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Review of Charter School Funding Report Finds Major Flaws

Policymakers should ignore highly flawed report seeking more taxpayer funds for charter schools

EAST LANSING, Mich. (May 20 2014) – A report from the University of Arkansas Department of Education Reform (DER) proclaims large and growing school funding inequities between school district and charter school revenues. The report contends that charter schools are severely disadvantaged relative to traditional local public schools in terms of the revenue they receive. A new academic review of the report finds the report to be of little use for informing public policy and illustrates the problem of attempting to compare "all revenues" between local public district and charter schools.

Bruce Baker, Rutgers University, reviewed the report for the Think Twice think tank review project, published by the National Education Policy Center (NEPC) with funding from the Great Lakes Center for Education Research and Practice.

The report, *Charter School Funding: Inequity Expands*, written by Meagan Batdorff, Larry Maloney, Jay F. May, Sheree T. Speakman, Patrick J. Wolf, and Albert Cheng, was published by the School Choice Demonstration Project at the University of Arkansas.

The authors of the report claim large and growing inequities between district funding provided through state, local, federal and other sources and charter school revenues from those same sources, even after accounting for differences in student needs.

In his review, Baker finds that the report has one overarching flaw that invalidates all of its findings and conclusions, "the report displays complete lack of understanding of intergovernmental fiscal relationships, which results in the blatantly erroneous assignment of 'revenues' between charters and district schools." Baker further states that the report ignores district funding that passes through district schools to charter schools in most states.

The report also has several smaller shortcomings: (1) it suffers from alarmingly vague documentation; and (2) the report constructs entirely inappropriate comparisons of student population characteristics.

In his review, Baker applies concrete numbers to three jurisdictions and finds miscalculations coupled with other inaccuracies.

The serious flaws in the *Charter School Funding* report invalidate its conclusions and any subsequent return-on-investment comparisons claiming they're a better deal because they receive less funding and yet perform as well if not better than traditional public schools.

In conclusion, Baker says "The *Charter Funding* report reviewed herein fails to meet either the most basic standards of data quality and comparability or methodological rigor. It is therefore unwise to use it to inform charter school policy."

Find Bruce Baker's review on the **Great Lakes Center** website:

<http://www.greatlakescenter.org>

Find *Charter Funding: Inequity Expands* on the web:

<http://www.uaedreform.org/charter-funding-inequity-expands/>

Think Twice, a project of the **National Education Policy Center (NEPC)**, provides the public, policymakers, and the press with timely, academically sound reviews of selected publications. The project is made possible with support from the **Great Lakes Center for Education Research and Practice**.

This review is also found on the **NEPC** website:

<http://nepc.colorado.edu>

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