

Public charter schools are an important force in the mission to create high standards of educational opportunity in all primary and secondary public schools in the United States. Independent educators have shown great results in fulfilling the terms of school charters and still every independent charter project is plagued by the problem of providing adequate facilities for the school. This site is dedicated to the work ahead to structure facilities acquisitions and secure construction loans and permanent mortgage financing for independent charter schools throughout the country.

Charter School Choice

Dialogue on primary and secondary school choice in the United States has a decidedly conservative bent. One rarely sees a complete discussion of the crisis situation among political action committees, policymakers and politicians. The conservative consensus is not one of perspective. Education is the political subject that everyone of course posits as a non-partisan issue, and the results and effects of potential solutions to the problem of education choice should be considered in their full forms.

A threat to the power historically reserved for the states to set standards of education and administer schools, and an imposition of federal standards and directives to funding allocations to state programs are standard characterizations of the new education law, which in fact is very similar to the education law signed by President Clinton in 1998. The most cursory look at the *No Child Left Behind Act* certainly would leave one with a different impression. The provisions in the law streamline federal assistance programs to state and local education authorities so that the gaps in quality of schools and curriculum in and between states can be remedied. This is the mission of the U.S. Department of Education: to ensure equal access to education and to promote educational excellence throughout the Nation.

Don't spend good money after bad is the attitude about putative fiscal waste in past federal spending on education programs resounding in the conservative call for privatization of elementary and secondary schools. Have policymakers studied the patterns of federal education spending or considered the effects of independent audits in federal agencies or the *Blueprint for Management Excellence* directed by Secretary Paige at the Department of Education, modeled on the *President's Management Agenda for Fiscal Year 2002*? Have advocates of for-profit school privatization, tuition vouchers and tax credits contemplated the efficacy of these programs and the role of parents? Consider the facts.

The billions of dollars invested (wasted?) by the nation in funding education since the implementation of the Elementary and Secondary Education Act in 1965 invariably is the topic of discussion in a conversation about American education. Look at the historic spending levels in constant 2000-2001 dollars. Federal government sources of revenue make up a constant percentage of revenue at public elementary and secondary schools from 1970-71 to the present, even taking into account the cash flow changes of increases

and cuts in federal, state and local expenditures during that period. Current expenditure per pupil in average daily attendance in public elementary and secondary schools peaked in the mid-1970's, flattened out in the second half of the decade and steadily increased through the 1980's until it reached a plateau at the beginning of the 1990's.¹ Federal expenditures per pupil in public elementary and secondary schools in constant 2000-2001 dollars rose steadily throughout the 1980's and in the last three fiscal years, as the number of teachers working for an annual salary declining in constant 2000-2001 dollars steadily increased and the pupil/teacher ratio steadily declined in the United States.²

The Federal percentage distribution of revenues for public elementary and secondary schools since the ESEA in 1965 is relatively constant funding for national education spending.³ State and local revenues for the schools have fluctuated significantly in that period, particularly local distribution of revenues, and created the gaps in curriculum and student performance. The faux-conservative call for school privatization today brings to mind the response when the education crisis showed its face the first time in the 1980's. Republicans led the charge for fiscal responsibility across federal government agencies then, demanding less federal government while continuing to create federal subsidies to the private sector as budget deficits ballooned in the Reagan and Bush Administrations. Imagine a constant percentage of federal revenues in total education expenditures or federal revenues in the education budget as a percent of the U.S. gross domestic product marked for primary and secondary education. Consider the nature of education spending, the quality and development of curriculum, continuing teacher training, the percentage of funding for instruction and instructional support, the funding allotted to administration. Instruction funding now receives sixty-eight percent of total public school revenues in kindergarten through twelfth grades. Let the teachers and parents show their results!

Political action committees and think tanks rather than even imagine throwing money at the problem of public education promote school choice vouchers, private scholarships, tuition tax credits and corporate income tax credits for primary and secondary school scholarships. The Heritage Foundation identifies total spending on education in the 1999-2000 year alone at \$389 billion. Yet, as the research also shows, the gap in achievement between the nation's poor and non-poor students continues to widen, contends the Heritage Foundation. If there were any way to spend our way out of this predicament, we would have done so already, says Heritage in the section entitled "Increasing Opportunities for America's Children to Succeed" by Jennifer J. Garrett in the preface to *School Choice 2001: What's Happening in the States*.

What percentages of the tens of thousands upon thousands of parents whose children are eligible for vouchers or scholarships apply? How many of the applicants receive a school choice voucher or scholarship? Four to six percent of those eligible apply for vouchers that are awarded to two percent of the eligible student population, like the vouchers in Milwaukee and Miami. The Children's Scholarship Fund accumulated its funds in areas around the country in which parents wanted to donate their own money for scholarships. CSF awarded scholarships in 1997 to less than three percent of 1,250,000 applicants in more than 20,000 communities in forty-nine states. The 34,000 recipients attend the private schools of their choice. The CSF scholarships dwarf the private scholarship

programs established since 2000, including those created with challenge grants from Children First America. What are the roles of parents, teachers and the communities of these schools? Universal vouchers actually are the only such solution for national education reform that could guarantee equal student access and promote excellence in every student group.

Assuming that the enormous private and public resources for universal vouchers could be directed in the implementation of complete education reform, isn't it better still to fund each of the public and public charter school alternatives through federal facility grants, regionally administered credit enhancement for acquisition and renovation loans and the direct lending of banking institutions? This is the American model because it embodies the principles of American society: individual freedom, liberty, civil equality, entrepreneurial character. Compare loan securitization with the respective State or IDA bond issues or QZAB issues. It is in fact the effective and efficient means to raise physical capital for primary and secondary education.

For-profit school companies (are they education management organizations?) build a base of operations by school take-over in troubled, poorly performing public schools. The initial vote to give schools to EMOs is held by a school board or state education authority without parental opinion or participation, and the children go to a for-profit school formed and managed by a company outside the community. What are these companies offering to their students and parents? All of them and we should ask what specific curriculum and what kind of educational experience are being sold by what amounts to a franchise operation at the EMOs. The best alternative for parents is to transfer children to a better public or public charter school of choice and seek involvement in the operation of the school with other parents, teachers, administrators and community members.

The *No Child Left Behind Act* signed by President Bush this year has great potential for education reform. It seems though as if many policymakers haven't looked at the content of the new law. The news about school choice in each state is very good to know but the portrayal of the charter school movement nationally is almost an afterthought to vouchers and privatization for the Heritage Foundation in the preface to its 2001 publication on school choice. The wrong solution is giving more funds to failing schools is also the first point in the specious reasoning of experts at policy groups like the Cato Institute Center for Educational Freedom and Center for Civic Innovation at the Manhattan Institute, who do not understand the realm of public schools or funding for public school districts.

David Salisbury, who is Director, Center for Educational Freedom, flatly dismissed the *No Child Left Behind Act* at the signing as a bill that will be ineffective without private school vouchers and will extend the federal role he characterizes as federal government intrusiveness in education. Mr. Salisbury calls for the President to encourage state level reforms and return choices and funding decisions to parents and local leaders, and, of course, this advice ends with a ringing chorus for tax credits, scholarships and vouchers. Interestingly enough, Salisbury concludes his analysis by urging that the better solution to giving money to failing schools is to allow parents to select the best school, public or

private, for their children and let the money follow the students. This is really the purpose of public charter school choice!

Dr. Jay Greene, who is Senior Fellow at the Center for Civic Innovation, has studied school choice in the United States and compiled *The Education Freedom Index* and *2001 Education Freedom Index* in which each of the fifty states is ranked by the degree of freedom parents have in primary and secondary education choices for their children. The focus clearly is on the school voucher issue for CCI and Dr. Greene (who currently is working on a book about the state of research on voucher programs) but charter schools are another promising choice-based reform in the opinion of CCI. The experts there will study the performance of charter schools and provide ideas on the best implementation of the charter revolution! Furthermore, CCI believes existing public schools can be made better if proper attention is paid to academic standards and teacher quality. The research of CCI experts will show how, to use their own words, teacher education and licensing can be reformed to improve the skills and knowledge to which we entrust our children's future.

Do opinions like these from the Manhattan Institute and Cato Institute get press for these groups? Where have these people been for say at least the last ten years? Improving academic standards and teacher quality obviously are the first objectives in education. Now look at the standards for obtaining a public charter school grant, the education projects of charter schools in thirty-nine states and the District of Columbia and the performance of students in those schools. Public charter school choice is the essence of national choice-based reform.

Two important sections of the Charter Schools parts of the *No Child Left Behind Act* are the ones funding Charter School Facility Grants and Credit Enhancement Initiatives to Assist Charter School Facility Acquisition, Construction and Renovation. The law makes charter schools eligible for Title V (formerly Title VI) Innovative Education State Grants whose broad definition of education activities allows the fullest expression in independent projects. The schools benefiting from these programs will be subject to the same standards of accountability as schools receiving federal funding in any other education program through state and local education authorities. Biennial reviews will be replaced with a yearly review of all grant recipients, as is required of any organization.

State and local authority are not usurped in the implementation of any section of the NCLB Act. SEAs and LEAs may transfer up to fifty percent of federal funding received under the four major State formula grant programs to any one of the programs or to Title I, in order to serve the needs of students. Would the opponents of federal public education programs prefer that these authorities raise their money through endless lobbying with state and local governments? The States use this funding for empowering programs such as the Improving Teacher Quality State Grants, Educational Technology State Grants, 21st Century Community Learning Centers, Special Education Grants to States and the Vocational Rehabilitation State Grants Program. The States also should continue to receive steadily increasing funds for Charter School Facility Grants and Credit Enhancement Initiatives.

A quote cited by Dr. Howard Fuller in the foreword to the 2001 school choice publication of The Heritage Foundation is apt here. Fuller discusses education equity and access as they relate to parental choice in terms of four critical concepts of the “American ideal”: the mission of education, freedom, democracy and power. This is the explanation of the mission of education given by Richard Shaul and Paulo Friere.

“There is no such thing as a neutral educational process. Education functions as either an instrument which is used to facilitate the integration of the younger generation into the logic of the present order and bring conformity to it, or it becomes the practice of freedom, the means by which men and women learn to deal critically with reality to participate in the transformation of their world.”⁴

A new way of thinking about education finance that brings in the private sector to act as a true investor is an integral part of the spectacular education mission of the United States: to educate our youth to possess the full power and freedom of citizens in a democracy.

Footnotes

¹ Table 167, page 191, National Center for Education Statistics, *Digest of Education Statistics 2001*, U.S. Department of Education, Office of Educational Research and Improvement, National Center for Education Statistics, Washington, D.C., 2002.

² Ibid Figures 10-12, pages 46-47.

³ Ibid Table 157, page 178.

⁴ Fuller, Howard, *Foreword, School Choice 2001: What's Happening in the States*, The Heritage Foundation, Washington, D.C., 2001.

Please send your comments, opinions and school choice dialogue to
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