by-case basis. Some neighbors are critical of the increased activity in their area, while others seem pleased about having a school so close at hand. While there are no general complaints about students, some persons cited instances of unruly or otherwise disruptive students. In regard to some schools, community representatives and neighbors were dissatisfied with unsightly and poorly maintained school facilities and school grounds.

Overall, the impact of the charter schools on the larger community at this time in their evolution is slight. The most prevalent negative impact relates to increased traffic and parking problems, which should be an important consideration when locations for charter schools are being considered.

2.4 Student Mobility To and From Charter Schools

Student mobility has been a significant factor impacting traditional public schools. Overall, mobility in some areas is high and in other areas there is little or no movement of students between schools. Based on our case studies of school districts, we found that there are a few main reasons why students are leaving and returning to the traditional public schools, some of which have been summarized in the previous section. In the paragraphs that follow, we will provide a more specific analysis of the movement of students to and from charter schools. Where data and results are available, we will provide some more detailed explanations for the mobility. While there are many similarities and reasons for mobility across the districts, it is important and necessary to treat each case individually.

Grand Rapids Public Schools

The Grand Rapids Public Schools district (GRPS) loses 1 percent of its students each year to charter schools. In the fall of 1997, 161 students left GRPS to attend charter schools. In the fall of 1998, 141 students left GRPS for the charter schools. More students left during the year as the total numbers in Figure 2:1 indicate.

Table 2:1 Movement of Students (Grades 1-12) To and From Grand Rapids Public Schools

	Number of students
Students leaving GRPS for a charter school 1998/1999	420
Students leaving GRPS for a charter school 1999/2000	282
Students returning/reentering GRPS from charters between 8/24/99 - 10/11/99	94
Students returning/reentering GRPS from charter schools after the count day for 1999/2000	24
Total returning students for 1999/2000	118

Note: The figures do not include kindergarten students whose families are most likely to choose a charter school.

There were four major reasons why families left GRPS for charter schools: the quality of the academic program and curriculum at charter schools is better than at GRPS; safety issues and the desire for a more structured and disciplined environment; smaller schools and smaller class sizes; and staff-related issues influenced their decision to leave.

Other reasons parents give for leaving GRPS for a charter school include the location or neighborhood of the charter school; emphasis on moral focus at charter schools; busing issues; negative feelings toward split classes; and acting on recommendation of parents already at the charter schools. There were four main reasons that parents/students returned to GRPS: charters did not meet parents' expectations; charters did not provide services for students with special needs; charter did not provide transportation; and charter did not offer high school programs (GRPS, 1999).

Holland Public Schools

Holland Public Schools (HPS) conducts interviews with returning parents who have left the charter schools. Reasons parents cite for returning their child(ren) to the public schools include a broader range of programming at the secondary level: more structure, higher expectations, and desire for diversity in teaching techniques. Of the 66 students who returned to HPS from the charter schools this year, 48 percent were minorities and 52 percent were white, 39 percent were males and 61 percent

were females. Initially, charter schools had a negative impact on Holland Public Schools (HPS). Since 1996, HPS has had 476 students transfer to the 3 local charter schools, and 209 students have returned.. The total number of students in these 3 charter schools is around 1,000; so nearly one-third of their students have switched from HPS and not returned. Most of the others entered directly into the charter schools at the kindergarten level. The loss in funds to HPS is reported to be about \$2 million a year. The district has had to make substantial cuts in its programs and staff. Representatives of the district indicated that they think HPS can adjust and maintain a high quality of education despite systemwide budget cuts.

The district superintendent shared her concerns about the negative impact the charter schools were having on her school district in a 1999 letter to the President of Grand Valley State University. This university has authorized most of the charter schools in western Michigan, and 2 of the 3 charter schools in Holland. As a result of this letter, Grand Valley State University decided that it would not charter any more schools in the Holland school district.

According to the district's superintendent, the charter schools recruit assiduously before the fourth Friday count, then begin recommending other options to parents whose children are poor students or special needs students after the count. The superintendent said that charter schools are "side-

Table 2:2 Movement of Students (Grades 1-12) To and From Holland Public Schools

School Year	Number of Students Returned from Charter Schools	Number of Students Transferred to Charter Schools	Net Gain or Loss by Local School District
1996-97	31	229	-198
1997-98	23	69	-46
1998-99	32	58	-26
1999-00 (1st Sem.)	57	61	-4
1999-00 (2nd Sem.)	66	59	+7
Total	209	476	-266

Note: The figures do not include kindergarten students whose families are most likely to choose a charter school.

stepping their responsibilities to special education students” (Letter to Representative Damain, Sept. 1997). District officials are concerned that the local charter schools are being selective in the students they enroll and that misleading information is being circulated about charter schools and the services students will receive.

Kalamazoo Public Schools

According to representatives of the Kalamazoo Public School (KPS) district, charter schools have held students until the official Friday count day and then sent them back to the district without funds. This phenomenon has been particularly evident with special needs students. From October 1999 to February 2000, 48 students with special needs returned to KPS without funding. Since students with learning disabilities and emotional impairments tend to have greater behavior problems, KPS says the charter schools are not knowledgeable enough about the needs of the students with disabilities and are not fulfilling the plans outlined in their individual education plans (IEPs). IEPs are provided to students with special needs by the schools. Each plan is different and can facilitate each student’s learning according to his/her needs. It appears that some of the charter schools do not have adequate staff who can handle these students or the disruptions. Table 2:3 includes figures on student mobility to and from charter

schools during fall semester 1999. The largest student population transferred to Kalamazoo’s Advantage Academy.

Note that most movement occurred to and from the Advantage Academy. This school is run by the for-profit EMO, Advantage Schools Inc., based in Boston. During the autumn more students returned to KPS than left for Advantage, and over the course of the next 6 months, more students returned to KPS.

KPS officials reported that a number of parents choose charter schools because of the discipline problems that may be occurring at their child’s current school. “Frequently, it is the parents of students who are contacted by the school for behavior and/or discipline problems who choose charter schools with the notion that charter schools will take care of the problems the child may be experiencing.”

Although KPS does not currently survey students who leave or come back to the charter schools, the students who do return have done so, according to the district, because of lack of programs (special education, speech pathology) and some behavior/discipline problems. The students may have been “counseled out” because of a lack of special education services.

Table 2:3 Movement of Students To and From Kalamazoo Public Schools (August 1999-January 2000)

Months	Entering KPS			Leaving KPS		
	From Advantage Academy	From Other Charter Schools	Total	To Advantage Academy	To Other Charter Schools	Total
August	73	25	98	96	34	130
September	17	3	20	18	12	30
October	13	5	18	0	4	4
November	11	7	18	8	0	8
December	7	4	11	1	4	5
January	16	5	21	7	3	10
Total	197	49	186	130	57	187

Note: The figures do not include kindergarten students whose families are most likely to choose a charter school.

Lansing School District

Since the advent of charter schools in the last five years, LSD has lost 3,000 students, from 20,337 in 1995 to an estimated 17,288 in 2000/2001. Approximately 1,500-2,000 students have gone to charter schools, while approximately 25 percent moved to suburban areas. A 25 percent decline in birth rate has also impacted LSD.

Behavior and discipline problems are the main reasons that students are leaving LSD for charter schools. Students who have a hard time with discipline are those most often going to charter schools, perhaps as an attempt to not have to deal with these behavior/discipline issues.

There are two main reasons why students return to Lansing Public Schools from charter schools: behavior/discipline problems and lack of special education accommodations. Lansing has begun to survey students returning to the district so as to adjust for and listen to the needs of students and parents. However, it is obvious that some students are in fact “counseled out” by suggesting that the students and the charter schools are not a “good match.” The Lansing School District reported cases of charter schools suspending students so often, they are nearly forced to return to the traditional public school out of frustration. And there are those students who are not getting the extra services that the charter schools said they would provide. Students have also been expelled from the charter schools and told to return to the district, without informing the district that the students had been expelled. Once the Lansing School District learned that this was happening, it stopped accepting the students back into their schools until the charter school held the proper hearing for the students and provided them with alternative schooling during the time they were suspended. Students under 16 are required to go to school, and if expelled, they are to be provided with an alternative form of schooling.

The information in the previous sections traces the movement of students to and from charter schools and sums up and describes some of the impacts that charter schools are having on traditional public

schools as well as private/parochial schools. In a separate report entitled *The Impact of Charter Schools on Public and Parochial Schools: Case Studies of School Districts in Western and Central Michigan* (Evaluation Center, 2000), we included a much richer and more in-depth description of the impact charter schools are having on other schools and their communities.

2.5 Patterns and Impacts of Charter School Revenues & Expenditures

Methodology

We used the data from the *Michigan Department of Education Bulletin 1014* to obtain per pupil costs by expenditure category. The data are compiled by the Department of Education from the B Reports submitted by each local school district, intermediate school district, and charter school. The schools use the year-end financial data to complete these reports. All of the data we used are available from the Department of Education web site.

When comparing the charter schools to the host districts (the district in which the charter school is established), it was deemed appropriate to list each host district only one time. If more than one charter school was located within a school district the host data were listed only once. If a charter school was not yet in operation, no host district data were included. Host data are included only when there is a charter school in operation.

Key Findings

Consistent with the Prince report (1999), there appears to be a significant difference in spending patterns between the charter schools and the local public schools. Local public schools spend 60 to 65 percent of their current operating expenditures (COE) in the instructional category, with charters spending 50 to 55 percent on COE.

Part of this may be due to low teacher wages. Average teacher salaries in charter schools are lower than in the public schools. This may be

because teachers are inexperienced or less qualified or due to a high turnover of staff in the charter schools. In addition to low wages, the charter schools may not be providing benefits at the same level as the public schools, which participate with a statewide mandatory retirement system. This could lead to continued turnover of staff as they search for the best employment package possible. Such turnover could negatively impact the consistency and continuity of education for charter school students.

Charter schools often need to rent facilities (a support cost), while public school facilities are built with bonded debt money. No information regarding the debt millage for the host districts was available in the *Bulletin* information.

A closer study of the fees that charter schools are paying to the chartering agencies, management companies, and for rental of facilities should help us understand the labeling and categorization of costs and expenditures. If these are beyond market costs for facilities and market costs for school administrator salaries, it is possible that funds intended to be used to educate the students of Michigan may be funneled into private businesses instead.

Charter schools continue to show small expenditures for added needs services. If charter schools have a population that is similar to the host district's, it is reasonable to expect charter schools to have a similar population of special education and other high needs students. Charter schools show few special education students and, in some cases, few free or reduced lunch students.

Further study and accounting for differences in the student populations (special education and free/reduced lunch populations) will likely explain a number of questions left unanswered. It is possible that the charter schools are not reporting the populations correctly or that they have a population that is not representative of the general population.

As the data in Chapter 3 highlights, charter schools are catering to a much lower proportion of students

with special educational needs than the traditional public schools. Also the nature of the disabilities of those special education students enrolled in charter schools is more likely to be mild in nature rather than moderate or severe.

If there are special education students in the charter schools who are not receiving special education services from those schools, this is of grave concern. Such services are an obligation of the educating school, and students' legal rights could be violated.

Of even more concern is that special needs students may be in the charter schools for the fourth Friday count, which determines where the state funding is to be sent, but may be encouraged to leave the charter school and return to the public school after that date. The funding would stay in the charter school and the public school would be obligated to provide the special education services without any funding. The special education student count is based upon the portion of time the student is receiving special education services in the fall.

Other aspects of finance that suggest or could explain how these schools can operate with less COE than traditional public schools include the following:

- F** Few charter schools offer transportation services to their students. This would lead one to expect a lower proportion of support services compared with the public schools.
- F** The charter schools primarily cater to lower elementary grades. Cost of instruction at this level is considerably lower than at the secondary level. This is due to a number of factors, most noteworthy of which are the following: (i) high schools are required to have many single subject teachers, while it is possible to have elementary teachers cover several subject areas; (ii) no laboratories or vocational education facilities are required for elementary schools; (iii) elementary schools offer limited extracurricular activities; and (iv) teachers' salaries are typically lower at the elementary level.

Appendix D contains two tables that show financial comparisons. The first table compares the expenditures and revenues of charter schools versus their host districts. Data also examine changes over time. The second table compares the costs and revenues for the state's two largest EMOs: The Leona Group and National Heritage Academies.

2.6 The Presence and Diffusion of Charter School Innovations

Among the foreseen objectives of charter schools was the development of innovations in the charter schools and the diffusion or sharing of new innovations with traditional public schools.⁵ The thinking behind this was that by freeing up charter schools and providing greater autonomy and self-governance, these new schools could develop or test new and potentially more effective curricular models or materials and instructional methods. Likewise, the charter schools could develop new and more efficient models of operation and governance. In our initial evaluation of Michigan charter schools (Horn & Miron, 1999) we visited 51 charter schools and asked them about innovation at their schools. Our assessment of the self-reported innovations found much of what was suggested to be already common in many traditional public schools. Among the most common self-reported innovations were the following:

- " Specific focus/theme
- " Community activity experiences with mentors
- " Dual enrollment at community colleges
- " Multiage grouping
- " Montessori methods
- " Before and after school programs
- " Individual Educational Plans for all students (individualization)
- " Involvement of parents

Other innovations were reported by the schools:

- " Team teaching
- " Direct instruction

- " Cooperative learning
- " Modular/block scheduling
- " Uniforms (also found in some cases in traditional public schools)

We also found that after a year or so many charter schools ended up reverting to "canned" curricular approaches or models that did not even adhere to the school's original mission or vision, even though they had intended to develop new curricular materials or instructional approaches.

Considering the original intent of the charter school legislation, to create greater diversity in public school programs and provide meaningful parental choice, we have broadened our interpretation of innovations to include both new and unique curricular approaches/materials, instructional practices, and operational- or governance-related practices or model. Even though some charter schools may not be innovative in the sense of developing something new, we anticipate that some have at least developed schools that differ from surrounding traditional public schools and offer parents choice in how their children will be educated.

Methodology

Starting in January 2000, we asked all Michigan charter schools to provide copies of existing materials such as annual reports, school improvement reports, parent or student handbooks, etc. In addition, we asked the schools to provide us with information about innovative or unique aspects of their schools not covered in existing documentation. Specifically, we requested information regarding innovative or unique aspects of their schools in terms of curriculum, instruction, and operation/governance. Approximately 75 percent of the charter schools provided some sort of documentation. Research assistants at The Evaluation Center perused the provided documentation and prepared summaries of the schools. An analysis of these summaries was then conducted by Kim Reynolds and an in-depth report

prepared.⁶ This section will summarize the findings in that report.

Three key areas of innovation were examined: curriculum, instructional practices/methods, and organization/governance, as reported by [and identified from information sent by] Michigan charter schools. Below, we include a summary of innovative or unique features reported by the charter schools.

Curricular Innovations

Curricular innovations focused primarily on development of character, citizenship, respect for self, and promotion of a positive school climate. Academic areas primarily focused on a mastery of basics through the use of a core knowledge curriculum where basic factual information is presented before any abstract concepts.

Specialization is also an integral element of the innovations in many of the charter school curricula with focus placed on particular fields including business/vocational, fine arts, computerized technology, and agricultural or environmental areas.

In addition to particular focus areas, programs that are commonly used and considered innovations or unique aspects of schools include reading and math programs, hands-on science courses that incorporate technology, multicultural approach to social studies, foreign language, fine arts integration with academics, and character development programs.

Many charter schools also chose to follow Michigan's recommended framework, incorporating the Michigan Core Curriculum or Michigan Standards and Benchmarks, in addition to specialized curriculum and focus. Educational management organizations (EMOs) tend to adopt one specific focus and duplicate the curriculum for all of their schools.

A large number of charter schools focus on creating a positive child-centered environment by

incorporating the philosophies of outside academic authorities such as Gardner's Multiple Intelligence. Citizenship and moral value teachings, considered distinctive or innovative by charter schools, are more unique than innovative.

Instructional Practices

Charter schools' instructional models primarily fall into two categories: direct instruction practices or teacher-centered approaches, or constructivist or student-centered approaches.

A number of EMOs have chosen direct instruction as their main methodology with other constructivist type approaches supplementing instruction. Direct instruction is considered a more teacher-centered approach with students expected to listen and respond. Advantage Schools Inc. focuses heavily on direct instruction, and has pushed for the development of new curricular materials that support this pedagogical approach. Constructivist models are student-centered with students taking a larger and more active role in their own learning. The roles of students' roles differ in various schools depending on the type of instruction. Finally, it should be pointed out that many of the charter schools have more flexible classrooms and instructional models that include field trips, community experiences, or utilizing the schools' land for environmental studies.

Academic and instructional accommodations made for students with special needs include adapting course material, remedial instruction, special education inclusion model, and tutoring. Special education staff is limited or nonexistent in many charter schools, requiring those services to be obtained from the Intermediate School District or other sources. This outsourcing of special education services may result in poor congruence between the instructional model of the charter school and the instruction used with students with individual education plans (IEPs).

⁶ Reynolds, K. (2000). Innovations in Charter Schools: A Summary of Innovative or Unique Aspects of Michigan Charter Schools. This report can be downloaded from The Evaluation Center's web site: <www.wmich.edu/evalctr/>.

Operation and Governance

Innovations in operating and governing schools are important components of the charter school initiative. Charter schools report that financial and management decisions are made on-site or by a management company. In the larger schools, or in the schools operated by the full-service EMOs, the principals focus on academic issues, and business managers focus on administrative aspects. Parents and teachers have input in all major decisions regarding both the budget and curriculum, and efforts are made to include students in much of the decision making.

Few traditional public schools contract out services beyond food services, cleaning, maintenance, or transportation. Many charter schools, however, are operated by EMOs, which provide oversight in most areas of school operation from facilities to instruction and personnel. Charter schools and EMOs have also provided innovations in the area of marketing techniques. Contracts to operate individual schools between Edison Schools Inc. (an EMO) and local school districts in Mt. Clemens, Battle Creek and, more recently, to operate the whole Inkster Public School District indicate that contracting for school operation and administration is now also occurring within the traditional public school sphere.

An topic related to governance and operation that is deserves attention is parental involvement. Charter schools typically report a higher level of parental involvement than do traditional schools, perhaps a result of parents making that initial decision to send their children to a charter school. Many charter schools allow parents to visit the school at any time during the day and encourage volunteering, often asking parents to sign a contract for involvement. In some cases teachers are not only required to hold parent teacher conferences, but also to make home visits throughout the year. Not only are parents included in these meetings, but students are often included or lead the conference. A parent room is also found in some charter schools, particularly with the National Heritage Academies.

Comments/Discussion

We began our study of charter school initiatives with certain expectations and assumptions that innovations would occur in charter schools, that their sheer development would be cause for innovation. Unfortunately, overall innovations are not occurring in Michigan charter schools. Aside from these few examples of innovation, many charter schools have not taken full advantage of the opportunities that surround them. Innovation is a risk, not only because schools must please their clientele, but also because the success of innovative practices may not be readily seen through accountability measures such as the MEAP. Rather than adopting innovative approaches, many charter schools are using some of the same practices found in traditional public schools, and some are even attempting to reach back to the roots of traditional education.

Charter schools represent a broad range of practice from alternative, progressive educational designs to more traditional structures. Schools focusing on a return to a more traditional approach may be unique, but not innovative. While the charter schools as a whole cannot be perceived as innovative it is important to point out that a number of charter schools have been able to package together a number of important aspects of their school into a model that is clearly unique from surrounding public schools. A number of schools still have an innovative plans and visions, but we will need to wait a few years to see if these plans can be fulfilled or whether they revert to more traditional models.

It can be argued that what has happened with charter schools is exactly what should have happened: the creation of diverse schools providing parents and students with options from which to choose. This allows parents and students to find a learning environment that match their interests, or their values. Regrettably, one consequence of the heavy involvement of EMOs and the selective profiles of some schools which are based upon cultural or ethnic profiles is less diversity within schools but greater diversity between schools.

Chapter Three

Special Education and Michigan's Charter Schools

Special education is one of the most complicated and troublesome areas for charter schools to address. It is also becoming one of the most controversial issues facing charter schools. In our case studies of school districts, we found that one of the main reasons parents withdraw their child(ren) from charter schools is that the special needs of the child are not being addressed. Because of the extra costs related to special education, it appears that this is one area where the charter schools are negatively impacting the traditional public schools in the districts in which they reside. For these reasons, we decided to examine the issue of special education more closely.

The topic of special education was not directly included in the evaluation questions that we were asked to address. After conducting some of the field research, however, we found that special education related to two of our evaluation questions: (i) the extent and reasons for mobility of students to and from charter schools and (ii) the role and impact of educational management companies. In regard to the first question, we were finding that a main reason for students to return to traditional public schools was due to the lack of special educational services at the charter schools. Incidentally, a large group of families choose charter schools because they are not happy with the special educational services in the traditional public school. In regard to the second question, we found that a number of legal suits were being filed by parents of students with special needs and by special education teachers against charter schools operated by management companies. For these reasons, we decided to examine more closely and in greater detail the issue of special education in Michigan charter schools.

In this section, we first provide an overview of relative federal and state laws and regulations regarding the provision of special education in public schools. We also include a section on the organization, funding, and monitoring of special

education in Michigan. In Section 3.3 we provide data on the number and percentage of students with various disabling conditions in Michigan's charter schools in comparison with state and federal means. Attention is also given to the distribution of students with various disabling conditions. Finally, an analysis of the numbers and breakdown of students with various disabilities is provided for those charter schools that are operated by EMOs. Section 3.4 contains a description of special education service delivery in charter schools and a discussion of these services from the vantage point of a number of the stakeholder groups.

3.1 Federal and State Legislative Requirements

Although charter schools have evolved out of legislation passed in individual states, certain federal rules and regulations are inherent in those laws. Primary to these are rules governing civil rights. It is important to remember that the United States Constitution does not guarantee the right to a public education. The decision to provide public education is left to each individual state. What the constitution does guarantee, in the Fourteenth Amendment, is equal protection to all citizens. Therefore, if a state's constitution guarantees the right to a free public education, that guarantee must be extended to all of the children who choose to attend publicly funded schools. If a state allows a publicly funded school to exclude some students, that state is in violation of the federal constitution (Turnbull & Turnbull, 1998).

Specific federal legislation establishing the educational rights of students with disabilities and federal funding for special education programs originated with P.L. 94-142, the Education of All Handicapped Children Act (1975). The 1997 amendments and reauthorization of that act, the Individuals with Disabilities Education Act

Amendments (IDEA, P.L. 105-17), continue to provide states with guidelines and financial motivation for providing appropriate educational services to students in publicly funded schools. Specific provisions included in IDEA require states to assure that charter schools provide the same level of services and education to students with disabilities as those students would receive in any other public school. In addition, civil rights legislation, such as Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990, provides specific penalties for not providing appropriate services for students identified as having a disability. No exemption from either federal special education or civil rights legislation or regulations can be granted (Lange, 1997).

The first charter school legislation was passed in 1991 by the Minnesota legislature. Since then, 36 states and the District of Columbia have enacted legislation providing for the creation and regulation of public charter schools. Charter school legislation varies from state to state; however, four primary components are present in most laws: (1) identification of agencies allowed to grant charters; (2) identification of allowable preexisting status of charter schools; (3) specification of how many charters may be granted, either per year or in total; and (4) duration of charter contracts. In addition, all state charter school legislation stipulates that charter schools must comply with federal and state special education rules and regulations. In most cases, however, state special education regulations have not been amended to include charter schools.

3.2 Michigan Charter School Legislation and Organization

The original Michigan charter school legislation was enacted in 1993. Michigan charter schools are chartered under contracts of up to 10 years by local school boards, intermediate school district boards, community college boards, and state public university boards. Michigan's charter schools are independent school districts and are considered local education agencies (LEAs). Funding for charter schools is capped at the statewide average,

but the state does offer assistance with start-up costs through loans available from the Michigan Municipal Bond Authority at task-exempt rates (<http://www.uscharterschools.org>). Michigan currently has approximately 171 charter schools in operation.

As states across the country have enacted charter school legislation, little has been included in the regulations to provide clear guidelines for charter school compliance with special education and other federal disability rights requirements. "In their rush to increase choice within the public education system and free schools from any outside regulation, state lawmakers appear to have neglected to address the impact of unavoidable limitations to their freedom to grant waivers from federal laws and regulations to charter schools" (Ahearn, 1999, p. 9). Although Michigan charter school law does not exclude the charter schools from responsibility for providing special education services, uncertainty exists in the application of special education funding, admission policies, and compliance monitoring.

Funding. All local education agencies (LEAs) in Michigan receive per pupil funding from the state of Michigan. Per pupil special education funding is determined using a formula that includes the number of hours per day (full-time equivalents - FTEs) that a student receives services and the category of the identified disability and/or the type of program providing services. "The cost of special education varies depending on the amount of time each pupil spends in a special education classroom, if any, and the pupil's need for service" (Michigan Department of Education, 1999). In addition to the per pupil foundation grant, districts complete a final cost report at the end of the school year for payment of unreimbursed costs for special education services provided. Michigan uses a "percentage reimbursement" system that allows for payment of up to 20 percent of allowable expenditures exceeding the original foundation grant. Indirect costs of special education, including operation and maintenance of facilities, are reimbursed at up to 15 percent of direct costs and are included in the percentage reimbursement formula. LEAs also

receive special education assistance from the 57 Michigan ISDs that provide direct instructional and related services support to the LEAs and program money from special education millages that average 2.4 mills per ISD.

Admission policies. State regulations regarding admission and inclusion of students with disabilities are based on federal regulations outlined in IDEA. Since charter schools are considered LEAs, they must provide the same safeguards to assure that students are not discriminated against or denied admission based on disability as any other public school. Even though charter schools are often established to provide specific types of curricula and/or instructional pedagogy, students with disabilities must be provided with the same access to the charter schools as students without disabilities, and necessary accommodations must be provided as specified in state and federal disability rules.

Compliance monitoring. IDEA requires that states provide specific plans for monitoring the compliance with rules and regulations pertaining to programs for students with disabilities. The Michigan Department of Education Office of Special Education has been working on revisions to the state monitoring procedures and schedules. These revisions are being developed to comply with the requirements included in the reauthorization of IDEA and include charter schools in all aspects of compliance monitoring. However, it is not known to what extent monitoring has been carried out in charter schools and what findings have resulted.

3.3 Numbers of Students Receiving Special Educational Services and the Nature of Their Disabilities

Michigan provides special education services to any child with a qualifying disability from birth to age 26. Children with disabilities qualify for services based on a primary impairment (although secondary impairments may also be identified). Children who are identified as having significant developmental delays between birth and age 5 are classified as preprimary impaired. Although all districts are

responsible for assuring that these children be identified and receive services, the intermediate districts usually take on primary responsibility in this area. For this reason, when we make comparisons between the traditional public schools and the charter schools we will not include the figures for preprimary services.

When children enter the K-12 school system, various intellectual and sensory/motor assessments are usually completed in order to screen for possible disabilities that could effect educational outcomes. Children with mental impairments, particularly in the trainable (TMI) and severely (SMI) mentally impaired and autistic impairments (AI) categories are normally identified by the time they enter kindergarten. Likewise, students with sensory disabilities such as hearing (HI) and visual (VI) impairments and those with chronic health or orthopedic disabilities (POHI) usually enter the K-12 system with a specific special education identification and program. However, these disabilities can occur at later ages as well. Initial kindergarten screening is most likely to identify those students who qualify for speech and language impairments (SLI) due to delays in aural/oral communication, which may affect ability to develop the necessary listening and reading skills. Due to the criteria necessary to determine eligibility for learning disabilities (LD), students are usually not identified in this area until 2 or 3 years after entering the K-12 system. Manifestation of characteristics associated with emotional impairments (EI) necessary for determining eligibility for services are also often difficult to identify until the student has been in the K-12 system for several years. The Individuals with Disabilities Education Act (IDEA) designates specific disabilities that are eligible for special education services. The categorical names of these disabilities vary somewhat from state to state. A brief description of the disabilities categories and the identifying labels used in Michigan are provided in Table 3:1. Also provided are actual numbers of students served under each category and the percentage of the total special education population those numbers represented for the 1998-99 school year.

Table 3:1 Disability Category Definitions and Michigan 1998 Enrollment

Category		Michigan 1998 Unduplicated Child Count	Michigan 1998 % of Total Spec. Ed. Enrollment
Learning Disabled (LD)	Refers to a disorder in 1 or more of the basic psychological processes involved in understanding or in using language, spoken or written, which may manifest itself in an imperfect ability to listen, think, speak, read, write, spell, or to do mathematical calculations.	90,024	42.0%
Speech & Language Impaired (SLI)	Based on the manifestation of 1 or more communication impairments that adversely affect educational performance	51,264	23.9%
Educable Mentally Impaired (EMI)	Development at a rate approximately 2 to 3 STD below the mean. Scores approximately within the lowest 6 percentiles on a standardized test in reading and arithmetic. Impairment of adaptive behavior.	18,172	8.5%
Trainable Mentally Impaired (TMI)	Development at a rate approximately 3.5 to 4 STD below the mean. Impairment of adaptive behavior.	5,669	2.6%
Severely Mentally Impaired (SMI)	Development at 4.5 or more STD below the mean determined through intellectual assessment. Impairment of adaptive behavior.	1,612	0.8%
Emotionally Impaired (EI)	Determined based on behavior problems primarily in the affective domain. Behavior must manifest over an extended period of time and must adversely affect the students' education to the extent that they will not benefit from regular education programs without special education support.	18,464	8.6%
Physically or Otherwise Health Impaired (POHI)	Physical or other health impairments that adversely affect educational outcomes and may require physical adaptations within the school environment	13,656	6.3%
Severely Multiply Impaired (SXI)	Refers to a development rate of a minimum of 2 STDs below the mean in addition to 1 or more sensory or health impairments	3,827	1.8%
Autistic Impaired (AI)	Considered a lifelong developmental disability typically manifesting before 30 months of age. Autism includes disturbances in the rates and sequences of cognitive, affective, psychomotor, and speech development.	3,740	1.7%
Hearing Impaired (HI)	Includes both deaf and hard of hearing. It refers to students with any level of hearing loss that interferes with development or adversely affects educational performance in a regular classroom setting.	3,427	1.6%
Preprimary Impaired (PPI)	Refers to children 0-5 years of age whose primary impairment cannot be differentiated through the criteria set forth in the categorical definitions. The child must manifest an impairment in 1 or more areas of development which is at least ½ of the expected development for chronological age.	3,394	1.6%
Visually Impaired (VI)	Includes vision that impairs development or adversely affects educational performance	1,018	0.5%
Total		214,176	100%

The total number of students enrolled in the Michigan K-12 public school system was 1,709,132 at the time of the “Fourth Friday” count in 1998. Students receiving special education services accounted for 214,176, or 12.53 percent, of that total enrollment (Nuttall, 1999). Michigan charter schools, as local school agencies (LEAs), are included as part of the public school system and students enrolled in charter schools are included in the “Fourth Friday” count. The total enrollment for the 131 charter schools reporting in 1998 included 1,227 students receiving special education services. These students represent 3.74 percent of the total charter school enrollment.

Percentage of Enrolled Students with Disabilities

The percentage of enrolled students receiving special education services in charter schools is considerably lower than that reported by traditional public schools. Table 3:2 provides a comparison between average national enrollment, average state of Michigan enrollments, and Michigan charter school enrollments by disability group. As one can

see in Table 3:2, total percent of students with disabilities in public schools across the nation was 10.9 percent in 1997-98; and in 1998-99, 12.3 percent of Michigan public schools had students with disabilities enrolled. Charter schools in Michigan, however, enroll only a small proportion of students with disabilities (3.74%). These figures do not include children with preprimary impairments. Intermediate school districts often take primary responsibility for providing services for children under the age of 5 with disabilities.

According to the 21st Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act, the total percentage of school-age students with disabilities for the 1997-98 school year was 10.9 percent. Michigan reported a total of 9.9 percent of school-age students identified for special education services for that same year. The 21st Annual Report also indicates that there has been a steady increase in both total numbers of students qualifying for special education services and the percentage of students identified in specific categories. This is reflected by the slight increases from 9.9 percent in 1997/98 to 12.3 percent in 1998-

Table 3:2 Percentage of Enrolled Students with Disabilities by Category

	Learning Disabilities (LD)	Speech & Language Impaired (SLI)	Mentally Impaired (MI) ^a	Emotionally Impaired (EI)	Physically and Other-wise Health Impaired (POHI)	Autistic Impaired (AI)	Severely Multiply Impaired (SXI)	Hearing Impaired (HI)	Visually Impaired (VI)	Total ^b
USA 1997/98	5.6%	2.28%	1.15%	0.92%	0.54%	0.08%	0.20%	0.14%	0.05%	10.9%
State of Michigan 1998/99	5.27%	3.00%	1.49%	1.08%	0.79%	0.22%	0.22%	0.20%	0.06%	12.33%
Michigan Charters 1998/99	1.52%	1.37%	0.24%	0.32%	0.20%	0.02%	0.0%	0.05%	0.02%	3.74%

Notes: ^a Mental Impairments (MI) includes Educable (EMI), Trainable (TMI), and Severely (SMI)

^b Totals do not include children ages 0-5 who qualify for preprimary special education services. This accounts for 0.02 percent in the traditional public schools and 0 percent for the charter schools. Also we have not include Macomb Academy in our figures since this charter schools serves only special education students. Had we included the students from this school in our figures, the charter school total would have increased to 3.9 percent.

99. Table 3:2 provides a comparison between enrollment of students with specific disabilities in the State of Michigan and Michigan charter schools for 1998 with the total proportions recorded for the United States.

Not only are there large differences between traditional public schools and charter schools in the overall number of students enrolled with special educational needs, there are also interesting differences in the nature of the disabling conditions of the students receiving special educational services between the two school types. Figure 3:1 illustrates the percentage of students with disabilities enrolled by the type of disabling condition. Students with disabilities in charter schools tend to be experiencing mild disabilities, and very few have moderate or severe disabilities.

Most of the students with disabilities in the charter schools have speech and language impairments (SLI) and learning disabilities (LD). Nevertheless, the proportion of students in these categories, which are typically high incidence categories, is surprisingly low when compared with the traditional public schools. Identification of SLI and LD at these percentages might be indicative of inadequate screening in the early grades and lack of teacher knowledge of disability characteristics for making referrals for special education evaluations. In addition, percentages of students identified for services in categorical areas that often require instructional programs outside of the regular education classroom and/or costly related services and equipment (mental, sensory, and physical/health impairment) are very low or totally unrepresented in charter schools. This trend raises questions as to enrollment policies for students with these types of disabilities.

There are a number of possible explanations/factors for the lower proportion of students with disabilities in the charter schools. One such reason is that because of the higher costs for special education, and because of the requirement for specialized and certified staff, which are already in short supply, and because of the complex nature of these services, charter schools avoid enrolling students with special needs. Another possible reason is that many

parents choose a charter school for their child with special needs because they are dissatisfied with the services in the traditional public schools and because they want their child mainstreamed. Therefore, when they enroll their child in the charter school, they do not inform the school officials that their child has/had an IEP. Many charter schools have insisted that this is a common occurrence, both for children with special educational needs, as well as for children with behavioral or disciplinary problems.

One final reason we should consider is that the charter schools are so successful that they help these children reach their goals so they can learn without support or remedial assistance and therefore no longer need Individual Education Plans (IEPs) and can be exited from special education. The Michigan Association of Public School Academies (MAPSA) reports that the results of a survey of charter schools found that those charter schools responding reported a total of 162 students with IEPs had achieved their goals and no longer needed the IEP or special educational services. This accounts for about 10 percent of all the students with IEPs in the schools that reported data (MAPSA, 2000).

MAPSA contends that this finding provides evidence that charter schools are doing a better job of moving students out of special education and back into full-time regular education. Considering that most charter schools serve elementary age students and that they report the distribution of students with disabilities to be proportionally higher for students with SLI and LD, it would be expected that the number of students who would be exited from special education to regular education services during the elementary grades should be comparable to the national averages. For example, the average age of students with SLI is approximately 8.5 years. National statistics indicate that the number of students served under SLI peaks at age 7 and is reduced by more than half by the age of 10, going from 54 percent of the all disabilities at age 7 to 20 percent of all disabilities at age 10 and dropping to 9 percent by age 12.

The average age of students with LD is approximately 12.5 years. Statistics indicate that numbers of students served under LD are considerably lower than those receiving services under SLI until age 8, but continue to rise until they reach their highest numbers at age 12. From age 12 to 17, the students served under LD slowly decline, going from 24 percent of all students with disabilities at age 8 to 54 percent at age 10 and reaching 61 percent of all students with disabilities by age 12. The percentage of students receiving services under LD remains at approximately 61 percent until age 18 (U.S. Department of Education, 1999). During the 1997-98 school year in Michigan, 37 percent of the students with disabilities were served under LD and 36 percent under SLI in the 6 to 11 age group. In the 12 to 17 age group during that same year, 60 percent of students with disabilities were served under LD and 5 percent were served under SLI (U.S. Department of Education, 1999).

Distribution of Students with Disabilities

Michigan is fairly typical in the distribution of students with disabilities by categories when compared to national averages. Figure 3:2 examines the distribution of all students with disabilities across the various categories. It is important to remember that Figure 3:2 portrays the distribution of all special education student distributed across the various disabling categories and not the percentage of all students. For example, even though the proportion of all special education students identified as having learning disabilities (LD) and emotional impairments (EI) are similar in Michigan traditional public schools and charter schools, the percentage of the total school enrollment identified for LD and EI are noticeably different (see Figure 3:1).

When comparing the four highest incident disability categories identified in school-age children—LD, SLI, MI, and EI—it would be expected that state averages would be fairly similar to national averages. This expectation holds true for both Michigan Public Schools and charter schools when comparing student percentages for LD and EI.

However, there are obvious differences when comparing distributions of students with SLI and MI.

Michigan charter schools, which predominately serve students in grades K-6, report special education services to students in two categories at much higher levels than others: speech and language impaired (SLI) and learning disabilities (LD). Nationally, students identified with speech and language impairments (SLI) account for approximately 18 percent of all students with disabilities. Michigan public schools reported SLI at 23.9 percent of students with disabilities, while Michigan charter schools reported SLI at 36.8 percent of student with disabilities; a significantly higher proportion than the national average. There would seem to be two logical reasons for charter schools to report these high proportions of students with SLI and LD. First, both disabilities are usually identified during elementary grades, with SLI reaching peak identification by 2nd grade. Second, programming for both disabilities can be accomplished in fairly cost effective manners within the regular education classrooms with the support of speech and language teachers and special education teacher consultants. Speech and language teachers can legally be responsible for caseloads of up to 60 students, while teacher consultants can be responsible for up to 25 students. These caseload numbers are considerably larger than the 15 students legally allowable for most other disabilities categories. In addition, students with SLI or LD rarely require costly related services that school districts may have to provide students with other types of disabilities.

Another disability with noticeable differences between traditional public and charter schools, compared with national proportions, is mental impairments (MI). Nationally, students identified with MI (which includes SMI, TMI, and EMI) account for approximately 10 percent of all students with disabilities. Michigan public schools reported MI at 11.9 percent of students with disabilities, a somewhat higher proportion than the national average while, Michigan charter schools reported MI at 6.6 percent of students with disabilities, a significantly lower proportion than the national average.

Figure 3:1 Percent of Students with Disabilities in Charter Schools Compared with the State of Michigan (December 1998)

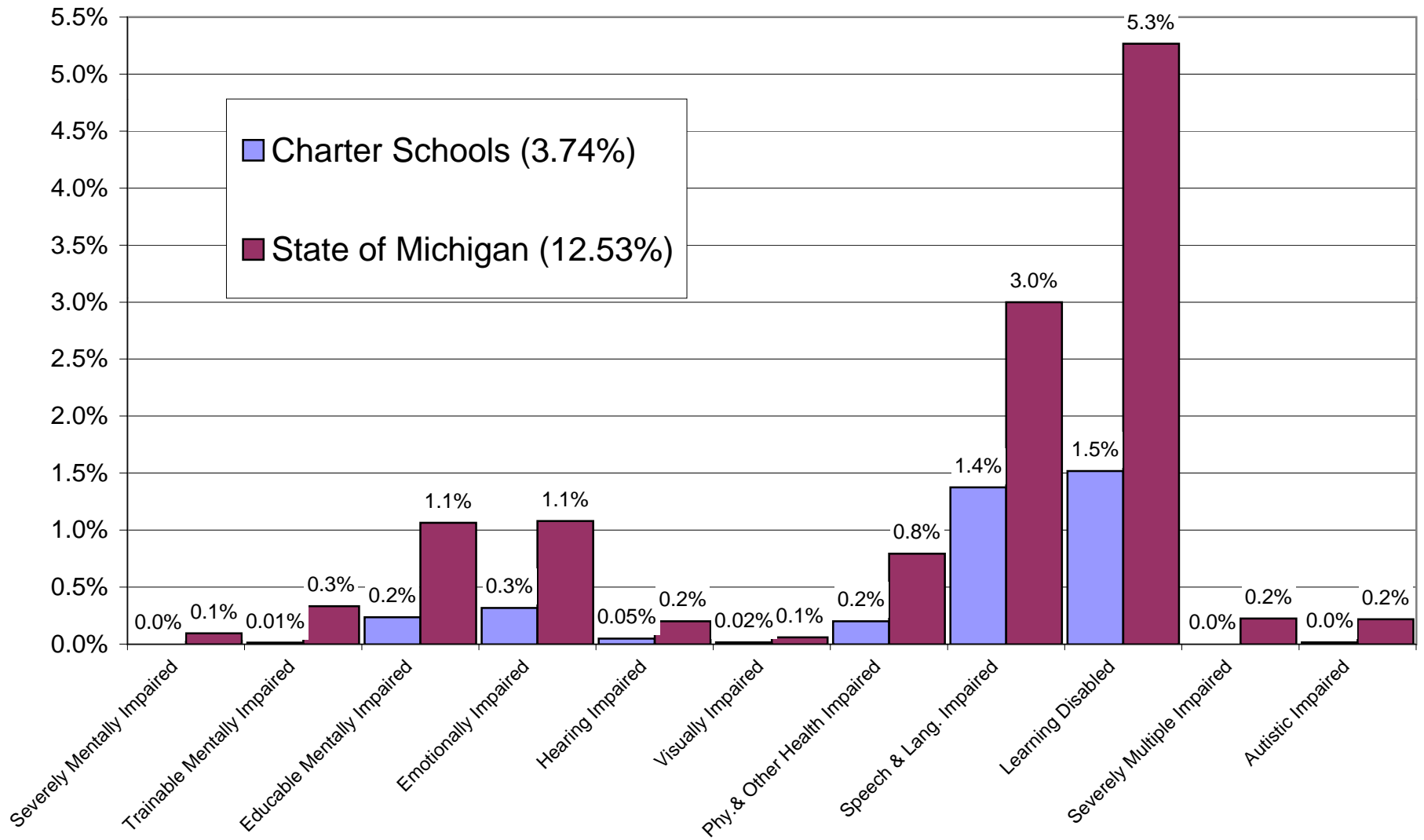
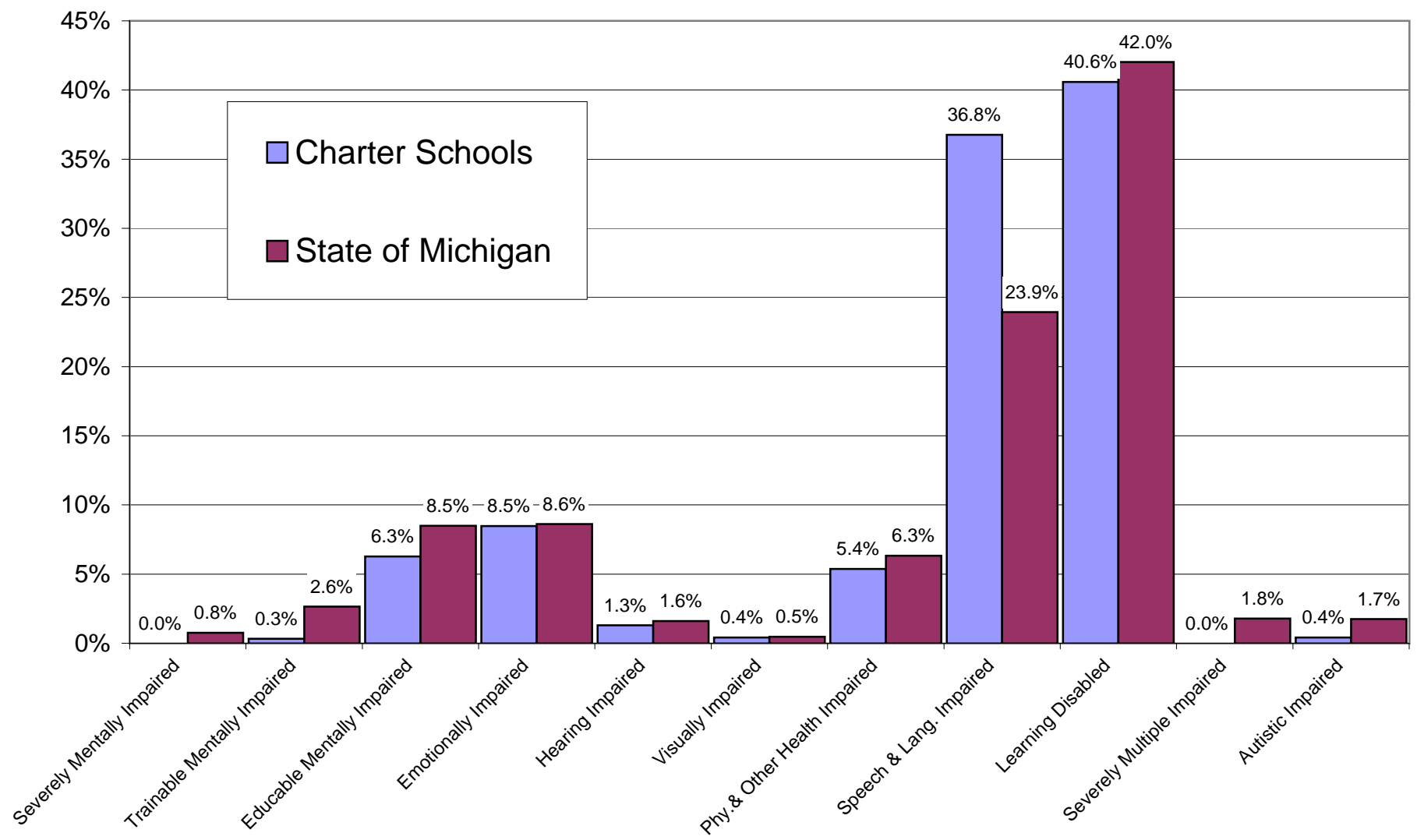


Figure 3:2 Distribution of All Students with Disabilities Across Diagnostic Categories: Charter Schools Compared with the State of Michigan (December 1998)



In addition, the students with MI served by the charter schools were almost exclusively identified under the EMI category. Students identified as EMI tend to need more costly related services than students in the TMI or SMI category and have traditionally been able to have acceptable levels of success in inclusion settings.

The distribution of school-age students with low incidence disabilities (POHI, AI, HI, VI, SXI) indicated that Michigan public schools and charter schools had similar percentages of students with HI and VI, but notable differences in proportion of students with POHI, AI, and SXI. Public schools indicated POHI at 6.3 percent of all students with disabilities compared with 5.4 percent reported by charter schools. Students with AI were reported as 1.7 percent of all students with disabilities in public schools compared with .4 percent for charter schools. Charter schools reported no students attending who had been identified as SXI compared with 1.8 percent of students with disabilities in public schools.

Educational Management Organizations and Special Education

Special education teachers and some parents of students with disabilities have “loudly” left charter schools operated by educational management companies (EMOs). One teacher has filed suit against National Heritage Academies, claiming that she was fired because she was not following the company’s instructions to counsel away students with disabilities and for not working with parents to end the IEPs, which dictate rights to specific support services or remedial instruction. The services these children were receiving were not what was expected by the special educators and were not what was called for in the IEPs. This particular suit was settled out of court and the teacher received an undisclosed amount of money from NHA but on the condition that she not discuss this case. Other parents and staff have left with similar stories, some of which are covered in our report of the school district case studies (The Evaluation Center, 2000).

Because of the cases/events noted in the preceding paragraph, we expected to find that the schools operated by EMOs would have far fewer students with disabilities than the charter schools that do not have a EMO. What we found was that the EMO-operated charters schools actually had a slightly higher proportion of students with disabilities (3.87 percent as compared with 3.33 percent for schools with no EMO). Nevertheless, the nature of the disabling conditions for these students varies considerably, with over 40 percent of the special education students in the EMO-run charters having speech and language impairments, which is the easiest and least costly group of students with disabilities. Only 21 percent of the students with disabilities in the schools without EMOs had speech and language impairments. The reverse is true for students receiving learning disability (LD) and emotional impairment (EI) services. Charter schools with EMOs have lower proportions of students with LD or EI than do charter school without EMOs and have lower proportions of students with EMI. Students with low incident categories (POHI, AI, HI, VI, SXI), if enrolled at all, are proportionally more prevalent in charters with EMOs. In summary, the schools without EMOs were more likely to have students whose disabling condition were less mild and required more years of service to address.

The percentage of enrolled students receiving special education in charter schools with educational management organizations (EMOs) compared with charter schools without EMOs is proportionally similar to comparisons found for distribution of students with disabilities. Charter schools with EMOs enrolled a higher percentage of students with SLI than did charter schools without EMOs. All other disability categories enrolled in charter schools, except for HI, recorded higher enrollment percentages for charter schools without EMOs (See Figure 3:3)

Table 3:3 includes a detailed listing of the EMOs and detailed information about the students with disabilities they enroll. About half of the charter schools in the state of Michigan have no students with disabilities. Likewise, about half of the EMOs report that their school(s) have no students receiving special educational services.

Figure 3:3 Percent of Students with Disabilities in Charter Schools
 Comparison Between Schools With and Without EMOs (Dec.1998)

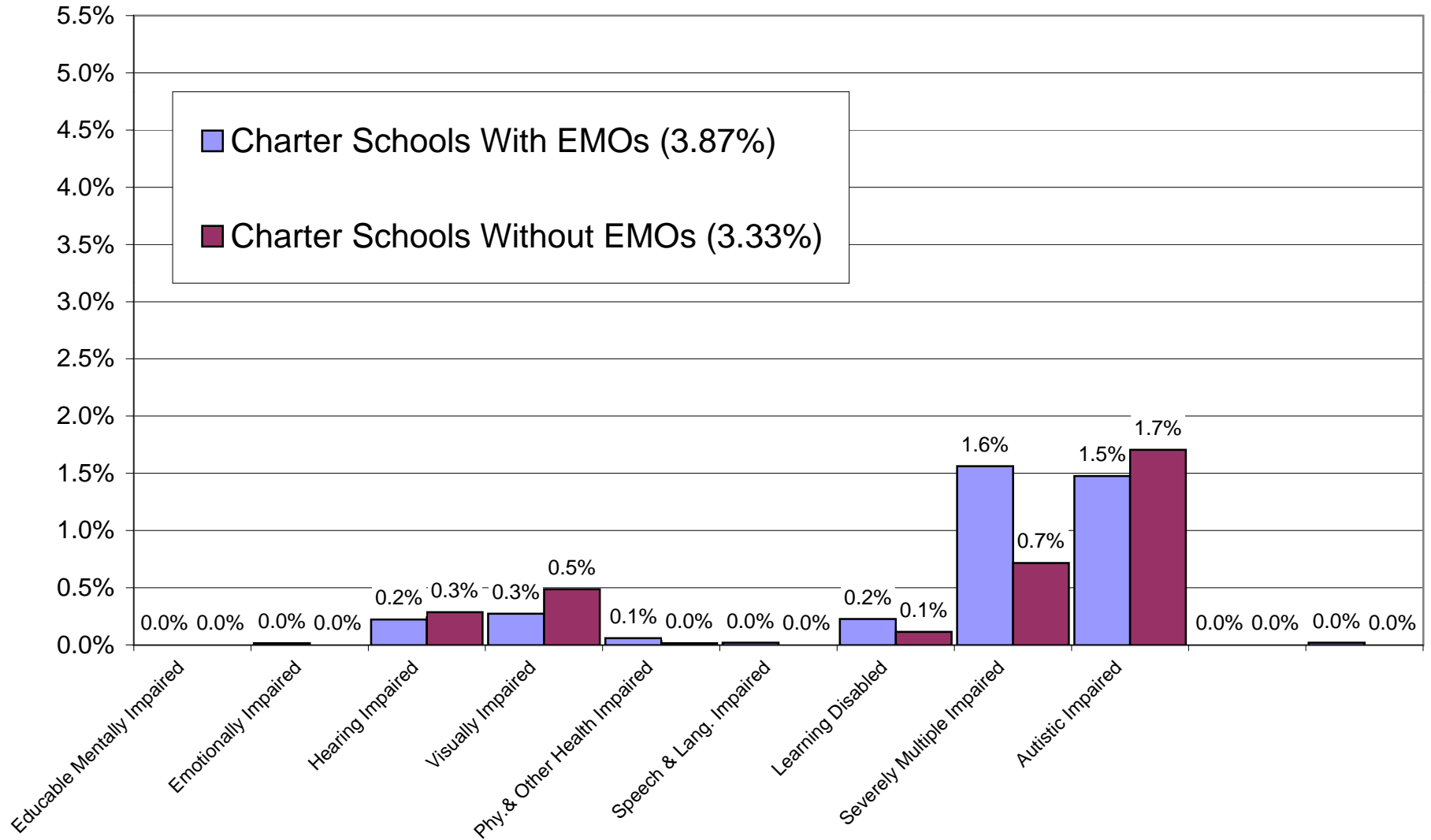


Table 3:3 Percent of Students Enrolled in Charter Schools, Sorted by Educational Management Orgar

EMO or School Group	Number of	Number of Special	Total FTE (12/09)	Percent Special Education	Severely Mentally Impaired	Trainable Mentally Impaired	Educable Mentally Impaired	Emotionally Impaired	Hearing Impaired	Visually Impaired	Phy. & Other Health	Speech & Language Impaired	Primary Disabled	Learning Disabled	Severely Multi-impair	Autistic
Advanced Employment	1	1	193	0.52%	--	--	--	--	--	--	--	0.52%	--	--	--	--
Advantage Schools	1	29	386	7.51%	--	0.26%	0.52%	0.52%	--	0.26%	--	3.89%	--	2.07%	--	--
Alpha-Omega Educational Manager	1	0	221	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
American Institutional Management	1	0	375	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Beacon Education Management Inc.	10	91	2174	4.19%	--	--	0.14%	0.28%	0.05%	--	0.37%	1.66%	--	1.70%	--	--
Black Starr Education Management	1	0	139	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Charter School Administrative Serv	6	0	3661	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Chatfield Management Foundation	1	0	258	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Childcare Connections	1	14	89	15.73%	--	--	--	1.12%	--	2.25%	--	8.99%	--	2.25%	--	1.12%
Choice Schools	1	0	61	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Design Administrative Resources	1	0	34	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Edison Schools Inc.	3	110	3021	3.64%	--	0.03%	0.40%	0.30%	0.03%	--	0.13%	1.36%	--	1.39%	--	--
Educare	7	27	984	2.74%	--	--	0.10%	0.30%	--	--	0.30%	1.02%	0.10%	0.91%	--	--
Educational Resources of Michigan	1	8	129	6.19%	--	0.77%	0.77%	--	0.77%	--	0.77%	1.55%	--	1.55%	--	--
EightCap Inc.	1	24	143	16.78%	--	--	3.50%	0.70%	--	--	1.40%	9.79%	--	1.40%	--	--
Foundation for Behavioral Resource	2	0	52	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Global Educational Enterprises, L.L.	1	0	184	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Global Learning Associates	1	0	159	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Hamadeh Educational Services Inc.	1	0	67	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Helicon Associates Inc.	6	131	1546	8.47%	--	0.06%	0.45%	0.39%	0.32%	--	0.45%	2.52%	--	4.27%	--	--
HSEMCO	1	0	351	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Leona Group	12	167	4140	4.03%	--	--	0.39%	0.48%	0.05%	--	0.22%	1.06%	--	1.84%	--	--
Malone Management	1	5	64	7.81%	--	--	--	1.56%	--	--	3.13%	--	--	3.13%	--	--
Matrix Human Services	1	0	84	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Midland Charter Initiative	1	13	176	7.39%	--	--	--	--	0.57%	--	--	6.82%	--	--	--	--
Mosaica	1	30	396	7.58%	--	--	0.25%	0.51%	--	--	0.76%	2.78%	--	2.78%	--	0.51%
National Heritage Academies	13	280	4262	6.57%	--	--	0.16%	0.38%	0.07%	0.05%	0.40%	3.10%	--	2.37%	--	0.05%
Northern Educational & Computer S	1	7	85	8.24%	--	--	1.18%	1.18%	1.18%	--	1.18%	--	--	3.53%	--	--
PEAK Performance Educat. Manage	1	0	139	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Petra Learning Systems	1	0	321	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Schoolhouse Services and Services	4	36	886	4.06%	--	--	0.11%	0.23%	--	--	--	1.81%	--	1.92%	--	--
Smart Schools	1	22	409	5.38%	--	--	--	--	--	--	0.24%	4.89%	--	0.24%	--	--
Solid Rock	1	0	336	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Synergy Training Solutions	2	0	152	0.00%	--	--	--	--	--	--	--	--	--	--	--	--
Charter Schools With EMOs	89	995	25678	3.87%	--	0.02%	0.22%	0.27%	0.06%	0.02%	0.23%	1.56%	0.004%	1.48%	--	0.02%
Charter Schools Without EMOs	42	232	6973	3.33%	--	--	0.29%	0.49%	0.01%	--	0.11%	0.72%	--	1.71%	--	--
Totals for All Charter Schools	131	1227	32782	3.74%	--	0.01%	0.23%	0.32%	0.05%	0.02%	0.20%	1.38%	0.003%	1.52%	--	0.02%
State of Michigan Totals	98	214176	#####	12.53%	0.09%	0.33%	1.06%	1.08%	0.20%	0.06%	0.79%	3.00%	0.20%	5.27%	0.22%	0.22%

Most of Michigan's charter schools are either totally or partially run by educational management organizations. One way that EMOs are able to assure cost-effective operation of charter schools is by consolidating resources to keep per pupil costs down. Special education has higher per pupil costs than regular education and requires additional administrative support to maintain records and oversee programs. Because EMOs often operate more than one charter school, they may be able to realize some cost savings by hiring clerical, administrative, and instructional support personnel to provide services to more than one charter school. This may be one explanation why charter schools with EMOs have significantly higher proportions of students identified for speech and language impairments (SLI) than charter schools without EMOs. Since EMOs can assign up to 60 students with SLI to a single speech and language teacher, they would be able to use one teacher at several schools under their management. They would also be able to hire teacher consultants to serve students identified as learning disabled, which is the second largest identified group in charters with EMOs. Teacher consultants can legally have caseloads of up to 25 students and can provide both direct and indirect services to students of any disability category.

3.4 Special Education Service Delivery in Charter Schools

Views vary regarding the extent to which charter schools are providing equal access and quality programs for students with disabilities. In order to fairly examine special education service availability and delivery in Michigan charter schools, the issues need to be examined from the perspectives of the charter schools, the public school districts, and the parents. In this section, we discuss issues related to the interests and particular perspectives of the charter schools, traditional public schools, and parents.

In many respects, the special education services provided by Michigan's charter schools do not differ greatly from charter schools in other states.

The "State of Charter Schools: Fourth-Year Report" (U.S. Department of Education, 2000) found that the proportion of students with disabilities served in charter schools has been consistently lower than those served in all public schools. Variations from this trend were noted primarily in states where charter schools have been established specifically for the purpose of providing an educational alternative to children with disabilities (Michigan has only one such school, Macomb Academy, where 100 percent of the students qualify for special educational services). The difference in the number of students with disabilities enrolled in charter schools was within 5 percent of students with disabilities enrolled in all public schools in most states. However, six states reported charter school enrollment of students with disabilities to be more than 5 percent different than all public schools, with two of those states reporting charter school enrollment of students with disabilities that was less than half of enrollment percentages for all other public schools. Only one state, Ohio, reported charter school enrollment of students with disabilities that was higher (by more than 5 percent) than the enrollment for all other public schools in the state.

Michigan charter school view of special education. The Michigan Association of Public School Academies (MAPSA) released an article on May 2, 2000, describing characteristics of special education in charter schools compared with traditional public schools. The following was highlighted:

- F** Half of the state's charter public schools are serving children with designated special education needs.
- F** Charter schools approach the statewide average in enrolling special needs children.
- F** More than 10 percent of students who have entered charter schools with special education needs have achieved their goals and are receiving regular educational services.
- F** In contrast, the number of students designated as special education in traditional public schools has risen 17 percent statewide. (MAPSA, 2000).

Additional funds are available for special education students, but some charter school leaders have informed us that they have not received a single cent beyond the basic per pupil foundation grant from the state for the special education students.

Because special education is so often embroiled in legal suits when parents fight to secure the appropriate services for their children, charter schools are at a great disadvantage because they are small in size and do not have their own lawyers as do many traditional school districts. One charter school was reportedly nearly pushed into bankruptcy when a family sued it because they thought the school was not providing the appropriate services for their child who had a severe disability that resulted in a disruptive behavior and which required close adult supervision and restraining throughout the day.

In Michigan all teachers must be certified, and since there is already a shortage of special education personnel in the state, many charter schools cannot identify and employ certified special educators. Many schools have solved this problem by hiring consultants or contracting out the special education services. In many cases, personnel from the ISDs have catered to these children. Finally, larger EMOs have been able to share special education personnel across their schools.

While questions can be raised regarding the absence of students with special educational needs in many schools, it is important to remember that the schools differ greatly and that there are a few schools which cater to a very high proportion of students with disabilities. Some of the charter schools have also proven to be quite successful in serving these students. Livingston Developmental Academy and Macomb Academy are two such charter schools. Livingston Developmental Academy, although not established primarily to serve students with special needs, provides specialized instructional techniques that have proven successful with certain types of learning problems. Macomb Academy, on the other hand, was established specifically to work with students with mental impairments.

Livingston Developmental Academy, which is organized around the interpersonal philosophies of Dr. William Glasser (i.e., Choice Therapy and Reality Therapy) and the instructional techniques known as Integrated Visual Learning developed by Dr. Steven Ingersoll, reports that they have been very successful working with students with attention deficits. They report that in 1996, during their first year of operation, 50 out of 54 students taking Ritalin were able to discontinue the medication. Relatedly, in 1999 Livingston reported that 25 out of 30 students with IEPs reached their goals and no longer needed IEPs (MAPSA, 2000).

Macomb Academy was established to serve special needs students in their late teens and early 20s. All of the students enrolled at Macomb Academy have IEPs that specify specific goals and objects. The focus of the curriculum is development of skills necessary for successful transition from school to adult life. Students are taught life skills that will allow them to live as independently as possible. Students also receive job training, with most students participating in supported employment during the school year.

One other example is Nah Tah Wahsh PSA, which at the time of our first evaluation, enrolled students with disabilities from the local districts. This school, with annual revenues more than twice that of local schools because of additional resources generated from the nearby casino and other sources, was more than willing to receive students with IEPs referred by local school districts.

Traditional public schools' view of charter schools and special education. Public school administrators and board members were interviewed in several districts in western and mid-Michigan to determine how they viewed the impact of charter schools on their districts and the overall state educational system. One area that was discussed by nearly all of the interviewees was the education of students with disabilities. Some common strands of concerns were voiced consistently across the districts:

- F Charter schools are only retaining students with mild disabilities such as mild learning disabilities (LD) and/or speech and language impairments (SLI).
- F Students with more severe learning or behavior problems are being sent back to the public schools.
- F Charter schools offering special education services predominately do so in the form of speech therapists, psychologists, social workers, and full- or part-time aides with few, if any, full-time special education teachers.
- F Students with disabilities are being “counseled out” of charter schools due to lack of special education services available.
- F Charter schools are keeping students, including those with disabilities, enrolled until after Fourth Friday counts and then sending them back to public schools without funding.

Holland Public Schools’ staff report that when charter schools first began they would aggressively recruit students and hold them until the Fourth Friday counts, after which they would begin recommending other options to parents whose children are slow learners or special needs students and return them to the traditional public school, keeping the state foundation grant money. Kalamazoo and Grand Rapids area public school administrators report similar tactics by charter schools affecting their enrollment numbers and funding. Kalamazoo can document that from October 1999 to February 2000, 48 students with disabilities came back to the district from charter schools.

Although MAPSA has made an attempt to indicate that they are doing as well, or better, in serving students with disabilities (MAPSA, 2000), the comments provided by public school staff raises some concerns. For example, all (not half) of the charter schools should be serving students with disabilities, as required by state and federal rules. Given the prevalence across the population of such high and moderate incidence disabilities as learning disabilities (LD), emotional impairments (EI), and mental impairments (MI), it seems unlikely that half of the charter schools would have student

populations that didn’t include some of these disabilities.

Other areas of concern include the charter schools’ staff levels of expertise in educational assessment and prescription for students with disabilities, as well as understanding of IDEA requirements, in making decisions regarding special education service needs. Interviews conducted with special education teaching staff and a former special education supervisor for a charter school that operates eight schools in Kent County indicated problems in the following areas:

- F students were incorrectly identified (EMI student labeled LD)
- F a continuum of services were not offered (inclusion only with no resource or self-contained program options)
- F IEPs were not enforced properly (student not receiving number of hours of services specified)
- F special education teachers’ caseloads were greater than state and federal rules allow (one teacher reported 26 students as opposed to the normal caseload of 18)
- F there were forced resignations or terminations of special education staff who expressed concern regarding special education procedures

Parents’ views of charter schools and special education. Many of the administrators interviewed also shared information they had collected related to why parents have moved their students to charter schools.

- F Parents think that charter schools will be able to deal better with behavior problems.
- F Parents of students without disabilities think there are too many students with disabilities in the regular education classrooms in the public schools and that these students take up too much of the teacher’s time.
- F Parents said the public school had too many segregated special education classrooms.
- F Parents did not want their child “mainstreamed.”

The administrators also were able to report some reasons parents have decided to move back to the public schools.

- F Children were “counseled out” by the charter school because of special learning needs that the charter couldn’t provide.
- F Special education services and programs were lacking.
- F Charter school teachers were teaching to the whole class rather than providing the individualized instruction that had been “advertised.”
- F Charter school could not provide the expertise in special education offered at the public school.
- F Charter school offered minimal special education services.
- F Charter school didn’t address needs of students with ADHD (not a special education category, but covered under section 504).

In the Grand Rapids School District, 30 percent of the parents cited their reason for leaving the charter school as no provision of special education services.

While a lot of this information is anecdotal in nature and should preclude any sweeping statements about how the charter schools deal with students with disabilities, the statewide figures confirm that the charter schools are being selective in marketing, recruitment, and retention of students with special needs. Many of the issues being raised by the traditional public schools and the families who are leaving charter schools suggest clear violations of IDEA.

At the same time that these concerns need to be seriously considered, it is also important to remember that a few charter schools have gone out of their way to developed programs and curricula that either specifically address the needs of students with disabilities or that have proven to be very successful with certain types of disabilities.