



Federal Investment in Charter Schools

A Proposal for Reauthorizing the Elementary
and Secondary Education Act

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Introduction and summary

The charter school landscape is dramatically different today compared to when the federal government first forayed into the field in 1994. That year it established the Charter School Program as part of the Elementary and Secondary Education Act, or ESEA. The Charter School Program, which is designed to support the startup of new public charter schools, was established at a time when only seven states had charter school laws on the books and 60 charter schools were in operation.¹ Today, there are more than 5,000 charter schools in 40 states and the District of Columbia, and the long waiting lists indicate that there is a demand for many more charters.²

There also is a growing demand for charter schools to take on new roles in the public school system, with the assurance that they are held to the same high standards as traditional public schools. The Obama administration wants charter schools to take a more active role in turning around chronically underperforming traditional public schools. Some charter management organizations—nonprofit entities that directly manage charter schools—are responding to the call.³ Others are hesitant to tamper with their school models and plan to sit this opportunity out (see box).

What are charter schools?

Charter schools are public schools that enjoy more regulatory freedom than traditional public schools. Similar to other public schools, charters are nonsectarian, tuition free, open to all students, and subject to the same state and federal education standards that are required of other public schools.

In addition, educational progress at charter schools is measured against the stated goals outlined in their charter contract, which can be revoked if they fail to meet the necessary benchmarks. In exchange for this accountability, charters have flexibility over staffing, budgeting, curricula, and school operations, such as the length of the school day and year.

Meanwhile, concerns over quality, accountability, and access continue to be hot-button issues for the charter sector. Advocates rightly insist that the federal government should only support high-quality, effective charter schools that meet the needs of all students, including low-income students and students with special needs. Yet even high-quality charter schools continue to face barriers limiting their growth—financial support, human capital, and inhospitable state policy environments.⁴

The long overdue ESEA reauthorization presents an opportunity to take stock of the small but growing and changing role of charter schools in American education. The Obama administration has recently offered states flexibility around the current law while Congress continues to debate revising ESEA. The new flexibility does not address charter schools. So ESEA remains the main vehicle for addressing charter schools in our country.

This paper outlines some of the key issues facing the charter sector at this important juncture. Congress and other policymakers should bear these issues in mind as they determine how best to support the next generation of effective charter schools. Namely, Congress should:

- Ensure charter schools are held to the same accountability standards as traditional public schools and support the creation and expansion of high-quality charters that serve the needs of all students
- Ensure equitable funding for charter schools
- Strengthen charter authorizing practices
- Encourage states to lift caps on the development of high-quality charter schools
- Prioritize states that implement smart effective quality control policies for federal competitive dollars
- Reward states and districts that engage high-quality charters in turning around their chronically underperforming schools

These recommendations are explained in further detail in the pages that follow. But first, this paper examines the role of charter schools in transforming public education and the paths and barriers to expanding high-quality charter school programs, including the federal role in this transformation.

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