

**Opening Remarks of Ranking Member Scott**  
***“The Power of Charter Schools: Promoting Opportunity for America’s Students”***  
**Full Committee on Education and the Workforce Hearing**  
**2175 Rayburn House Office Building**  
**June 13, 2018**

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Thank you, Chairwoman Foxx. The title of today’s hearing suggests that the *power* of charter schools is nothing but positive. The majority’s witnesses, with limited exception, will describe a sector of schools that is fixing our nation’s allegedly dismal system of public education, saving children, and satisfying all parents. We will hear calls to increase federal charter school funding and rapidly expand charter schools in every community across the country.

But such a glorified telling is only part of the story. It is our job, as policymakers, to examine the full impact of charter school policies, both good and bad, on the children and families they serve.

As is usually the case, the truth about charter schools is complicated. There are some good – even great – things happening in public charter schools. There are also areas of serious and legitimate concern.

A large-scale study of student data from 16 states, conducted by the Center for Research on Education Outcomes at Stanford University, found that only 17 percent of charter schools produced academic gains that were significantly better than traditional public schools.

Thirty-seven percent of charter schools performed worse than their traditional public school counterparts serving similar students.<sup>i</sup>

In 46 percent of charter schools, there was no significant difference between their students’ achievement gains and those of their demographically similar peers in district-run public schools.<sup>ii</sup> On average, charter schools are average.

Public education is a bedrock of our democracy. As noted by our founding fathers and numerous Supreme Court justices, the provision of free developmental education to all children serves a compelling community interest. When public school choice helps fully realize the promise of a public system that delivers quality for every child in every public school, it has my full and unreserved support.

Places like Denver and Massachusetts have successfully used strong oversight to build a cohesive system focused on delivering quality across the board. But if Denver and Massachusetts are bright spots, Michigan, and Detroit in particular, is a stain on the record of public school choice.

Until the early 2000s, Michigan reliably ranked above the national average on the National Assessment of Educational Progress. However, by 2015, only seven states scored lower than Michigan in fourth-grade reading, and no state scored lower for black students in reading or math. Detroit’s students scored below those in every other major American city.

Thanks in large part to the political advocacy and financial support of our current Secretary of Education and her family, Michigan has become a cautionary tale of free-market ideology applied to public education. The state legislature first enacted, and then took steps to repeatedly weaken, state oversight and charter authorizing standards. In doing so, it invited a surge of unchecked charter expansion without planning or purpose.

Michigan is now what many refer to as the “wild west” of charter school reforms. In Detroit, 12 different authorities have opened and closed schools without coordination or uniform standards of accountability.

A recent study from Michigan State University found that the financial strain on school districts, including Detroit, was overwhelmingly caused by declining enrollment and revenue loss, especially where school choice and charters were most prevalent.<sup>iii</sup>

This research shows that as the state relaxed charter accountability, schools in cities statewide lost nearly half of their revenue in a span of just 10 years. Unlike states that use public school choice to improve quality across the board, Michigan used charter schools to undermine and dismantle the public system. The state diverted public dollars to low-quality for-profit charter schools, saturated the marketplace, and then used the declining enrollment as a justification to shutter non-charter public schools. Nowhere was this truer than Detroit, where there have been more than 160 school openings and closures since just 2010.

As a result, students and parents are suffering in a chaotic, inequitable, and underfunded public system that is devoid of quality and rife with for-profit actors over-promising and under-delivering.

Academic outcomes have gotten worse – not better. Nearly 80 percent of the state’s charter schools are for-profit, with eight in ten charters posting achievement below the statewide average.

While the state took modest steps in 2016 to right some of these wrongs, more must be done. I look forward to hearing the perspective of Jonathan Clark, a Detroit parent, on the impact of irresponsible choice policies.

In 2010, the year before Michigan lifted its charter cap, the state won \$7 million from the federal Charter School Program. It is the Committee’s responsibility to have an honest dialogue about our role in protecting students and taxpayers from gross abuses *before* we increase funding and promote the expansion of public school choice at the expense of increasing federal investment in core programs like Title I.

In response to ongoing operational challenges in the Charter School Program (or CSP), I fought to make improvements to the program. Of particular concern was the significant risk to taxpayers posed by continued federal investment in states like Michigan with extremely weak state charter laws that allowed unaccountable and low-quality schools to flourish.

ESSA includes a stronger program focus on quality authorizing and equity for students and families. Those changes were long overdue.

However, CSP is a limited policy lever to improve charter quality nationwide. While states opting to participate in CSP will need to improve practices before accessing funds, this policy approach fails to ensure charter quality across states. And while ESSA's improvements to CSP are a necessary and important step, I remain concerned with commitment to honoring the spirit and intent of the law of the present leadership at the Department of Education.

Given the Secretary's advocacy in Michigan, there is serious and justified concern that, under the present leadership, the Department will not hold CSP grantees accountable for fulfilling new program requirements. I am also concerned that the Secretary will not prioritize funding for high-quality charters that seek to improve student diversity in their replication and expansion efforts, a priority I fought to include in ESSA.

It would not be the first time the Department has ignored key equity guardrails in the law.

In 2016, I released the findings of a GAO investigation on racial and socioeconomic isolation in public schools. GAO found that, on the whole, public education was resegregating, and that rapid growth of socioeconomically and racially isolated charter schools was a contributing factor.

The number of highly segregated public schools more than doubled between 2001 and 2014 – from 7,000 schools to 15,000. And during that time, while there was a decrease in the prevalence of segregated non-charter public schools, the share of segregated public schools that are charter schools increased from 3 percent to 13 percent. In 2001 there were just 210 segregated charter schools nationwide. By 2014 there were nearly 2,000.

The role of choice in educational segregation is hotly debated, but facts are facts. We now have more choice options than ever before, and a public system that is more segregated than at any time since 1970.

In a system where less children are bound to neighborhood schools in communities segregated due to decades of discriminatory zoning and housing policy, segregation should be decreasing. Instead, it's on the rise.

Andreas Schleicher, the Director for Education and Skills at the OECD, studies school choice policies around the world. He warns that choice must come with checks and balances to prevent adverse impact on inequality and segregation. In a 2017 publication, he said (and I quote), *“The risk that school choice and voucher systems result in higher levels of social segregation among schools, less social and cultural heterogeneity within schools, and less access to high-quality education for children from disadvantaged backgrounds is real, but this risk can be mitigated by the way the systems are designed.”* Choice devoid of protections to improve diversity will exacerbate segregation, and separate – whether charter or non-charter, is inherently unequal.

In closing, I will again refer to the words of Mr. Schleicher, who said “the more flexibility there is in the school system, the stronger public policy needs to be.” In other words, public school

choice with public oversight and strong accountability can improve our system as the whole. Choice devoid of strong policy will not.

Thank you, Madam Chairwoman, and I yield back.

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<sup>i</sup> Center for Research on Education Outcomes. (2009). *Multiple Choice: Charter School Performance in 16 States*. Stanford, CA: Author.

<sup>ii</sup> Center for Research on Education Outcomes. (2009). *Multiple Choice: Charter School Performance in 16 States*. Stanford, CA: Author.

<sup>iii</sup> See, [https://www.washingtonpost.com/news/answer-sheet/wp/2016/07/15/how-charter-schools-in-michigan-have-hurt-traditional-public-schools-new-research-finds/?utm\\_term=.563933d6342f](https://www.washingtonpost.com/news/answer-sheet/wp/2016/07/15/how-charter-schools-in-michigan-have-hurt-traditional-public-schools-new-research-finds/?utm_term=.563933d6342f).