

# Oregon Families Deserve Choice in Online Learning: Cascade Policy Institute Supports SB 240 - Lift the Cap on Online Charters

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## FOR IMMEDIATE RELEASE

### Cascade Policy Institute

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**Portland, Ore** - Over the past year, enrollment in online charter schools has increased by a whopping 58%. But as with many things, government is getting in the way of growth. Under Oregon law, online charter school enrollment is capped at 3% of a sponsoring district's enrollment.

That could change. [Oregon Senate Bill 240](#) would remove the cap on online charter school enrollment.

As one of the founders of Oregon's charter school movement, Cascade Policy Institute supports lifting the cap.

Pre-pandemic, Oregon online charter schools had about 14,000 students enrolled. This school year, more than 22,000 are enrolled in online charters. Over the same period, brick-and-mortar public schools saw their enrollments decline by about 5%. Online charters' staggering 58% increase in enrollment clearly demonstrates both the confidence families place in online charter schools and their frustration with traditional public schools.

During this pandemic, families have been forced into an experiment with distance learning. Some have found it to be an incredible success, while others have seen dismal failure. Regardless, families have both the interest and incentives to move forward with the educational options that work best for them and their students. If online learning works for your family, you deserve to have that choice.

The Senate Education Committee is [holding a hearing Wednesday, April 21](#), on Senate Bill 240.

Eric Fruits, Ph.D., Cascade Policy Institute's Vice President of Research, [submitted the testimony below in support of SB 240](#).

Senate Committee on Education  
Oregon State Legislature  
**Re: Support for Senate Bill 240**

Dear Chair Dembrow; Vice Chair Thomsen; Senators Gelser, Gorsek, and Robinson:

Senate Bill 240 removes the cap on the percentage of students from any school district who are permitted to enroll in online charter schools not sponsored by their district.

Pre-pandemic, Oregon online charter schools had about 14,000 students enrolled. This school year, more than 22,000 are enrolled in online charters. Over the past year, brick-and-mortar public schools saw their enrollments decline by about 5%. Online charters' staggering 58% increase in enrollment clearly demonstrates both the confidence families place in online charter schools and their frustration with traditional public schools.

While Oregon's brick-and-mortar public schools were scrambling for Chromebooks and fumbling with figuring out the difference between Zoom, Google Meet, and Seesaw, Oregon's online charters were up-and-running with years of distance learning experience. Unlike traditional schools, they did not have to hastily throw together new curricula or train staff who had never done distance teaching.

### **DON'T BUY INTO THE BUDGET MYTH**

Opponents of charter schools claim that increased enrollment in charters "cost" school districts millions of dollars. This is simply not true.

1. The state law is clear: All Oregon charter schools are "public schools." [\[1\]](#) They operate under a binding agreement and with the oversight of a sponsoring public school district.

2. Charter schools are funded out of the State School Fund. Charter students are considered residents of the school district in which the public charter school is located for purposes of distributing the State School Fund. [\[2\]](#)

3. Charter schools receive 80-95% of State School Fund per-student funding of traditional public schools. [\[3\]](#)

4. Traditional district-run schools have access to a number of revenue sources that are typically not available to charter schools. As a result **charter schools receive approximately 40% less public funding than traditional public schools.**

Because charter schools receive less state funding than traditional public schools, organizations such as the Oregon Education Association should be thrilled that so many families are enrolling in online charters. **Those online charter schools are providing exactly the services students and families require, at lower public cost than brick-and-mortar schools.**

### **DON'T GET DISTRACTED BY GRADUATION RATES**

In opposition to the "dash one" amendment to HB 2954, the Oregon Education Association trots out the same old tired argument that online charters underperform traditional public schools in graduation rates. This is a distraction that wise legislators know to ignore.

As you know, graduation rates at all Oregon public schools, including online charters, are calculated the same way. The adjusted cohort graduation rate (ACGR) calculated by the Oregon Department of Education (ODE) is the percentage of all students who graduate from high school with a diploma within a four-year cohort period after they started 9th grade.

To figure out the ACGR, ODE tracks a cohort of ninth graders for four years. Students who enroll in the school after ninth grade are added to the cohort and those who leave are subtracted. The ACGR is the number of students who graduated divided by the number who started in the ninth-grade cohort four years earlier.

Now, consider a hypothetical student who spends her first three years of high school attending a traditional public school—say, Portland Public Schools—before spending her fourth year enrolled in an online charter (e.g., Crater Lake Charter Academy).

Under the ACGR method, the online charter (the school of record at the end of her senior year) would be held accountable. Thus, if the student doesn't graduate on time, the online charter would get dinged.

But what if, at the time of transfer, the student was far behind academically and not on track to graduate on time? **Should the online charter get the entire blame when just one-quarter of the student's high school career was spent in the online charter?** Probably not, but that's how ACGR is calculated.

This scenario is more likely in schools that serve many mobile students, including those at greatest risk of dropping out. And if, as some online charters claim, the school enrolls many transfer students who are already far behind academically, then its low graduation rate as calculated via ACGR is not an accurate gauge of the school's teaching effectiveness.

OEA and other critics of online charters are constructing a straw man. **They simply don't know what the graduation of online charters' students would have been** had they enrolled in a traditional public school. Their criticisms are disingenuous and unreliable.

### **IF EDUCATION IS A RIGHT, FAMILIES HAVE THE RIGHT TO CHOOSE**

On a more fundamental level, criticism of online charters' graduation rates is irrelevant. The fundamental issue is one of choice. **Families know what is best for themselves and their kids.**

During this pandemic, families have been forced into an experiment with distance learning. Some have found it to be an incredible success, while others have seen dismal failure. Regardless, families have both the interest and incentives to move forward with the educational options that work best for them and their students. No one else is as uniquely positioned to make the right choices for their kids. Not the OEA, not even wise legislators.

Senators, this is your chance to do the right thing for Oregon students and their families. **Lift the cap on online charter schools.**

Respectfully submitted by,

Eric Fruits, Ph.D.

[1] "A charter school in Oregon is a public school ... within a school district." Oregon Department of Education, What is a Charter School? (n.d.), <https://www.oregon.gov/ode/learning-options/schooltypes/charter/Pages/default.aspx>.

[2] ORS 338.155.

[3] ORS 338.155.

*Founded in 1991, Cascade Policy Institute is Oregon's free-market public policy research center. Cascade's mission is to explore and promote public policy alternatives that foster individual liberty, personal responsibility, and economic opportunity. For more information, visit [cascadepolicy.org](http://cascadepolicy.org).*

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