

CHARTER SCHOOLS, FREE SCHOOLS, AND SCHOOL AUTONOMY

The prospects for innovative education models in Australia.

Charter schools and free schools are among the range of options that can be used to decentralise public school management away from state governments and increase the extent of school autonomy in systems of schools.

There are no charter schools in Australia. Charter schools are public schools but they are not government schools; they are managed by a private organisation under a legislative contract or ‘charter’ with the government. They can be new schools, or former government schools whose management has been given to a charter school operator.

Charter schools receive public funding similar to the funding provided to equivalent government schools and do not charge fees. Often the charter will stipulate that the school must have open enrolment and must have non-discriminatory hiring policies, but there is no reason why charter schools could not have a specialisation. The charter can also specify other aspects of schooling, including employment practices and curriculum but the rationale of charter schooling is to release schools from these restrictions.¹ The vast majority (88%) of charter schools in the US are not unionised.²

The charter school movement began in the United States, where there are around 1.6 million students in 5,000 charter schools, across 40 states, representing about 5% of all public schools. For-profit organisations run 16% of charter schools³ and in 2013, there were around 586,000 children on charter school waiting lists.⁴

The ‘free schools’ now operating in England are similar to charter schools. They receive public funding equivalent to similar government schools

with the condition that they do not charge tuition fees, and meet some conditions around enrolment and access. However, they do not have to teach the national curriculum, and they have a large degree of flexibility in school staffing. Teachers do not have to be registered, and teacher pay and conditions are set by the school.⁵

Many other countries have funding and governance arrangements that allow the establishment of privately-managed, free schools, including Sweden, Chile and the Netherlands. New Zealand began heading down this path in 2014 with what they have called Partnership Schools — which are very similar to England’s free schools, with similar freedoms in provision, underpinned by rigorous accountability requirements.⁶



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Table: Differences between school sectors

	Traditional public school	Independent public school	Charter/free school	Non-government school
School management	Government	Government	Charter Management Organisation/ Education Management Organisation/private organisation	Private organisation/ charity
Fully government funded?	Yes	Yes	Yes	No – partly government funded
Can charge tuition fees?	No	No	No	Yes
Budget autonomy	In some states	Yes	Yes	Yes
Enrolment	Residential zoning, some selective	Residential zoning	Application and lottery	Application, some selective
State/national curriculum?	Yes	Yes	No	Yes
Teachers	Must have registered teachers; school-based hiring varies between states.	Must have registered teachers; school-based hiring.	Charters: depends on district but most have school-based hiring. Free schools: school-based hiring.	Must have registered teachers; school-based hiring.

Box 1: Charter schools, Independent Public Schools and non-government schools

In 2008, the Western Australian government implemented its Independent Public Schools policy, allowing public schools to become self-managing. There are 441 Independent Public Schools in Western Australia, which is more than half the public schools in the state.⁷ In Queensland, 130 schools have become Independent Public Schools since 2013.⁸ All states and territories have received federal government funding to devolve more management to schools.⁹

For Independent Public Schools and Catholic systemic schools, the most accurate description of their governance structure is school-based management. It is technically a misnomer to call self-managing public schools 'autonomous schools'. The only Australian schools to which the autonomous schools definition might apply are independent schools, but they also must meet heavy obligations in order to receive government funding, including: implementing the Australian Curriculum; participating in NAPLAN testing; and providing student and school data to be published on the My School website.

Independent Public Schools are often confused with charter schools. They are not; the key difference being that Independent Public Schools are still government-owned and operated. In Independent Public Schools, the principal and staff are government employees and schools must adhere to state industrial legislation and curriculum and other state and national policies. They are government schools that operate with financial autonomy and greater latitude in staff hiring.

What Is a Charter School?

A charter school is, at the most basic level, a school that ‘combines public funding with private management.’¹⁰ Unlike traditional non-government schools in the US (which generally do not receive public funding as a matter of course, unlike in Australia), charter schools cannot charge top-up fees and cannot be selective in which students they admit: if a school is over-subscribed, enrolment must be through a lottery.

Charter schools in the US are mostly overseen by school districts, with states having overarching legislation that sets out minimum standards for district charter agreements. This is in contrast to the other countries discussed in this report, where the legal and governing architecture of charter schools is set at the national level. Inter-state or even intra-state (where charter policy is set by school districts) comparisons are therefore complicated as they rarely involve like circumstances.

Characteristics of High-Impact Charter Schools

Highly effective charter schools tend to be those that encapsulate the approach described as ‘no excuses’

schools — schools with a focus on traditional maths and reading instruction, frequent testing, strict discipline and behaviour standards, and often with a longer school day and year.¹¹ They selectively recruit highly motivated and committed teachers and have a culture of high expectations of both students and staff.¹² These school characteristics are more likely to be found in charter schools than traditional public schools largely because of the employment conditions stipulated for unionised teachers in public school systems that limit working hours and do not allow schools to negotiate higher teacher salaries for longer hours or for meeting performance goals. Charter schools do not generally have these restrictions on their operations.

One of the most successful and well-known networks of charter schools is the Knowledge is Power Program (KIPP) schools. Studies have consistently shown KIPP students significantly out-perform traditional public school (TPS) students, and that this is not due to attrition of low performers.¹³ Other successful charter school networks are the Aspire, Achievement First, IDEA, Success Academies, and Uncommon schools, all of which are run by CMOs.

Box 2: Knowledge is Power Program (KIPP)

The KIPP Foundation is one of the largest charter management organisations in the United States and was originally founded by veterans of the Teach for America program. The KIPP model is centralised and emphasises traditional teaching methods in math and English, strong discipline, hard work for students and longer school days and school years.¹⁴ These are common characteristics of charter schools, especially those serving largely low income and minority students. This approach is encapsulated in the ‘Five Pillars’ — high expectations, choice and commitment, more time, power to lead and focus on results — that culminate in a ‘Commitment to Excellence’ contract that students, parents and teachers sign.¹⁵

Angrist et. al. (2011) examined the impact of the KIPP model in a middle school in Lynn, Massachusetts, which has a high proportion of Hispanic, ESL and special education students. As the school is over-subscribed, the student intake is determined by lottery, which provides data that is less likely to be subject to selection bias.¹⁶ Nearly 80% of the student body come from households with a low enough income to make them eligible for free or reduced-price school lunches.¹⁷

The study finds small improvements in reading scores overall but moderate improvements for ESL and special education students. Similarly, there are moderate improvements in overall maths achievement, and slightly larger still improvements for ESL and special education students.¹⁸

Another study by Tuttle et. al. (2010) examines 22 charter middle schools run by KIPP. Students who attended these schools had achievement levels below the local school district average prior to attending KIPP. The authors find that, firstly, students in most KIPP schools experience positive gains in reading and maths achievement and, secondly, these effects are rather substantial.¹⁹

Aspire Public Schools is a non-profit charter management organisation that currently operates 38 schools, predominantly in California and more recently in Tennessee, serving 14,600 students across all grades.²⁰ Like KIPP, Aspire uses a model in which management responsibility, support and control are highly centralised, with both management models and school design consistent across all sites.²¹ Aspire schools have longer school days and a longer school year, with classes often being held on Saturdays.²² Aspire schools collectively outperform every large California school district with a majority of low income students in the Californian Academic Performance Index.²³ Aspire's motto is 'College for Certain,' and 2014 was the fifth consecutive year in which 100% of graduating seniors were accepted into four year colleges.²⁴

Another similar success story can be seen in IDEA Public Schools, a charter management organisation which operates 36 schools in Texas, serving more than 20,000 students. Like KIPP, IDEA was founded by Teach for America alumni and uses a comparable approach to KIPP and Aspire from a management perspective, which has become increasingly centralised over time.²⁵ Like Aspire, IDEA uses IT in a 'blended learning' model and is strongly focused on college preparation. All students take Advanced Placement courses.²⁶ Another major focus of IDEA is its recruitment; offering salary bonuses to teachers in high demand disciplines, teachers with advanced degrees, and for years of service.²⁷ IDEA schools have sent around 99% of its graduates to college in all seven years of graduating classes.²⁸ IDEA schools on average achieve above the state and local school averages in state exams.²⁹

Achievement First is a CMO operating 30 public charter schools with 10,000 students across all grades in Connecticut and New York states. The majority of students (88%) are low income, and 99% are African-American or Hispanic. Admission is by a blind lottery system.³⁰ Achievement First schools have a strict academic and discipline culture, which again sees a longer school year, with tuition available outside school hours and on Saturdays. Generally, this additional time is devoted to mathematics and reading.³¹ The stated aim of the Achievement First school network is to close the

race and income achievement gap and test scores indicate this goal is being met. The Connecticut and New York state-wide test scores showing proficiency achievement levels in Achievement First schools were mostly at or above the state average for all students for reading, maths and science, and well above the proficiency achievement rates for schools with similar demographics.³²

Both the 2015 CREDO study and a number of other studies have reported especially strong charter school performance in the state of Massachusetts, but more particularly in the city of Boston. A research partnership between Harvard University, the Massachusetts Department of Elementary and Secondary Education and the Boston Foundation has been studying the progress and performance of charter schools in the state since 2009.³³ Charter schools in Massachusetts have 60% non-white students, compared with 30% non-white students in other schools.

Boston's charter schools have been major pioneers of the increased freedoms and flexibilities that have since been extended to other schools.

Similar to other research, the studies found some charter schools were more successful than others; in particular, charter schools in urban areas that enrol more students with socio-educational disadvantages. The studies found these schools tend to have longer school days, spend more time on reading and maths, and are more likely to identify with the 'No Excuses' approach to education.³⁴ Across all US states, around 10% of charter schools have extended learning time. In Massachusetts, around 70% of charter schools have extended learning time.³⁵ A report on Massachusetts schools by Sir Michael Barber and Simon Day found that Boston's charter schools have been major pioneers of the increased freedoms and flexibilities that have since been extended to other schools in the public school system with positive impacts on achievement. Barber and Day recommend lifting the cap on charter school numbers to enable the most successful CMOs to reach more of the most disadvantaged students.³⁶

Prospects for Charter Schools in Australia

Incorporating a charter model into public school provision in Australia would be a departure from the status quo. For that reason, it is necessary to explore some of the reasons why the provision of public education could be enhanced by such a change. The review of the literature thus far also has much to say about what can be done to make charters an effective and desirable option as schools of choice within the public school landscape.

The foundational reasons are to enable choice to families who currently have little. The Grattan Institute's research has shown there are low levels of school choice for the majority of Australian families, as public schools usually utilise residential zoning, and non-government schools charge fees that make them less accessible.³⁷ The conception of school choice sees choice as a good in itself but it has other benefits.

Allowing the establishment of charter schools (or 'free schools' or 'partnership schools') would serve several purposes. It would extend school choice to more families who are not currently catered for, either because their choice of public school is restricted by zoning, or because they cannot afford school fees, or they do not want a religious education for their children. Almost all non-government schools in Australia have religious affiliations, and those which do not often subscribe to alternative educational philosophies that would not be appealing or effective for some families. Charter schools are most often secular and always free.

Charter and free schools aim to extend choice to students who currently have few options.

It is true that Australia's relatively unique system of widespread funding of non-government schools by state and federal governments adds a dimension of choice to the school landscape which did not exist in other countries prior to the introduction of charters or their equivalents; elsewhere, it was a choice between a monolithic public school system and an exclusive wholly-private school sector. However, there are still good reasons to expand

school choice further in Australia through the introduction of charter schools as a fourth school sector.

Introducing charter schools is not like implementing a voucher policy. System-wide competitive effects are not the main objective but are a possible result. The Grattan Institute report is sceptical about the effect of competition on school achievement but international studies have found an association between school policies that introduce competitive effects and system level achievement.³⁸ As noted by Dean Ashenden, competition between charter and state schools has been beneficial in some locations in the US, but not alone. According to Ashenden, 'it all depends on what competition (or any other nostrum) is combined with, and the circumstances in which that combination is deployed,' including a fair regulatory playing field, which Ashenden believes does not currently exist in Australia.³⁹

One potential consequence of school choice policies is a 'residualisation' of some schools and students. This could occur if the most engaged and active students are more likely to exercise choice, leaving some schools with higher concentrations of disadvantaged students.

Two reports prepared for the 'Gonski' review of school funding discussed the impact of choice on equity—one by the Australian Council for Educational Research (ACER) and the other by a consortium led by the Nous Group.⁴⁰ Both reports provided equivocal findings but concluded that choice does increase inequity.

Nonetheless, neither report recommended that choice be curtailed. They acknowledge the evidence for positive effects of competition, especially from OECD research, and recommended that equity effects might be moderated by policy safeguards such as funding models that encourage enrolment of disadvantaged students. Charter and free schools aim to extend choice to students who currently have few options, arguably forming part of the solution to equity effects of the existing system. The research evidence presented in this report indicates that this is a reasonable expected outcome.⁴¹

Another purpose of charter schools is to innovate. Because charter schools are usually schools of choice and do not have the same restrictions on

their operations as public schools, they are able to do things differently. Other schools can learn from their successes and failures. Start-up charter schools would provide alternatives to the current schooling options.

Charter schools can be a way to turn around chronically-failing schools, where the standard mode of educational provision is not working. These would take the form of ‘conversion’ charter schools.

The major economic dividends of charter schools are unlikely to be in the form of reduced government expenditure—if they are to be free, charter schools would need to be funded at an equivalent rate to public schools (although in the United States, charter school funding is generally slightly lower than public school funding). The major dividends would be in productivity—achieving superior educational outcomes for the same expenditure.

For charter schools to achieve this goal, the lessons of charter school policy development should be carefully examined and heeded, but there is no good educational or financial reason why any state government could not pursue it.

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