Study shows potential unintended effects of charter school movement

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Increases in charter school enrollment in Pennsylvania have led to a decrease in property tax revenue in public school districts of about 9.5% from 2005 to 2012, according to a study led by a University of Kansas researcher.

"Most discussions surrounding charter schools involve performance, such as testing data and graduation rates, but we know virtually nothing about the interaction between charter and public schools," said Eric Shannon, a doctoral student in the KU School of Public Affairs & Administration.

He said the research is important because it remains unclear whether policymakers understand the effects of charter schools on the finances of traditional public schools.

Shannon will present his research on Sept. 2 at the 2017 American Political Science Association annual meeting in San Francisco. He also serves as a research assistant at the KU Center for Research Methods and Data Analysis.

In Pennsylvania, a student's home district is required to provide payment to a charter school for each student's enrollment, even if the charter school is located in another district. School boards can offset this cost by setting property tax rates to generate a desired level of revenue.

The Great Recession led to reductions in virtually all districts' overall
revenue post-2008, Shannon said, but a key finding in his analysis was that in districts with a charter school revenue decreased even further. This likely required school boards to raise property taxes in response to the shortfall.

"A common perception about school performance at charter schools is if we give them money, they'll perform better. But no one has any examples to support those results," Shannon said. "Charter schools might be siphoning money away from public schools."

The question is critical because it examines a sort of political paradox surrounding the charter school movement. Conservative policymakers generally support charter schools, as well as market-based education and lower taxes. However, in response to charter school growth, public schools might seek greater tax revenue.

"In a lot of cases, people tend to think of tax policy and education policy as separate realms," Shannon said. "But in a lot of states, the property taxes—and in some states the income taxes—are actually what is funding the schools, both charter and public."

The larger implication of the research is that people's understanding of charter schools likely has focused too narrowly on school performance outside of the broader context of public education policy, he said.

"When we're discussing how we look at charter schools, there's no a one-size-fits-all solution, and they interact in different ways with the public school system," Shannon said. "With the objective measures, it just puts focus on performance and tends to get overwhelming. There needs to be an objective, but more well-rounded, measure."

Provided by University of Kansas