



*A Union of Professionals*

## **The National Charter School Finance Study**

The National Charter School Finance Study seeks answers to these questions: (1) How and why does charter school funding differ from school district funding? (2) Do charter schools get more or less funding than other public schools that offer comparable services for similar students? (3) Are charter school funding systems responsible for differences between charter schools and their host school districts in the way they spend money?

The National Charter School Finance Study, funded by the U.S. Department of Education under contract number ED98-CO-0029, is contracted to the American Federation of Teachers Educational Foundation in collaboration with Policy Studies Associates, Inc., and Fox River Learning L.L.C.

### **Contractors**

Policy Studies Associates (PSA), the American Federation of Teachers Education Foundation (AFTEF), and Fox River Learning (InSite) have specialized experience in working with educators and administrators on research projects, as demonstrated in the following descriptions of the three organizations.

### **Policy Studies Associates**

Policy Studies Associates, Inc., (PSA) has extensive experience working directly with educators and policymakers on evaluations of education reform efforts. PSA conducts research, evaluation, policy analyses, and other projects in education, training, and related human services. Founded in 1982 by Elizabeth R. Reisner and Brenda J. Turnbull, who continue to own and manage the firm, PSA has a special capability in the examination of policies, strategies, and practices intended to stimulate reform of K-12 schooling.

Studies conducted at PSA draw on its expertise in research and evaluation design, data collection using surveys and open-ended interview guides, analysis, and reporting. Data collection in its recent studies has involved combinations of the following: surveys of students, parents, program administrators, and teachers; program observation; site visits to schools and other sites; and reviews of school records. Data analyses have, in general, focused on the relationship between program interventions and outcomes, with special attention to the implications of findings for local, state, and national policy.

PSA's studies have assessed the implementation, effects, and quality of a wide variety of educational programs and services, including national, state, and local efforts to improve students' achievement, reduce dropout rates, and prepare students for further education or employment. The firm's work has addressed all parts of the education process, including staff development, curriculum, instructional methods, assessment of outcomes, student support services, family involvement, district organization and administration, and funding.

Several of PSA's studies have addressed issues directly related to charter schools. Several years ago it completed a three-year study of Minnesota's Open Enrollment program and its public

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alternative programs for at-risk students. Issues addressed in that study for ED included the financial and educational effects of choice on school districts, student achievement, minority students' access to and representation in the choice programs, and parent involvement.

In another study, PSA analyzed the implementation of six alternative high schools for at-risk students. This four-year study for the U.S. Department of Labor focused on these schools' development of innovative approaches for students who had failed in traditional high schools, as well as barriers the schools encountered in their efforts to use new models of instruction. It entailed multiple visits to each site over three years to meet with school administrators, teachers, district office staff, and students to track the schools' development. PSA's 13 years of experience studying federal precollegiate education programs provide a sound background for examining the operation of charter schools. Other current projects at PSA include case study research on the implementation of whole school reforms in secondary schools serving large concentrations of disadvantaged students and its contribution to the U.S. Department of Education's Longitudinal Evaluation of School Change and Performance, which has included extensive site visits to schools and districts across the country.

### **American Federation of Teachers Education Foundation**

The AFTEF has been the recipient of a number of grants and contracts, including projects related to standardized testing, school finance education, special education, low-performing schools, school-to-work transition, career opportunities for school-related personnel, AIDS education, breast cancer education, and a variety of well-funded projects aimed at, among other things, developing free trade unions and educating citizens of former dictatorships for democracy.

The national headquarters of the American Federation of Teachers, the parent organization of the American Federation of Teachers Educational Foundation is located in Washington DC. In addition to the national office, the one million member, 80 year old organization is made up of state organizations in most states and nearly 2,000 local unions. Teachers make up half the AFT membership, with the balance composed of professors, paraprofessionals, and a growing number of public employees in state and local governments.

### **Fox River Learning (InSite)**

The Departments of Education in Hawaii, South Carolina and Rhode Island have implemented InSite statewide in order to improve district financial reporting for their states' schools. Additionally, InSite is used by more than 150 school districts across the U.S. and Canada.

Fox River Learning conducted the financial analysis using InSite™, originally developed by Coopers & Lybrand L.L.P. in conjunction with the U.S. Chamber of Commerce. Using data from the general ledgers provided by participating charter schools and school districts, InSite uses a common financial language to provide as many as 285 analytical and statistical reports that show how individual schools spend money. These reports analyze expenditures by:

- Function (e.g., instruction, administration.)
- Educational program (e.g., general education, special education)
- Location (school site versus central administration)

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In addition to summary reports for the entire school district, reports are generated for groups of schools by education level (e.g., elementary, middle or high schools) and individual school buildings.

## **Staff**

The project director for this study is F. Howard Nelson, Senior Associate Director in the Research Department of the American Federation of Teachers. Other AFT staff involved in the study include Joan Devlin of the Educational Issues Department, and Ed Muir and Rachel Drown of the Research and Information Services Department. Michael Rubinstein, a Senior Researcher, is primarily responsible for Policy Studies Associates's work on the study, and Brenda Turnbull, a Principal of PSA also contributed to the project. The work of Fox River Learning (InSite) on the study will be conducted by Larry Maloney and Deborah Rosenfield.

**F. Howard Nelson** (hnelson@aft.org), the principal investigator, is also a Senior Associate Director of the AFT Research and Information Services Department. His Masters Degree in Economics and Ph.D. in Educational Policy Studies are from the University of Wisconsin-Madison. Prior to joining the AFT, Dr. Nelson taught school finance in the Department of Education Policy Studies at the University of Illinois at Chicago. Dr. Nelson has authored many published articles in such refereed journals as *American Education Research Journal*, *The Journal of Law and Education*, *School Business Affairs*, *Journal of School Business Management*, *International Journal of Education Reform*, *Education Evaluation and Policy Analysis*, *Developments in School Finance*, *Journal of Labor Research*, *National Tax Journal*, *Journal of Education Finance*, and others. For several years he has authored the AFT's 50-state salary survey. He also published research on international comparisons of expenditures, teacher salaries and working conditions. Over the past 12 years, he has conducted approximately 80 budget analyses in school districts and colleges in 18 states.

**Michael Rubenstein** (michaelr@policystudies.com) is a Senior Researcher at Policy Studies Associates (PSA). He contributes research experience across a wide range of topics as well as familiarity with school choice and state and local reform efforts. He served as principal data analyst for PSA's evaluation of Minnesota's Open Enrollment program and chief author of that study's interim report.

Mr. Rubenstein coordinated a two-year study of school-based management in four districts that examined the effects of increased school autonomy on a variety of school practices. He also led a process evaluation of alternative schools operating under the U.S. Department of Education's Alternative School Demonstration Program. A major focus of that study was the effects of state and local policies and practices on schools that operated very differently from most traditional public schools, an issue that plays a prominent role in this proposed study of charter school finances.

Mr. Rubenstein draws from his knowledge of federal, state, and local policies and reform efforts in understanding their effects on charter school finances. At the federal level, he has participated in numerous studies of Title I, and studies of Title I services for private-school students and for secondary-school students, and the current Longitudinal Study of School Change and Performance. As manager of the Goals 2000 technical support capacity for the U.S. Department of Education, Mr. Rubenstein spent five years tracking and reporting on state and local reform efforts, including the emergence of charter schools. In response to requests from the Department of Education, he prepared summaries of the evolution and content of

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charter school legislation in Colorado and California, highlighting differences between the two states' approaches. He also prepared or coordinated briefing materials on school reform efforts in all 50 states and in most major urban school systems.

**Ed Muir** (emuir@aft.org) is an assistant director in the AFT Research and Information Services Department. His responsibilities at AFT include research support for state policy initiatives, quantitative analysis and public finance. A former teacher in New York City, Dr. Muir defended his doctoral dissertation in politics at New York University in 1995 and has worked at the AFT since 1996. His work has appeared in *Journal of Education Finance*, *The Yearbook of the American Education Finance Association*, *Southeastern Political Review*, *Public Health Reports*, *PS: Political Science and Politics*, the *Encyclopedia of the American Legislature*, and the *American Educator*. Muir has lectured at New York University, Queens College and the George Washington University.

**Joan Devlin** (jdevlin@aft.org) is part of the 10-member advisory board of the National Charter School Study funded by the U.S. Department of Education. Ms. Devlin, an Associate Director of the AFT Educational Issues Department, taught science in the Boston Public Schools at both the middle school and high school level and held both appointed and elective office in the Boston Teachers Union and the Massachusetts Federation of Teachers. She has studied charter schools for years, including participation in state and national charter school meetings. As part of a network of experts in the field, she has compiled an extensive collection of reports. She is the primary author of the AFT report, "Charter School Laws: Do They Measure Up?"

**Brenda J. Turnbull**, a Principal of Policy Studies Associates, provides quality control and general oversight for the study. She holds an Ed.D. from Harvard's Graduate School of Education. Turnbull has many years of experience as a policy analyst and evaluator in education, and has led a number of studies that have collected data from state education agency staff. She is currently providing advice on this process, as well as on the collection and analysis of data from local sites, in the Targeting and Resource Allocation Study funded by the Planning and Evaluation Service of the U.S. Department of Education. She has overseen data collection from schools in dozens of studies over the past 15 years, using both qualitative and quantitative methods. For the Office of Educational Research and Improvement, she led the national evaluation of the regional educational laboratory program, and she has provided technical support on topics such as the development of performance indicators for particular programs.

**Larry D. Maloney**

**Client Satisfaction Manager**, Fox River Learning, Inc. (LDMaloney@aol.com) Mr. Maloney holds the responsibility for working with and supporting Fox River Learning clients throughout the product implementation and use cycles. He evaluates the quality of services provided by the company and the client response to those services through canvassing and client interviews. Mr. Maloney works with clients in designing implementation strategies tailored to a school district's or state's needs. He structures state and/or district implementation plans including the delivery of products and services, internal and external communications, training, and implementation assessment. Mr. Maloney has worked on the development and delivery of the In\$ite software since 1992. He holds an MA in International Service, The American University, Washington, DC, (1989) and a BA in Political Science, The University of Tennessee, Knoxville (1983).

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**Rachel Drown** (rdrown@aft.org) is a senior associate in the American Federation of Teachers Research and Information Services Department, and is responsible for much of communications, data acquisition and quantitative analysis for the National Charter School Finance Study. Her research interests include K-12 education finance policy, collective bargaining and employee benefits. Rachel often works with AFT locals, providing assistance with budget analysis and contract negotiations. Rachel also works on AFT publications such as the State of the Healthcare Workforce. Rachel graduated with a bachelor's degree in economics from the University of Rhode Island.

## **Technical Advisory Board**

**Richard Farias**, President

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Mr. Richard R. Farias is the founder, President & CEO of the Tejano Center for Community Concerns, Inc., a community based, non-profit organization since 1992. The Agency's mission is to improve life opportunities for low-income children and families through the provision of educational, social and health services and community development initiatives. Major programs of the Center include the Raul Yzaguirre Charter School for Success, El Hogar de Ninos - A Children's Shelter, the Tejano Family Health Clinic and New Hope Housing program.

**Previous Experience.** Mr. Farias worked in the Juvenile Justice System in Harris County for over sixteen years which included serving as Educational Liaison between adjudicated youth and the public school system. He also served as Executive Director of the Association for the Advancement of Mexican Americans and directed the nationally recognized George I. Sanchez Alternative High School for over six years. The Sanchez School which is now a Charter, serves drop outs and high risk youth and was one of the first alternative private schools in the country to obtain tax dollars for its operation. Mr. Farias holds a B.A. in Social Rehabilitation and Social Services and post-graduate work in Criminology and Corrections from Sam Houston State University.

**Experience with Charter School.** Mr. Farias, with one of the first twenty charters in Texas, is one of the pioneers of the movement. His Raul Yzaguirre Charter has grown from 100 students the first year to 200 students for the second year. Now in its third year, the school serves 450 students, grades sixth through tenth. The Texas State Board of Education has pre-approved an additional 200 students for the '99-2000, school year. This growth will allow the Raul Yzaguirre Charter to serve 650 student, PreK through twelve. Because of its expansion, the School has moved three times and will move a fourth time as they acquire their permanent facility before the end of October '98. The successful and creative elements of the School have caught the attention of educators across the country. Mr. Farias has participated as a presenter at four national charter school conferences, including the most recent, which was hosted by the White House for the new Washington D.C. charters.

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Dr. Goertz is a professor in the Graduate School of Education at the University of Pennsylvania and a co-director of the Consortium for Policy Research in Education. Prior to joining the University of Pennsylvania faculty, she taught at the Bloustein School of Planning and Public Policy at Rutgers University and was a senior research scientist and Executive Director of the Education Policy Research Division of Educational Testing Service. She received an MPA and a Ph.D. in social science from the Maxwell School of Syracuse University.

Dr. Goertz is a policy analyst specializing in the fields of education finance and governance. Since 1976, she has studied school funding systems in a nearly a dozen states, and has testified on behalf of the plaintiffs in school finance court cases in Alabama, Connecticut and New Jersey. A past president of the American Education Finance Association, she served as the vice chair of New Jersey's Education Funding Review Commission in 1993. She is currently a member of the National Center for Education Statistics' Technical Planning Panel on school finance.

Dr. Goertz has also conducted extensive research on state education reform policies, state teacher testing policies, and state and federal programs for special needs students. Her current research activities include studies of systemic reform in selected states in the United States, the implementation of New Jersey's school finance laws, and the allocation of school-level resources. Her study of New Jersey's school funding reforms was recently published in the book, *From Cashbox to Classroom: The Struggle for Fiscal Reform and Educational Change in New Jersey* (Teachers College Press, 1997). Dr. Goertz also was a member of the National Research Council's Committee on Goals 2000 and the Inclusion of Students with Disabilities which issued the report, *Educating One and All: Students with Disabilities and Standards-based Reform* (National Academy Press, 1997).

Dr. Goertz has been an adjunct professor at the Eagleton Institute of Politics at Rutgers University, a visiting professor at the Woodrow Wilson School of Public and International Affairs at Princeton University, and an assistant professor of political science at Trenton State College.

**Michele Moser**

Associate Professor

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Dr. Richardson is First Vice President, School Finance Consulting Services, at Peacock, Hislop, Staley & Given, Inc. (PHS&G). PHS&G is an investment banking firm which provides financial advisory and underwriting services to both public and private entities, as well as school finance consulting. Dr. Richardson specializes in assisting Arizona school districts with planning and applying for state funding under the new Students FIRST school capital finance system.

**Previous Experience.** Dr. Richardson has previously served as Executive Director of the State Board for School Capital Facilities (1996 to 1998) and as an independent school finance consultant. She was employed by the Arizona Department of Education (ADE) from 1987 to 1994, first as Director of School Finance, and later as Associate Superintendent for Support Services. During most of that time, she was also the chair of the ADE legislative team. Before moving to ADE, she served as a Research Analyst for the Education Committee of the Arizona State Senate (1982-1987). Dr. Richardson holds a B.A. in English and an M.A. in Secondary Education from Stanford University, and a Ph.D. in Higher Education from the University of Washington.

**Experience with Charter Schools.** Dr. Richardson played a lead role in the drafting of the finance portion of the original Arizona charter school law, which passed in 1994. In her final six months as an Associate Superintendent at the Arizona Department of Education (July-December 1994), she supervised the establishment of the agency's charter school program. Later as school finance consultant, she advised the Arizona Governor's Office on charter school finance issues and assisted with the drafting of amendments to the Arizona charter school finance laws in 1996. In her current role, she is participating in the development of mechanisms to finance charter school facilities.

**Cecelia Rouse**

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Dr. Cecilia E. Rouse is a Professor of Economics and Public Affairs at Princeton University. Her primary research and teaching interests are in labor economics with a particular focus on the economics of education. She has studied the economic benefit of community college attendance, evaluated the Milwaukee Parental Choice Program,

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examined the effects of education inputs on student achievement, tested for the existence of discrimination in symphony orchestras, and studied unions in South Africa. Her current research evaluates Florida's school accountability and voucher programs and the effect of financial aid on college matriculation. In addition, she is currently conducting randomized evaluations of technology-based programs in schools in Hartford, CT and Milwaukee, WI. She is the director of the Princeton University Education Research Section. In 1998-99 she served a year in the White House at the National Economic Council. Her Ph.D. is from Harvard University.

## **Past Advisory Board Members**

### **Kenneth J. Meier**

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Kenneth J. Meier is the Charles Puryear Professor of Liberal Arts and Professor of Political Science at Texas A&M University. A noted authority on minority education politics and policy, he is the author of *Race, Class and Education* (University of Wisconsin Press 1989), *The Politics of Hispanic Education* (State University of New York Press 1991) and *Regulation and Consumer Protection: Politics, Bureaucracy and Economics* (Dame 1995, 3rd ed. 1998).

### **Bill Reimer**

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Since 1985 Bill Reimer has been the Assistant Superintendent for Educational Support Services in Douglas County (Castle Rock), Colorado. Fast-growing, high-income Douglas County lies between Denver and Colorado Springs. By 1998-99, six charter schools operated in the district, the largest number of any school district in Colorado. The county has also received national attention for its innovative teacher pay-for-performance plan.

Reimer is responsible for the district's Departments of Fiscal Services, Budget, Nutrition, Operations and Maintenance, Planning, Transportation, Construction, and Information and Technology. He was Director of Planning and Community Services from 1977-1983 at Cherry Creek School, Englewood, Colorado. In this job, he helped develop the district's comprehensive planning and facilities program. Reimer began his career as a classroom teacher in Bernardsville, New Jersey, and worked for the firm of Pandullo, Quirk Associates in Wayne, New Jersey as a Senior Planner in 1975-1977 before moving to Colorado.

With a BA from Kean College in New Jersey and a Masters in City and Regional Planning from Rutgers, Bill Reimer has completed graduate work at the University of Colorado. A member of numerous boards (currently chair of the Craig Hospital Board

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of Directors) and community groups, Reimer is also a consultant to other school districts in Colorado. Mr. Reimer is a member of the American Association of School Administrators (AASA), the Association of School Business Officials (ASBO), and the Colorado Association of School Executives.

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