

## School Choice in Spain and the United States: A Comparative Study

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### Abstract

This article explores issues of school choice in Spain and the United States by examining the roles and functions of *centros concertados*, publicly funded private schools in Spain, and public charter schools in the United States, to provide key insights into the similarities and differences between them. After making a national comparison, this work looks more specifically at a comparison of two regions – *Comunitat Valenciana* (Valencian Community), Spain and Michigan, United States. It concludes with a discussion about the applicability of the school choice theoretical framework to both educational systems.

### Keywords

school choice, charter schools, comparative education, Spain, centros concertados, education policy

### Introduction

This paper examines issues of school choice in Valencian Community, Spain and Michigan, USA by examining the role and function of Spain's *centros concertados* (*concertados*)—publicly funded private schools—and Michigan's public charter schools

(also known as public school academies). The paper also explores the reasons why Spanish and American communities organize and operate

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these choice schools within the context of the larger national public education systems. Specifically, we examine the similarities and differences of *concertados* and Michigan's public school academies (PSAs), and how these school models facilitate school choice in their respective countries.

School choice continues to be an important issue in Europe and in the United States. Recent studies have highlighted school choice options and student achievement in England, Denmark, France, and Spain (Albert & García-Serrano, 2010; Glenn, 2007). Proponents of school choice claim that choice policies can improve student achievement, enhance diversity, and benefit economically disadvantaged students (Salisbury, 2005). Studies in Spain have addressed the impact of private school attendance on higher educational outcomes (Albert & García-Serrano, 2010), parental demand for *concertados* (Jacott & Rico, 2006), and functioning of school choice in Spain (Villarroya, 2003). However, no work has been done to compare the *concertado* system in Spain with the charter school system in the United States. This research fills that gap.

Through interviews with individuals working within the Valencian region, we explore the Spanish government's support for *concertados*, the unique features of education provided within these schools, the laws creating them, and how individuals explain them as a feature of school choice. We then compare these findings with a similar discussion about PSAs in Michigan, taken from interviews of individuals working within that system.

### The Spanish Educational System

The current educational structure in Spain was established when Spain became a democracy after the 40-year rule of General Francisco Franco (1936-1975). The Spanish Constitution of 1978 guaranteed everyone the right to an education with the aim of fully developing human character. Spain's public funding of private education began with the Education

Rights Act (*Ley Orgánica del Derecho a la Educación*) (LODE) in 1985 (Ossenback-Suater, 1995-96). The most recent version, passed in 2013, is called *Ley Orgánica para la Mejora de la Calidad Educativa* (Suaréz, 2013).

*Concertados* are allowed throughout Spain as part of an integrated network of both public and private schools supported by public funds.

### Spanish Educational System Structure

The Spanish Constitution established the basic educational rights guaranteed to Spanish citizens. Four guarantees are particularly relevant to school choice: (1) the students' right to a free education; (2) the parents' right to "ensure that their children receive religious and moral instruction that is in accordance with their own convictions"; (3) the individuals' and legal entities' right to set up educational centers; and (4) the right of teachers, parents, and pupils (when appropriate) to share in the control and management of the centers (Constitución española [C.E.], 1978).

The Spanish educational system, organized by the Law for Improving The Quality of Education (*Ley Orgánica para la Mejora de la Calidad Educativa* (LOMCE)), is divided into four levels: Preprimary (ages 3-5), Primary (ages 6-11), Secondary (ages 12-17), and Tertiary (ages 18-22) (UNESCO, 2012). Children must attend school from age six until age 16. Net national enrollment (defined as number of students in the theoretical age group for a given level of education who are actually enrolled in that level, as a percentage of the total population of that age group) through the end of secondary education exceeds 95% (UNESCO, 2012).

After completing compulsory secondary education, a student may opt to continue with vocational training or high school (*bachillerato*) studies. The *bachillerato* lasts two years, normally from ages 16-18, and confers the credential of baccalaureate (*bachiller*) (AngloInfo, 2015). The correlation between the Spanish and United States educational grade levels is presented in Table 1.

Table 1  
School System Levels in Spain and the United States by Age Range

Age Range (Years)	Spain	United States
0-3	<i>Educación Infantil Primer Ciclo</i>	Nursery School
3-6	<i>Educación Infantil Segundo Ciclo</i>	Preschool Education
6-12	<i>Educación Primaria</i>	Primary Education
12-16	<i>ESO</i>	Compulsory Secondary Education
16-18	<i>Bachillerato</i>	Post-Compulsory Secondary Education

Adapted from AngloInfo: The Global Ex Pat Network: Schooling and Education in Spain (2015).

The Spanish public school system is primarily composed of three types of schools: (1) public schools, (2) private but state-funded (*concertados*), and (3) private schools (AngloInfo, 2015). Public school education is free, although usually there are additional costs for books and materials. Beginning in the primary schools, families whose income is below or not far above the minimum wage (established by law in Spain) may be able to obtain vouchers (*bonos*) to pay for books (AngloInfo, 2015). *Concertados* have lower fees than other private schools, the most expensive educational alternative. In 2008-2009, public schools educated 67.4% of Spain's pupils, *concertados* educated 26.0%, and private schools educated 6.6% (Government of Spain-Ministry of Education, Social Policy, and Sport, 2015; Just Landed.com, 2014).

### **Government Influence on Education in Spain**

The Spanish Constitution of 1978 recognized education as a fundamental right that the government must guarantee. Article 27.2 protects the rights of parents to choose the

moral and religious education of their children. The LOMCE, on one hand, provides parents the right to choose their children's schools, and on the other hand requires *concertados* to meet the needs of schooling, including the needs of disadvantaged populations, and to offer pedagogical innovation. The Spanish Constitution requires that both public schools and *concertados* abide by Article 27.2.

There must be a public school in every village, but *concertados* tend to locate in cities where demand for education is higher. At the Valencian Community during the 2013-14 academic year, 71% of the available student places at public schools were occupied, compared to 87.5% of the *concertados*. In cases where demand for a specific educational choice exceeds supply, the schools must consider certain criteria: income level, proximity to the parents' home or employment, and siblings at the same school. These regulations apply to both public schools and *concertados* (Jacott & Rico, 2006). Schools must also consider children's prior attendance in preprimary classes at the same school; while only 10% of the total criteria weight, this element affects *concertados*

in particular. The schools assign priority for admission based on total values assigned. The demand for preprimary schools is especially high due to a shortage of available programs; by the mid-primary level, educational supply equals or exceeds demand. (Jacott & Rico, 2006)

Government funding of education in Spain differs according to the type of school. Public schools (63% of total schools in Spain as of 2006) are financed by the autonomous communities. *Concertados* (30% of the total) are usually owned and run by either the Catholic Church, individuals, or associations, and their core educational offerings are financed by the autonomous communities. Private schools are connected to higher tier private institutions such as universities or the Spanish Catholic Church (Jacott & Rico, 2006). This is a very expensive option for families, as shown by the fact that only a low percentage of families can afford to enroll their children.

## **The United States Educational System**

In the United States, each state has a different educational system established by its state constitution and state statutes. State constitutions typically require the government to establish and maintain a system of public education, and state statutes specify that primary and secondary education (K-12) be provided to all students free of charge (Umpstead, Pogodzinski & Lund, 2007). In the 1990s the charter school movement began, and now 42 states allow charter schools to provide a nontraditional public education to students (NACSA, 2015).

### **United States Educational Structure**

The United States educational system can be divided into the same four levels by student age as those in Spain. (UNESCO, 2012) The U.S.

compulsory education laws require children to attend school from around age six until age 16-18, depending upon the state (UNESCO, 2012). The U.S. Department of Education reported that 50,262,751 children were enrolled in public schools in the United States and its Territories in 2012-2013 (U.S. Department of Education, National Center on Education Statistics [NCES], 2013).

### **School Choice in the United States**

According to the NCES, between 1993 and 2007 the percentage of children attending a public school other than their traditionally assigned public school increased from 11% to 16%. The percentage of children attending private schools also increased (NCES, 2009).

### **Charter Schools in the United States**

The charter school concept was born out of policymakers' desire to improve public schools. The idea was that universities, school districts, and other entities could authorize individual schools that would operate independently from traditional school districts. These special schools would experiment with different pedagogies and configurations and would develop models for greater parent involvement and effective school operations (Price & Jankens, 2015). They would also provide a "choice" for parents who wished to escape traditional neighborhood schools that were consistently failing to make satisfactory progress in student achievement (Price & Jankens, 2015).

The U.S. Department of Education (2014) defined a public charter school as a publicly funded school typically governed by a group or organization under a contract (charter) with the authorizing entity (NCES, 2014). The chartering agency exempts the school from certain rules and regulations; in return, the school must meet certain accountability standards. In 1991, Minnesota enacted legislation to create the first

charter school. By the 2011-2012 school year, charter school legislation had been passed in 42 states and the District of Columbia (NCES, 2014).

### **Charter School Funding and Services**

Though there are usually philosophical, organizational, and management differences between charter schools and traditional public schools, many of the legal, governance, and instructional requirements are the same (Price & Jankens, 2015).

Charter school per-pupil revenue differs widely due to variances in how charter schools are funded by states. In a recent study of charter schools in 21 states and the District of Columbia, it was found that charter schools average \$2,980 (21%) less in per-pupil operating revenues than traditional public schools (Miron & Urschel, 2010). Charter school finances, however, are hard to measure since many charter schools receive both public and private funds as well as in-kind assistance and resources. Bifulco and Reback (2011) concluded that charter schools can have negative fiscal impacts on local districts because: (1) operating two systems of public schools under separate governance can create excess costs, and (2) charter school state funding policies can distribute resources to or away from districts (Bifulco & Reback, 2011).

### **Research Questions**

1. How do the educational choice systems represented by Spanish *concertados* and Michigan charter schools compare in both their motivations and methods for establishing and funding schools, and the roles ideology plays in their operation?
2. In what ways can Spanish *concertados* and Michigan charter schools be understood, using a school choice framework that

examines the systems' use of choice, deregulation, and accountability to promote enhanced educational outcomes for students?

### **Theoretical Framework**

This article examines the Spanish and U.S. educational systems through the theoretical lens of the school choice concept, which consists of three policy levers: choice, deregulation, and accountability (Gawlik, 2007). In the United States, a common narrative about charter schools is that they receive more autonomy in exchange for greater accountability relating to educational outcomes. This arrangement differs from that of traditional public schools, where funding is automatic (usually based on pupil attendance or local property tax revenue); educational outcomes do not typically affect schools' funding or continued existence. In contrast, charter schools must each be authorized by an educational or governmental entity, and each charter must be renewed periodically. Charter schools are considered successful if parents continue to choose them as an educational option for their children.

The Spanish *concertado* system of agreements (*conciertos educativos*) operates in a somewhat similar manner. It offers parents the ability to choose state-supported private schools for their children. In exchange for state support, the *concertados* must follow key financial and curricular requirements, but are not bound by all of the regulations that govern public schools. *Concertados* are also considered successful if parents continue to choose them as an educational option for their children.

### **Methodology**

To compare and contrast Spanish *concertados* with Michigan PSAs, we employed the case study approach. The hallmark of case study research is

the intense study of a case within its context (Yin 2009). Researchers frequently utilize case studies for exploration and description of understudied processes such as this one. Our analysis focused on choice schools in two locations: The Autonomous Region of Valencia and Michigan.

Our data collection techniques included interviews of educational leaders in The Valencian Community and in Michigan. In Spain, we spoke with five individuals: two Valencian government officials, a spokesperson of a private school education association, a spokesperson from a subsidized school association and an education lawyer. Interviews were conducted in Spanish and translated into English for analysis. In Michigan, we interviewed five individuals: a state government official, two individuals from charter school authorizers, an individual from an educational management company, and a charter school leader. Our interview protocol asked a series of questions regarding the creation of the educational system innovations, how schools participate and are funded, and the importance of ideology in general and religion in particular in the schools. We also reviewed the relevant laws and other publicly available materials regarding both the Spanish and Michigan school systems. Because our sample size is small, it is not intended to represent all possible views of individuals within the educational systems examined and its results are not generalizable. Instead, it is intended to provide educational researchers and policymakers with insight into fundamental aspects of the two systems.

## **Findings—The Autonomous Community of Valencia, Spain**

### **The Autonomous Community of Valencia, Spain**

The Autonomous Community of Valencia, which consists of Valencia, Alicante, and Castellon, is located on the eastern coast of Spain on the Mediterranean Sea. It is one of 17 autonomous regions of Spain, covering about 4.6% of Spain's land mass and having approximately 4.5 million inhabitants, or 10.5% of Spain's population. During the 2014-15 academic year, there were 1696 public schools, 427 *concertados*, and 640 private schools (vast majority kindergartens) educating 638,000 students ages 3-16 and another 150,000 16-18 year olds. The instructional languages in the schools vary, but lessons are typically provided in a combination of Castilian and Valencian in this region (Valencia Trader, 2014); Valencian is the Catalan language spoken in the southern area of its linguistic dominion.

### **Motivation for and Establishment of *Concertados***

The Spanish government's initial motivation for the *concertados* was its desire to educate its total population of students. When the LODE was passed in 1985, demand for public schooling was greater than what the existing public school system could meet because so many of Spain's children were attending private schools at that time. The government leveraged the country's extensive private school system by establishing a subsidized center network, providing subsidies for the formerly private schools approved to join the network. Today, the system accomplishes the dual goals of meeting the demand for public education and providing parents with choice in their children's education. One interviewee noted, "the administration ... does not have the

capacity to offer all the needed school places; and ... the parents have demanded more school places ... [sic] well in private schools, that are publicly funded ...so there is a great balance” (Government official 1, personal communication, April 2, 2015).

Any natural person or legal entity is eligible to start a school in Spain; however the school is not guaranteed to become a *concertado*. The school owners must apply to the education department of the autonomous community to be part of the *concertado* system after the school has been formally established as a private school and is operational. The school must be open for at least five whole academic years before it applies for public funding. However, it can apply for a progressive incorporation to the system of agreement; such an application covers only the groups for three-year-olds, and then progresses from there. Typically, public funding is not available to assist with the school formation process; the processes of establishing a school and becoming a *concertado* are separate.

When deciding whether to grant a school’s request to become a *concertado*, the education department considers whether the school has been established in an area of need. One interviewee noted that there are no legal barriers to a school becoming part of the system of agreements that govern *concertados* if the requirements are met. Another respondent said that it is more difficult for a private school to become part of the system of agreements in some communities than in others because of the ideologies of the government’s political party. This person reported that, in Andalucia, the government has not approved a new position for students in the subsidized schools in 25 years. One interviewee suggested that the government should provide more support for the establishment of new private schools that would like to join the system, noting that “sometimes

we look like the poor brother” in the integrated system (Association spokesperson 1, personal communication, April 8, 2015).

### **Concertado Funding**

The autonomous communities’ education authorities provide financial support for all *concertados*. The amount depends on the educational level of the particular school. All costs of a basic primary and secondary education (ages 3-16) are covered, and *concertados* must provide this education to parents for free. The regional government also provides some support for non-compulsory education (i.e., the last two years before university): *bachillerato* and vocational school. Parents supply the rest of the costs of the non-compulsory education for their children.

In *concertados*, the regional government bears the cost of teachers’ salaries, including social contributions, and provides money for the schools’ costs such as administrative and service staff salaries. The authorities pay teachers’ salaries directly to the teachers on behalf of the schools’ owners. Salaries are the same as for teachers working in public schools. Parents of students who attend *concertados* can be asked to pay for things such as “school meals, for the bus, for the extra-curricular activities, for sports, and for language learning” (Association representative #2, personal communication, April 8, 2015). Schools may also co-fund complementary activities by seeking donations from parents. One interviewee explained that most *concertados* ask for voluntary donations from 15 to 50 euros each month from parents, which most parents pay.

There is some ambiguity about financial requirements for parents whose children attend *concertados*. One respondent suggested that the system could be improved by clarifying the financial contributions that parents must make to support the schools. Some parents have filed

complaints that some complementary activities at *concertados* were not really voluntary or optional as the schools claimed. The law guarantees that basic education will be free, whether public or *concertados*. When a family refuses to pay for the complementary activities, their children can still study at the *concertados* school, but it is not an easy path to walk. Children are very sensitive to social bias, and being alone while the rest are having lunch or learning English is a source of discomfort. Many families in this situation leave the school sooner or later. Similarly, another respondent suggested better rules to direct the government's oversight of the state-supported schools. These concerns are borne out in the actual parent expenditures for students attending Spanish schools. According to a press release of the Statistics National Institute (2015), the average expenditure per year of Spanish students in schools for the 2011-12 school year was as follows: Lunch (542 € in public and 869 € in *concertados*); transportation (94 € in public and 515 € in *concertados*); child care after school hours (286 € in public and 366 € in *concertados*); complementary activities (79 € in public and 92 € in *concertados*).

Although some tout *concertados* as educating students at up to 50% less cost than public schools, according to a recent study by Izquierdo and Gonzalez (2015), each unit or group in an average school (18 groups, two per level, nine levels from ages 3-11) costs 72.970 € at a public school and 63.805 € at a *concertado*: a difference of only 9.165 €. The same article explains that, if the families' contributions to *concertados* are taken into account (509 € per child at pre-primary and 298 € at primary, as an average), the cost to the *concertados* group is higher than that to the public school one. But the fact remains that the autonomous community saves 9.165 € for each group in the *concertados* system. In fact, this is an example of co-payment

where private citizens are subsidizing the autonomous community and not the other way around.

### **Regulation and Accountability**

*Concertados* follow most of the same rules as public schools in Spain. In exchange, they must provide a free education, report financial information, respect the rules for community participation in education, and offer free, non-discriminatory complementary services such as counseling, lunch, transportation, and school insurance. (Villarroya, 2003). Public authorities establish the general education program and make decisions concerning the size of the system, the number of units, suppression or creation of units, and the increases in the number of places in school sites for all schools under the system of agreements. *Concertados* must also follow the government's calendar, assignments, curriculum, and linguistic policies. Accountability for *concertados* is exclusively financial and curricular: that is, the use of public funding must be justified and the national curriculum must be followed.

The fundamental constitutional principles of teacher and parent participation must also be respected by *concertados* in their decision-making. Despite having decision-making authority, the school owner must allow for teachers' and parents' participation in important decisions, such as how the general curriculum is adapted to the school's context, how complementary and extracurricular activities are organized, and how school operational issues are handled. Unlike public schools, *concertados* may have a school statement that must be respected by all the families enrolling their children at that school. The statement is usually of a religious nature, typically affirming adherence to Catholic values and beliefs.

Another difference between public schools and *concertados* is that the school councils at



*concertados* are able to establish their own selection criteria for their teachers. Based on those criteria, the school owner and principal choose staff to work at the school. Teachers must be certified under Spain's teacher training regulations. In contrast, the public school hiring process places all qualified teachers into a regional teacher pool, and jobs are awarded based on examination results. Public schools are not able to select their staff members; rather, teachers are assigned by the government. One respondent explained that teaching positions at *concertados* are considered good options, but they are not as desirable as public school teaching positions. Another respondent noted that teachers in *concertados* work more hours each week, so their salary amounts per hour are actually lower than those of teachers in public schools. Teaching positions in both types of schools tend to be permanent, although *concertados* school councils are allowed to dismiss a teacher. Consequently, there is very little teacher turnover in Spain.

### **Choice: Ideology, Religion, and Competitive Advantage**

The Spanish educational system rests on the principles of plurality and freedom of choice. The key to an individual *concertado's* success is its ability to differentiate itself and attract students. It does this through its educational mission. A *concertado* may rely on unique instructional options or other extracurricular offerings to differentiate itself from schools providing only a basic compulsory education. "You always have to have something that distinguishes you from the rest" (Association spokesperson 2, personal communication, April 8, 2015).

The ideological school statement, or *ideario*, of each *concertado* is important to accomplishing the school's educational mission. Ninety percent of the subsidized schools belong

to a religious order or are linked to a church or diocese of Spain, and have a leader who is a member of that religious order. Even when they are not religiously oriented, *concertados* have specific ideologies that are usually different from those of the public schools. Parents typically choose the schools based on ideological positions. One respondent explained that some schools are well known for their academic quality, while others for their athletics. Another interviewee noted that parents tend to choose schools that reflect their personal convictions or at which they like the teaching.

In contrast, Fernandez and Perez (2012) reported that parent choice is not so much related to ideology as it is to social class. They argued that parents tend to choose schools with children of the same or higher income level because they believe this will enhance their children's results and future opportunities. This understanding is consistent with another interviewee's observations that some parents select schools even if their personal convictions do not match. "Very often we see Muslim students attending a school with a Catholic vision, and both parts—owners and families—accept that this coexistence is possible and no conflicts occur" (Association spokesperson 1, personal communication, April 8, 2015).

When asked about the differences between public schools and *concertados*, one respondent explained that the differences are not easily identifiable to a visitor.

I have visited a private school ... and haven't found great differences to a public school. I mean, the things that pupils do, apart from the fact that students usually wear uniforms, that you may find a cross in the classroom, and that many of the students may voluntarily take part in a religious celebration. (Government official 2, personal communication, April 3, 2015)

Several respondents discussed the superior quality of the educational offerings by *concertados*. Three reasons for this high quality were mentioned. First, each school's unique mission is a source of unity among teachers, providing real strength because everyone is following the same vision. Second, families demand high-quality teaching and programming and updated technology from these schools. Third, most *concertados* ask for voluntary contributions by parents to support their curricular offerings.

The contention that *concertados* offer a higher quality education is disputed by some researchers. Izquierdo and González (2015) show that the mean scores for mathematics (498 in public schools against 505 in *concertados*) and reading (499 in public schools against 502 in *concertados*) are very close when you take into account the sociological factor that public schools include students from all social classes, and *concertados* enroll mostly middle-class families. Low-income parents have in most cases continued to utilize public schools (Villarroya, 2003). The reporting of school rankings by Valencian educational authorities of the top 20 schools on the standard tests includes 16 *concertados* and only four public schools, so the data is disseminated to families in a way that favors *concertados*.

Greater flexibility from government regulations for the *concertados* was something mentioned by one interviewee as a way to enhance the functioning of the schools. This would provide them with more liberty to implement their differentiating characteristics that make their schools unique.

## **Findings – Michigan, United States**

### **Michigan**

Michigan is a state in the Midwestern USA. It is the tenth most populous state and is the largest

state by total land mass east of the Mississippi River. The total population is around 10 million, with half of those residing in the southeastern part of the state in the Detroit Metro area. There are 900 public school districts serving 10,000 students ages 5-18 (Michigan Department of Education, 2015).

### **Motivation for and Establishment of Charter Schools**

The motivation for charter school legislation in Michigan followed a national conversation in the 1990s around giving parents the ability to choose a new approach to education in their children's schools. Members of U.S. society were becoming dissatisfied with lack of control over major life decisions. From automobile models, to restaurants and coffee shops, choice was no longer just "nice to have"--it became an entitlement. Parents were becoming more involved in their children's education, and the default framework of governmentally operated schools was no longer adequate. Parents, educators, and legislators began to seek not just a choice of existing options, but better options.

The question of which schools Michigan students could attend increasingly became a politically charged issue. Prior to the 1994 school choice law, school districts were solely determined by geographical boundaries, and students were assigned to schools based on where they lived. Michigan decision-makers were dissatisfied with the educational outcomes of the public school system, and they wanted *better* choices. A representative from an authorizer provided a perspective of this initial motivation:

I believe the initial motivation was the improvement of student outcomes based on the idea that people change their behavior based on market competition, and competition for students would

encourage schools to establish more adaptive operating practices and meet the needs of students. (Authorizer 2, personal communication, April 2015)

Policymakers were looking for long-term outcomes. Establishing a system to compete with the current public school structure would be “some healthy disruption of the traditional public school system” (Authorizer 1, personal communication, April 27, 2015). A representative of the Michigan Department of Education supported the assertion that the move to charter schools was not just a move away from the traditional school system, but a strategy to change the overall system:

I think the initial impetus was more choice and to send a very thorough message to the traditional public school community that you shouldn't get too complacent. The old business adage that if you don't take care of your customer, somebody else will [sic].” (Michigan Department of Education representative, personal communication, April 2015)

### **Funding**

To provide choice, the Michigan Legislature created PSAs. These quasi-public schools are publicly funded, autonomously run schools that provide options outside of the home district's control. Interviews revealed a clear connection between the ability to establish charter schools and the funding structure. Prior to 1994, schools were funded locally; tax dollars stayed within the community to support schools. Although this had its advantages, such as a community's ability to increase district funding by voting to levy taxes, there was significant inequity among districts. The difference in annual state aid between the poorest and richest school districts was over \$6,000 per student (Loeb & Cullen, 2004).

Change came in 1993 with the passage of Proposal A, a per-pupil funding model. Instead of educational dollars staying local, the funds were collected at the state level and then distributed back to schools based on enrollment. Once that framework was in place, charter schools could become a reality. As an authorizer stated, “all [of charter schools being possible] is dependent on the funding actually following the student, not being allocated to the entity itself” (Authorizer 1, personal communication, April 27, 2015).

Although Proposal A solved funding inequity, it created instability. One criticism of choice is that schools can no longer count on a specific level of revenue, which significantly impacts their abilities to plan and provide a quality education. Proponents of charter schools, however, believe this was by design. By having the money follow the student, parents greatly influence the success of the schools. As stated by a Michigan charter school leader:

Parents will vote with their feet . . . if you are unable to provide what parents want in terms of quality of education, safe nurturing environment, and fantastic graduation rates, preparing the kids for college and life . . . , they will vote with their feet and [enroll] their children elsewhere. (School leader, personal communication, April 23, 2015)

Many point to the student exodus from the Detroit Public Schools (DPS) as policy in action. While there are many reasons why the DPS system's enrollment has declined considerably in the past 20 years, including economy and relocation for employment, there has been a simultaneous boom in Detroit-area charter schools. As of the 2014-2015 school year, more students in the City of Detroit attended charter schools than attended DPS (NCES 2014).

Despite the financial consequences of choice and competition for some traditional districts, many charter school proponents in Michigan say the financial shift was worth it. Before 1994, there was little to no oversight of public education in Michigan. With authorizers, overseeing charter school contracts, there is now a culture of compliance, assessment, and quality.

Overall, there is still a mixed view on whether charter schools are worth the overall investment. The bottom line is school performance: Are charter schools performing better than their traditional counterparts? Because charter schools were meant to be a *better* option, their quality and outcomes are crucial ingredients in their longevity.

### **Choice: Innovation, Religion, and Regulation and Accountability**

In order for the charter movement to be successful, charter schools must demonstrate they are providing a superior education to that of their traditional counterparts. They should be innovators of education.

#### ***Innovation***

The main area of innovation is autonomy. Allowing almost anyone to start their own school, to try something new, or to invent a new way to educate students is the hallmark of the charter movement. Although the process can be rigorous – only around 8% of all applications have been approved since 1994 by one university authorizer – virtually anyone can submit an application for a charter school in Michigan to any authorizer. “Those authorizers include public universities, the community colleges, the intermediate school districts, and the local school districts. For all of those except public universities, [authorizers] are confined to their geographic regions for where the schools can be located, with some exceptions for cyber charter

schools.” (Authorizer 1, personal communication, April 27, 2015)

This autonomy not only allows for flexibility, but also creates a great deal of diversity among schools; no two charter schools are the same. Although there are charter networks, groups of charter schools operated by a common educational service provider, each charter school has its own board of directors and mission statement. Charter school characteristics range as widely as the communities in which they occupy. From a fine art integrated curriculum to an international focus, or a trade school to a college-prep program, each school seeks to find its own niche. Other programs include a focus on students in various populations, such as dropout recovery, adjudicated youths, adult special needs, and middle colleges. As schools of choice, charter schools need to appeal to parents’ interests and to fulfill the needs of students within the community.

One of the main limitations for charter schools when they try to be innovative is the current political environment. As one Michigan authorizer noted:

At the outset I don't believe the original drafters envisioned the entrenched interests that would come to thwart the competition. To that end, many of the efforts to innovation and improving student outcomes with more innovative means are handicapped by the efforts to prevent the opposition from eliminating the competition and also the opposition's interest in making sure that schools look similar to them. I think the opposition does a good job of making sure that the public wants schools that look like schools, rather changing the paradigm of what expectations are for learning. (Authorizer 2, personal communication, April 2015)

### **Religion**

In the United States, public schools have been separate from religious affiliation for quite some time (*Everson v. Board of Education*, 1947). Today, any organization in Michigan that accepts public funding is required to have policies ensuring that the school and its staff do not promote a particular religious or private belief. The authorizer has a role in ensuring this separation: “By Michigan Constitution there's a separation that schools cannot be connected. There can't be any public funding to support a religious school that is by [sic] constitution. There's [sic] very clear separation between religion and public schools” (Authorizer 1, personal communication, April 27, 2015).

Some current charter schools were actually *conversion schools*. Former parochial schools transitioned from private school status to a charter school, primarily for financial reasons. It is possible for a private school in Michigan to become a charter school only if it ceases operating as a private entity. It must obtain a charter contract from a qualified authorizer, and then reopen as a charter school that meets the legal and contractual requirements set forth in the charter contract as well as all applicable laws. If a charter school uses a building from a current or former church or religious organization, all religious symbols must be removed or covered.

### **Regulation and Accountability**

A charter school is a state-supported public school established by Part 6A of Michigan's Revised School Code (MCL 380.501 *et seq.*). Charter schools operate under a contract issued by a state authorizer, or by a designated public educational institution (school district, intermediate school district, community college, or university). Charter schools may elect to enroll students in any range of grades PK-12, and may not charge tuition. They cannot

discriminate and must have a random selection process if their projected enrollment exceeds their capacity (MDE, 2014).

Accountability of the charter schools is greater than that of schools in traditional districts. In addition to the same regulatory requirements imposed on traditional districts, including academic, fiscal, and operational rules, charter schools have additional requirements set by their authorizers. The level of oversight is determined by the charter contract. A few of our interviews provided additional context for how accountability occurs in the charter schools. A management company official noted the following:

Michigan compared to other states has a lot more regulations that you got to pay attention to. That's good because you want to protect the health and safety of kids. But also, at some point, for all the funds that we spend on compliance, those are things that could be spent more directly in the classroom. In some ways it erodes, if you will, some of the premise of charters, that it's going to be the innovative solution . . . and that in exchange for accountability, that your school can be closed down after five years in exchange for having an authorizer paying attention to what you do, you're going to be freed up from some state regs. In Michigan, we have all the accountability, all the oversight, but we don't have the freedom that exists in other states. (Management company official, personal communication, May 18, 2015)

Originally, the Charter School Law of 1994 allowed charter schools a great deal of flexibility in return for performance. Dubbed the “freedom for accountability” approach, the law has since been modified to mirror that of the traditional public schools. Although there is little difference

in minimum requirements for all public schools including charters, authorizers typically go above and beyond these regulations. Holding the ultimate authority, authorizers can hold their schools accountable with actions up to and including charter revocation. As a school leader explained, “In the U.S., some 6,700 charter schools have opened. At least 1,100 of these have closed. The numbers that I’ve seen are around 15%, so 15% of all charters that have opened have been closed by their authorizers” (School leader, personal communication, April 23, 2015).

### **Analysis – The Autonomous Community of Valencia, Spain and Michigan, United States**

#### **Motivation for and Establishment of Schools**

A key difference between the Spanish and U.S. school choice systems can be seen in what motivated their beginnings. Spain embraced choice shortly after becoming a democratic nation. It had an extensive network of private, mostly Catholic schools, that were educating citizens who could afford the fees. The nation turned to choice and developed its system of agreements to effectuate the rights to an education guaranteed to all citizens in its newly minted Constitution. It made sense to capitalize on the private network of schools by bringing them into an integrated network of schools wherein they would receive financial support if they agreed to educate the nation’s students while following government guidelines. The turn towards choice in the United States, on the other hand, was part of a movement by consumers demanding more choice. Its adoption was also spurred by the widespread acknowledgement of the varying levels of funding and quality of traditional public schools. Charter schools began in areas where the quality of the public schools

was very low. The intent was to give parents the ability to remove their children from failing schools and to spur competition among schools for students so that the educational quality of all schools would be improved.

Another key difference is found in the process for establishing the choice schools. In Spain, the process begins with an individual or a legal entity starting a private school. The school must be fully operational with a building, staff, and students *before* it may apply to be part of the system of agreements. If accepted into the integrated educational network, it becomes a *concertado* and receives financial support for its operation. In Michigan, schools do not need to be operational before they are designated as charter schools. In fact, the Michigan Department of Education has provided grants for initiation of new charter schools. Individuals or groups may apply to start charter schools. In addition, private or public schools may apply to be converted into charter schools.

#### **Funding**

The funding structures for choice schools in Spain and Michigan are also very different. Valencian authorities support *concertados* by directly paying teacher salaries and providing some funding to schools for operations—estimated to be 50% of that paid to public schools in the region, according to one of our interviewees (or 90% total cost of education according to some researchers). That amount is supplemented by voluntary contributions by parents, usually around 15 to 50 euros a month, to provide complementary opportunities.

Michigan pays a per-student stipend to its PSAs of around \$7,100 annually, which is the same amount provided to the traditional public schools. In exchange for this money, all instruction must be provided to students for free; however, schools are able to charge fees for sports and other voluntary activities. Although

Michigan pays the same base amount for the education of its pupils whether they attend a traditional public or a PSA, the State does not provide facilities funding to PSAs, as it does to traditional public schools. This per student payment system has had a destabilizing effect on some traditional school districts in Michigan, most notably Detroit Public Schools because it has contributed to DPS's dramatic loss of students in recent years, moving from 214,000 to 50,000 students.

### **Regulation and Accountability**

In both countries, the legal structure of choice schools is designed to provide some degree of flexibility from the traditional school regulations, so they can innovate with their educational missions and their instructional delivery methods. They do have to follow key government educational requirements, however. For example, in Spain, schools in the system of agreements must follow the government's curriculum, calendar, and linguistic policies. In Michigan, PSAs must meet state learning targets, participate in student testing, and report student data.

One important contributor to flexibility in Spain is the *concertados*' ability to select their own qualified teachers. This is different than the system used in the Spanish public schools where qualified teacher applicants are assigned to schools without input from the school directors. Michigan grants hiring autonomy to both its traditional public and charter schools. School directors in Spain find this flexibility an important tool in gaining staff buy-in to the schools' unique educational missions.

Michigan PSAs are held to a higher accountability standard than traditional public schools because they have both government and authorizer oversight. Schools operate on limited term charters that can be revoked or non-renewed if the PSA violates the terms of the

charter or does not deliver the promised academic results. This high level of regulation creates a tension in the system because PSAs were incorporated into Michigan's educational system to introduce more educational innovations through enhanced autonomy and flexibility than in the traditional public system; yet all of the requirements limit innovation.

### **Choice: Ideology, Religion, and Competitive Advantage**

In both Spain and the United States, choice schools need to attract students to survive; they do this in large part through their educational ideologies and the academic results they produce. In both countries, choice schools are known by their unique educational missions, willingness to try the latest developments in education (e.g., incorporating technology into the pedagogy), and marketing of these efforts. In Spain, parents select a school based in large part on the school's ideology, such as its religious nature, or its special focus, such as sports, languages, or academics. In Michigan, parents choose PSAs based on their value propositions (e.g., conservatism, creativity) or their student academic performance. PSAs must deliver a superior education from traditional public schools in order to be chosen.

An important distinction among the countries' laws regarding choice schools is the role religion plays. The Spanish Constitution guarantees parents' rights for their children to "receive religious and moral instruction that is in accordance with their own convictions" (C.E. 1978). The U.S. Constitution, on the other hand, guarantees the separation of church and state (U.S. Const. art. 1). In practice, this means that Spanish *concertados* maintain their religious character, so students are able to voluntarily participate in religious curriculum, activities, and celebrations. In contrast, Michigan PSAs, even if they were formerly religious schools,

must remove all symbols and references to religious practices in their buildings and curriculum. However, Michigan schools are allowed to discuss religion in courses if it is relevant to the curriculum and not done in a proselytizing manner (*Everson v. Board of Education*, 1947). In Spain, religion is one of the most important distinguishing factors for attracting students to a *concertado*. Although some charter schools in Michigan maintain characteristics and values that align with specific

religious beliefs, students must attend a private school, at their own expense, to receive a religious education.

**The School Choice Framework**

The school choice framework, which considers choice, deregulation, and accountability as policy levers, differs between the systems in Michigan and the Valencian region. The following table highlights the key features of each system in relation to the choice framework.

Table 2.  
*Comparison of Michigan, U.S. and Valencia, Spain School Choice Frameworks*

Location	Choice	Deregulation	Accountability
<b>Michigan, U.S. Charter Schools (PSAs)</b>	PSAs offer parents an alternative to the traditional public schools wherein schools compete for children.	These schools are supposed to be more innovative in their educational offerings because they have been given more autonomy and flexibility than the traditional public schools.	They are held more accountable to the laws that do apply to them and for the academic progress of their students because they have an additional level of accountability from the authorizers.
<b>Valencia, Spain Concertados</b>	<i>Concertados</i> offer parents an alternative to the public school and private school networks by creating state-supported private schools and were introduced at a time in the country’s history where the public school system lacked the capacity to educate all children.	Although they are much more heavily regulated than private schools, <i>concertados</i> have flexibility from some public school regulations, such as the hiring of teachers, so that they have the ability to create innovative educational environments.	This aspect of the choice framework does not fit with our exploration of the Spanish <i>concertado</i> system. These schools have more accountability than private schools but the same level of accountability as public schools.



The choice framework provides a useful way to understand Michigan's charter schools because its system was designed to create innovative public schools around the policy drivers of choice, deregulation, and accountability. The framework does not work as well with Spain's system of agreements for *concertados* because they were initially designed to solve an educational capacity issue by providing public funding to private schools. In this process, the government created a system that offered parents choice and schools a lower level of regulation than traditional public schools. The accountability lever, although present, is not a driving force for educational innovation in Spain, as it is in Michigan. Rather, it is more of a by-product of including private schools into the government-sponsored regional educational system.

## Conclusion

We began this paper with a brief explanation of our interest in comparing Spain's *concertados* system with that of the Michigan charter school program. We then asked and answered two essential questions. First, how do the educational choice systems represented by Spanish *concertados* and Michigan charter schools compare in the motivations and methods for establishing and funding schools, and the role ideology plays in their operation? Our second question explored the ways Spanish *concertados* and Michigan charter schools can be understood using the school choice framework

As far as establishment of programs, Spain's program is federally sponsored and regionally funded while the U.S. program is state-sponsored and funded. While this difference is important, we found that the initial motivation behind each system was strikingly different. In Spain, federal public funding of private education was an attempt to increase

access to the various regions' high-quality, private schools by lowering enrollment costs for families, especially those families from lower and middle economic strata. In so doing, the law sought to integrate these high-quality schools into the national public school system with limited input from the regions. In the U.S., charter schools were primarily regional initiatives and in Michigan, specifically, PSAs were intended to address inadequate public education—real or perceived—by providing parents with free market choice. Choice was intended to drive innovation and improvement in the quality of education throughout the system.

Regarding ideology, we note that although both types of schools are dependent upon their missions to attract students, *concertados* in Spain are allowed to provide religious education while Michigan charter schools, like other public schools, may not. Thus most *concertados* have a distinctive religious character. This feature may be combined with other factors to attract students to attend. Charter schools must rely on other characteristics to attract students.

We identified strong parallels involving school choice, using Gawlik's school choice concept (2007), with its three policy levers: choice, deregulation, and accountability, as a basis for comparison. We noted a key difference: Spain's system allows public funding of private education, whereas, Michigan's charter schools are most notably public operations. In Spain, *concertados* do provide increased choice to a point, but families must be able afford the fees associated with cost of attending (at least 10% and upwards of 50% of the total cost of education). While the additional fees cannot legally serve as a deterrent to choice, clearly these substantial fees represent barriers to choice. The result is enrollment that favors families with higher standards of living. In comparison, Michigan charter schools, cannot

charge fees for educational services or items and are required to provide a free public education. This requirement eliminated direct costs as a barrier to entry, and thus it is not surprising to find Michigan charter schools enrolling a greater percentage of students from lower economic strata than do the *concertados* of Spain.

The regulatory environments governing both *concertados* and charter schools are designed to provide flexibility while holding schools to key legal requirements such as curriculum in Spain and student learning targets in the U.S. The accountability environments between the two systems differ, however. Spain's *concertados* are held to the same accountability standards as its public schools while Michigan's PSAs have an additional level of accountability from their authorizers.

Ultimately, the comparison between *concertados* and charter schools can provide policymakers in both countries insight into alternative ways to think about government support for non-traditional public schools from systems that have functioned well over the past 25-30 years. Each provides a unique, yet related, set of characteristics that offer educational choice to families. The Valencian model has proven especially effective at doing this at a high level of educational quality. Although charter schools in the U.S. have many proponents, their quality results have been more mixed.

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