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The Evolution of Charter School Quality

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The role of charter schools in improving academic achievement is controversial, and existing evidence has led to contrasting conclusions about appropriate future policies. Past incongruous findings provide support for both advocates and opponents of charter schools. Advocates point to the high quality of a number of oversubscribed schools. Opponents highlight the mediocre average outcomes and large variability in performance among the broader set of schools. For a deeper understanding of charters as a market-oriented reform, it is necessary to examine the dynamics of the charter sector.

Our research on charter school quality in Texas brings new evidence to bear on these important issues. Our analysis clearly indicates that charter school quality has improved over time. As seen in the figures below, the distribution of charter school quality initially lies to the left of that for traditional public schools but then converges and subsequently moves slightly to the right of the public school distribution.

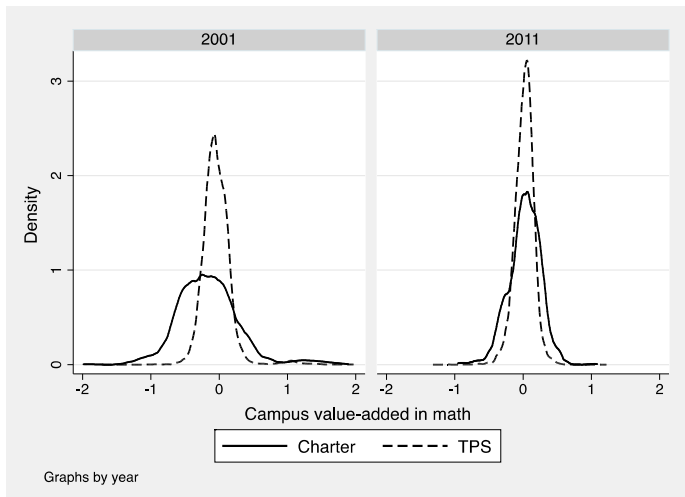
This improvement is the result of three consistent changes. First, schools that close are drawn disproportionately

from the least effective charter schools. Second, schools that open during the period of study far outperform those that close; the average value-added for new charters is roughly equal to the average among existing charters. Third, charter schools remaining open throughout the decade from 2001 to 2011 exhibit increases in average school value-added. Together these changes raise the average and reduce the variation of charter school value-added relative to traditional public school value-added.

In looking deeper into the sources of these improvements, we find support for the beliefs that an expansion of the share of schools that adhere to a no-excuses philosophy, increases in the selectivity of entering students, and a reduction in student turnover as the sector matures contribute to the charter sector's improvement, though much of the improvement remains unexplained by these three factors.

Perhaps most important, the results highlight the value of taking a longer-term perspective on the impact of a major education reform like charters, particularly one that relies on parental decisions and market forces. The relaxation of

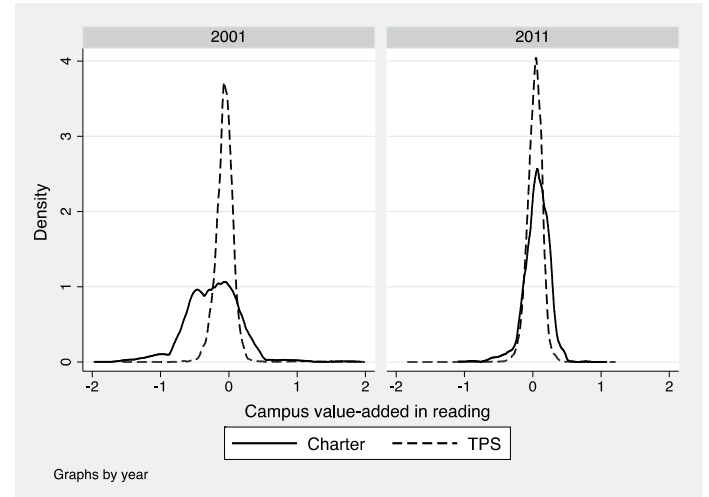
Figure 1
Distribution of Math Value-Added in 2001 and 2011



Note: TPS = traditional public schools.

constraints on school management opened public education to many with little prior experience, and the large variation in school quality observed during the early years is consistent with growing pains associated with new markets. As schools improved, more successful charter school management organizations expanded and many less effective schools left the market. Also, a much smaller share of charter school students

Figure 2
Distribution of Reading Value-Added in 2001 and 2011



Note: TPS = traditional public schools.

were exposed to the type of instability and poor quality that likely precipitated many transitions.

NOTE

This Research Brief is based on <http://www.nber.org/papers/w20645>; sources for the figures are provided therein.