
The Class Ceiling

Lifting the Cap on New York's Charter Schools

“Right now, there are many caps on how many charter schools are allowed in some states, no matter how well they're preparing our students.

That isn't good for our children, our economy, or our country.”

President Barack Obama

March 10, 2009

Executive Summary

New York State's public charter schools are fast approaching the legal “cap” that limits their number to 200, statewide. This *Issue Brief* from the New York City Charter School Center explains how the cap works, what it means for charter schools, and why it must be lifted—*today*—for the sake of educational quality. Key points:

- **Charter schools are in high demand.** Last year, in New York City alone, about 40,000 students applied for 8,500 seats in charter schools. Academic research also confirms what New York families recognize: charter school makes a significantly positive impact on students' academic performance.
- **The charters available for new schools are almost gone.** After February 2010, there are likely to be only 18 charters still available statewide. Approximately 40 known planning teams either have applied for, or are preparing to apply for, one of those final 18.
- **Planning a charter school is a long and intensive process.** It takes 12-24 months, and often longer, for a new school to move from initial inspiration to the opening bell. Along the way, school founders make a huge investment of time and resources.
- **When charters are uncertain, good schools go elsewhere.** Those who would embark on the charter school planning process *today* will have to think twice about New York, since there may be no charters remaining by the time they need one. Research and experience point to an ugly result: when charters are uncertain, good applicants are deterred and quality suffers.

Introduction

In April 2007, the New York State Legislature doubled the number of charter schools allowed in the state, from 100 to 200. More than two years later, the state’s charter schools movement has continued to grow, posting strong academic results and earning national attention for its innovative work in challenging settings.

With the total number of charter schools approaching the “cap” once again in New York State, it makes sense for the state’s leaders to revisit this matter, thinking again about the best policy to promote educational quality and access. This *Issue Brief* offers an overview of the cap lift issue, including the structure of the cap law, recent data on charter schools, and reasons to revise the law *before* the cap is literally hit.

Understanding the cap

Charter schools are independently-run public schools that receive greater autonomy in exchange for greater accountability for results, through a formal contract called a “charter.” As public schools, charter schools are open to all children, regardless of academic ability or socio-economic background. New York State has allowed charter schools since 1998, but with a strictly limited number of charters. Under current law:



= 200 charters is the statewide maximum.

Some important details:

- When an authorized charter school closes, or never opens at all, it still counts against the cap.
- Of the 100 new charters allowed by the 2007 cap raise, 50 must be for schools located in New York City (although not necessarily authorized by the Chancellor).
- Traditional public schools that “convert” to charter schools are not counted against the cap.
- A single charter school may use multiple campuses to serve different grade levels.
- New York City charters authorized by the Chancellor must also be approved by the state Regents.

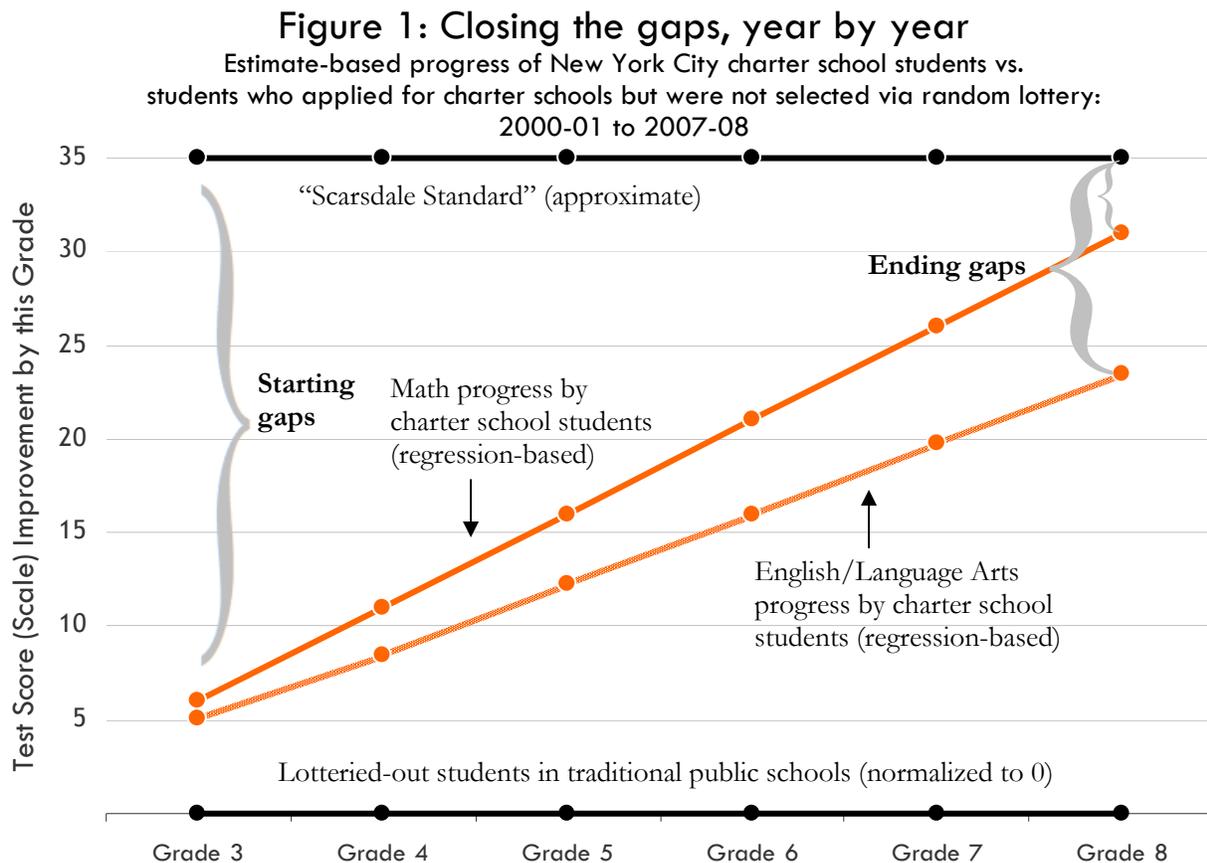
The **NEW YORK CITY CHARTER SCHOOL CENTER** envisions a future in which all of New York’s students have access to a first-rate public education, so that, no matter their background, they can participate in society on fair terms. Learn more at www.nychartercenter.org.

What we've learned

In 1998, when charter schools were first allowed in New York, the move was described as an “experiment” by supporters and detractors alike. Placing a cap on that experiment was a logical policy decision. The decade that followed has provided hard evidence of the experiment’s success.

Charter schools work.

Across the state, charter schools are raising student achievement and outperforming the conventional public schools around them. In New York City, the most rigorous research comes from Caroline Hoxby of Stanford University. By comparing charter school students with charter school applicants who were *not* selected in the schools’ random admissions lotteries, Hoxby and her colleagues are able to isolate the effect of charter schools themselves. They find that a student who attended a charter school for all of grades K-8 would close most of the test score “achievement gap” with schools in affluent suburbs such as Scarsdale, NY—86 percent of that gap in math, 66 percent in English. In high school, *each year* of charter school attendance would add seven percentage points to a student’s likelihood of earning a Regents diploma.



Source: Hoxby, Murarka, & Kang (2009) **Note:** “Regression-based” indicates that lines reflect smoothed trends. Based on students with data for all grades.

New York City’s charter school students consistently shine on statewide exams, with 91 percent scoring proficient or higher in math, and 77 percent in English last year. That was higher than the city’s traditional public school students in both subjects, even as charter schools serve higher percentages of poor students and black students. This trend is consistent for five years running.

Across the state, students at 71 of 83 charter schools outperformed their local school district peers in math on the 2008-09 statewide exams, with outperformance defined as scoring proficient (or advanced) at a higher rate in a majority of grade levels. Students at 55 of 83 charter schools outperformed their local school district peers in English.

Yet even these impressive numbers do not tell the whole story. New York’s charter school educators have also created innovative curricula, governance structures, and training programs. Attracted by this vibrancy, successful charter school networks from other states have opened schools in New York. Even President Obama has held up New York charter schools as examples to emulate.

There is enormous demand from parents and educators.

Charter schools are strictly voluntary to attend, but every year thousands of families try to make that public school choice. They can only try: charter schools admit students by random lottery, and last year about 40,000

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students applied for 8,500 seats in New York City alone.

For parents who are determined, sometimes desperate, to find a good public school for their children, being put on a long waiting list is a difficult pill to swallow.

Parents are not the only ones eager for more charter schools. Prospective school founders send a steady flow of

1,200-page applications to the state’s authorizers. Some applicants are community activists who perceive a local need; others are teachers, parents, philanthropists, teachers union officials, or charter school network leaders. What they all have in common is a drive to create more options for high-quality public education.

Charter schools are attractive to educators, too. Teachers and staff appreciate a professional challenge, and many are drawn to charter schools’ distinctive philosophies. (One New York charter school is built around marine science, for example. Another pays a six-figure salary to every teacher.) The best recruiting tool, of course, is success: the New York charter schools that regularly outpace their peers are never short of interested teachers, despite their long school days and tight budgets.

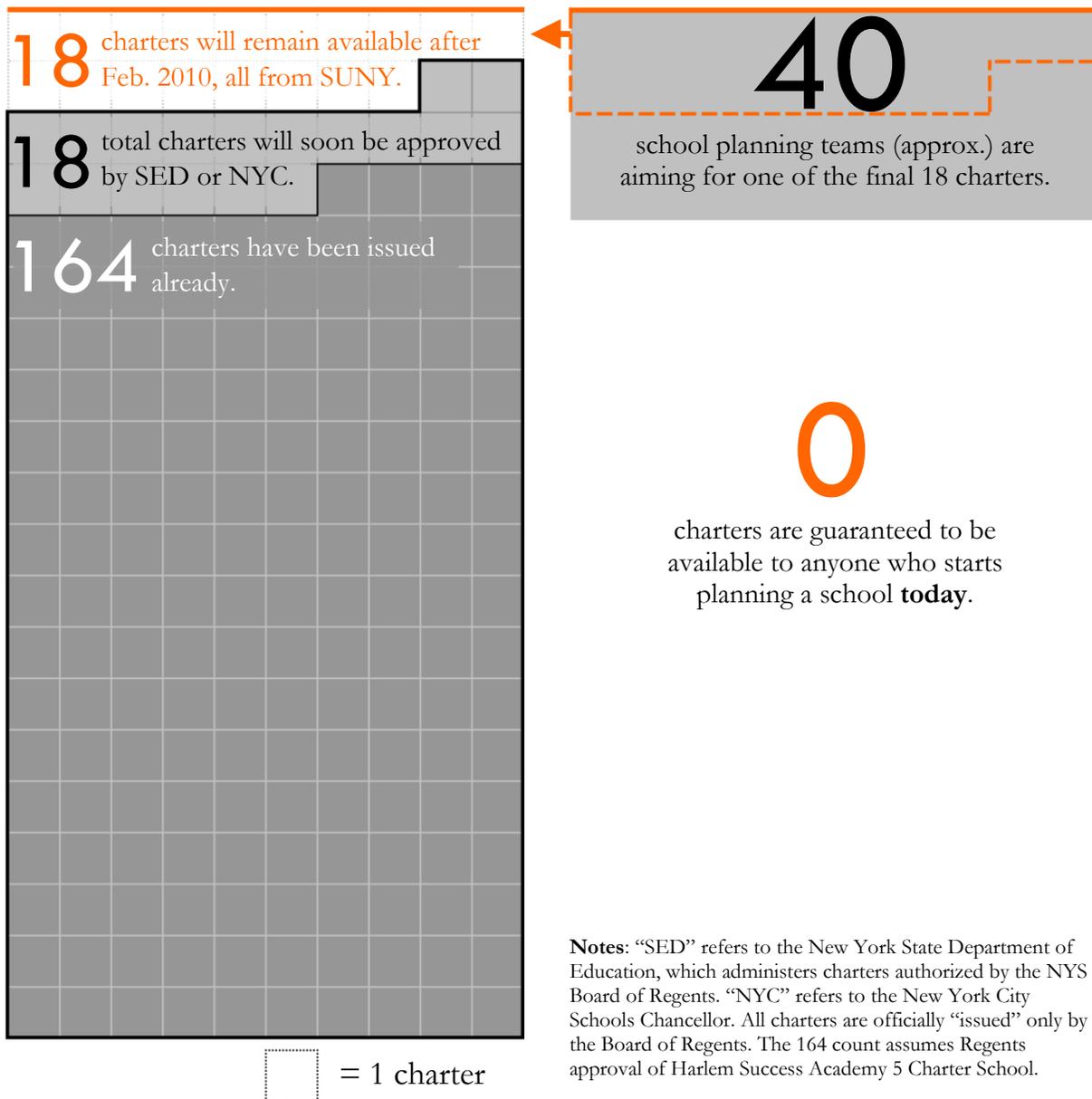
Reasons to revise the law now

New York charters are all but gone.

New York's charter schools cap was just raised in 2007, but the state's authorizers have already approved a large majority of the 100 new charters allowed—and dozens more applications are under consideration or in development. Figure 2 shows the number of charters remaining, compared to the total cap of 200.

Figure 2: Demand has exceeded supply

Of the **200** charters allowed statewide...

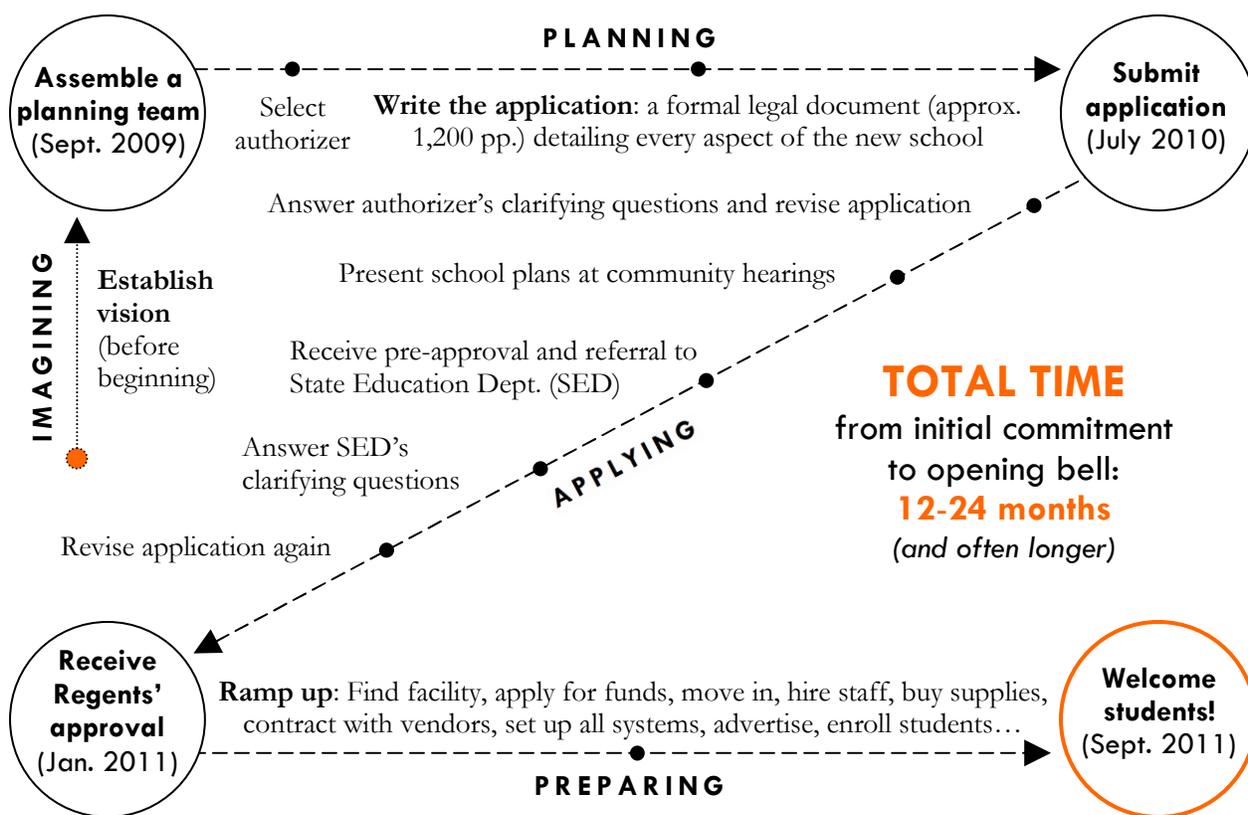


As Figure 2 shows, New York’s charters are effectively spoken for. The State Education Department and the NYC Chancellor are expected to have approved *all* of their charters by February 2010, leaving the final 18 for SUNY to approve—and more than twice that many potential schools being designed by active planning teams. This is a sobering reality for those ready to start planning a new charter school *today*: when their months of preparation are complete, there may not be a single charter left for New York to give them.

When charters are scarce, good schools are deterred.

Long lead times are necessary because it is a massive undertaking to create a new school. Would-be school founders must draw up detailed plans, field hundreds of questions from experts, comply with a vast body of law and regulation, and then do the work of actually setting up a school. Figure 3 shows a typical timeline.

Figure 3: Typical timeline for planning a new charter school



Besides time, planning a new charter school takes a sizeable commitment of manpower and resources. As Figure 3 shows, it is critical to develop a strong team—colleagues who can share the work, offer specialized expertise, and help raise start-up funding. All of this help represents early *investment*, and it is made only because the stakeholders have a realistic hope of opening a new school. But that, of course, requires a charter. When charters are uncertain, school planning teams may not make that investment.

That danger is not hypothetical. The *Boston Globe* cited the Massachusetts cap as a reason for that state’s “brain drain” in recent years, as charter school leaders left—for New York (Peysers, 2008). Similarly, Ben Kleban was planning a New York school before the cap was raised in 2007. With a charter uncertain, his high-performing school opened in New Orleans (Gonen, 2009). Today, as the cap looms again, leading charter school networks are already turning to other states. What will other aspiring school founders decide?

“I’d like to explore bringing our model to New York City. Unfortunately, with so few charters available, it hardly makes sense to invest scarce time and other resources.”
Perry White, *Citizens Academy*

When good schools are discouraged, quality suffers.

Some have suggested a hidden benefit to the cap: with few charters left, authorizers will become more “thoughtful” and charter school quality will increase. Yet a national study led by Stanford University’s Margaret Raymond points to just the opposite: charter schools in states with caps posted significantly *worse* results, and being very *close* to a cap made the effect even more negative (“Multiple choice,” 2009). The reason seems to be deterrance: a looming cap discourages good schools from applying in the first place.

No ceilings on success

New York’s best option is simple: eliminate the cap on charter schools. There is no good reason for it anymore. Indeed, the list of reasons to *remove* the cap keeps growing. The federal government has made charter school policy a heavily-weighted criterion in the \$4.35 billion *Race to the Top* competition. With other states loosening or eliminated their own charter restrictions, New York’s cap could be the determining factor.

Charter schools are not the single answer to every challenge facing New York’s public education system. But after ten years of growth it is clear that they are effective, innovative, and in high demand. Meanwhile, a cap that began as a sensible precaution is now an arbitrary obstacle. New schools are being planned, families are clamoring for more seats, and millions of federal grant dollars may be in the balance.

It’s time to lift the cap.

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