

**THE COLLAPSE OF CATHOLIC SCHOOL
ENROLLMENT: THE UNINTENDED
CONSEQUENCE OF THE CHARTER SCHOOL
MOVEMENT**

*Abraham M. Lackman**

INTRODUCTION 2
 Key Findings 3
I. TRENDS IN CATHOLIC SCHOOL ENROLLMENT 4
 A. *Two Waves of Enrollment Decline* 6
 B. *The Second Wave* 8
II. THE IMPACT OF CHARTER SCHOOLS ON CATHOLIC SCHOOL
 ENROLLMENT..... 8
 A. *“Disruptive Innovation”*..... 8
 B. *Michigan and New York: A Look at the Evidence*.....10
 1. New York11
 2. The Evidence from Albany12
 C. *Closing Saint Casimir*14
III. THE FISCAL IMPACT OF CHARTER SCHOOLS.....17
CONCLUSION19

* Government Scholar in Residence, Albany Law School’s Government Law Center.

*“One of the persistent ironies of reform is the impossibility of predicting the full consequences of change; every school war has had outcomes which were unintended, and, in many cases, unwanted.”*¹

INTRODUCTION

On September 7, 1992, City Academy opened in Saint Paul, Minnesota; the first charter school in the nation.² Today there are over 5,600 charter schools in forty-one states with a total enrollment of more than two million students.³

A charter school is an independent public school. It operates free from many of the laws and regulations that govern traditional public schools.⁴ In exchange for this flexibility, it agrees to the terms of a contract, or “charter,” that defines its unique mission, academic goals, and accountability procedures.⁵

Supporters of the charter school argue it expands school choice.⁶ Charters provide free, publicly funded alternatives to the traditional public schools.⁷ This competition is intended to encourage innovation and excellence in public schools.⁸

Opponents of charter schools raise two objections. First, they claim that charter schools don’t work. They cite Stanford University research showing that nationally only seventeen percent of charter schools outperform comparable public schools, while thirty-seven percent underperform.⁹

¹ DIANE RAVITCH, *THE GREAT SCHOOL WARS* 400 (1974).

² *Resources on Minnesota Issues: Charter Schools*, MINN. LEGIS. REFERENCE LIBRARY, <http://www.leg.state.mn.us/lrl/issues/issues.aspx?issue=charter> (last visited Jan. 23, 2013).

³ *About Public Schools, Dashboard: Schools*, NAT’L ALLIANCE FOR PUB. CHARTER SCH., <http://dashboard.publiccharters.org/dashboard/schools/year/2012> (last visited Jan. 23, 2013).

⁴ *About Public Schools: What are Public Charter Schools?*, NAT’L ALLIANCE FOR PUB. CHARTER SCH., [http://www.publiccharters.org/About-Charter-2013\).Schools/What-are-Charter-Schools003F.aspx](http://www.publiccharters.org/About-Charter-2013).Schools/What-are-Charter-Schools003F.aspx) (last visited Jan. 23, 2013).

⁵ See, e.g., *Schools*, JOHNSCREEKGA.GOV, <http://www.johnscreekgva.gov/schools/public/middle> (last visited Jan. 23, 2013).

⁶ Timothy J. Gronberg & Dennis W. Jansen, *Charter Schools: Rational & Research*, 22 POL’Y STUDY 1 (2009).

⁷ *Id.*

⁸ *Id.*

⁹ Diane Ravitch, *Why I Changed My Mind About School Reform*, WALL ST. J., Mar. 9, 2010, at A21.

Second, charter opponents argue that charters undermine traditional schools. To quote Diane Ravitch, “[c]harter schools weaken the regular public schools. They take money away from neighborhood public schools and from the district budget. As charter schools open, regular public schools must cut teachers and close down programs to pay for them.”¹⁰

What few charter opponents have pointed out is that charters also undermine private schools—especially Catholic schools. This paper attempts to fill this gap. This article argues that in New York the charter school movement has affected the traditional public schools far less than it has Catholic schools—whose enrollment has been devastated. During the past decade, one Catholic school has closed for every charter school that has opened.¹¹

This paper measures the impact of charters on New York State Catholic school enrollment from 2000 to 2010.¹² It also calculates the fiscal impact of charter schools on local and state government. As charter schools attract Catholic school students to the public sphere, those students strain public finances.

Key Findings

- NYS Catholic school enrollment was relatively stable from 1990 to 2000, but declined precipitously after the introduction of charter schools: it fell 34% in ten years.¹³
- In the past decade, approximately 200 Catholic schools closed in New York while 200 charter schools opened.¹⁴
- In the city of Albany, where the per-capita concentration of charter schools is highest, Catholic school enrollment fell

¹⁰ Valerie Strauss, *Ravitch: Why States Should Say ‘No Thanks’ to Charter Schools*, WASH. POST BLOG (Feb. 13, 2012, 4:00 AM), http://www.washingtonpost.com/blogs/answer-sheet/post/ravitch-why-states-should-say-no-thanks-to-charter-schools/2012/02/12/gIQAdA3b9Q_blog.html.

¹¹ JAMES CULTRARA, TESTIMONY OF THE N.Y.S. COALITION FOR INDEPENDENT AND RELIGIOUS SCHOOLS TO GOVERNOR ANDREW M. CUOMO’S NEW N.Y. EDUCATION REFORM COMMISSION 3 (2012), <http://www.governor.ny.gov/assets/documents/CentralNYHearing8-14-12/JimCultraraTestimony.pdf>; *Charter Schools: 2011-2012 New York*, NAT’L ALLIANCE FOR PUB. CHARTER SCH., <http://dashboard.publiccharters.org/dashboard/schools/page/overview/state/NY/year/2012> (last visited Jan. 23, 2013).

¹² *See About: History of Charter Schools in NYC*, N.Y.C. CHARTER SCH. CTR., <http://www.nyccharterschools.org/about> (last visited Jan. 23, 2013).

¹³ *See infra* Table 4.

¹⁴ CULTRARA, *supra* note 11, at 3.

- an extraordinary 64% in a single decade.¹⁵
- As Catholic school students migrate to charter schools, the cost of their education is now borne by the taxpayer. New York taxpayers now bear an additional burden of \$390 million per year.¹⁶
 - As more charter schools continue to open, it is estimated that by 2025 the fiscal burden to New York taxpayers will increase to \$1.07 billion per year.¹⁷

Section One of this paper examines enrollment trends in Catholic schools, both nationally and in New York, from 1970 to 2010. It describes four related factors that have reduced Catholic school enrollment, including the relatively recent phenomena of charter schools.

Section Two describes charter schools as an example of “disruptive innovation,” particularly as they relate to the Catholic school system. This section estimates that Catholic schools lose one student for every three students gained by charter schools. This section concludes with a detailed focus on the city of Albany, where an intense concentration of charter schools has led to the closing of four Catholic elementary schools.

Section Three measures the fiscal impact of charter schools on the state taxpayer.

Finally, this paper concludes by assessing the viability of New York’s Catholic school system. The charter school system is expected to more than double from 184 operating schools to 460.¹⁸ If this expansion occurs as planned, the outlook for Catholic schools is grim.

I. TRENDS IN CATHOLIC SCHOOL ENROLLMENT

In 1970, national Catholic school enrollment (K-12) was nearly 4.4 million, which is 10% of public school enrollment.¹⁹ By 1990,

¹⁵ See *infra* text accompanying note 69.

¹⁶ See *infra* Table 7.

¹⁷ *Id.*

¹⁸ See *infra* text accompanying notes 93–94.

¹⁹ SUSAN AUD ET AL., *The Condition of Education 2012*, U.S. DEPT OF EDUC. 126 (May 2012), available at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2012045> (reporting that the number of students enrolled in public school in 1970 was 45,894,000); DALE McDONALD & MARGARET M. SCHULTZ, NAT’L CATHOLIC EDUC. ASS’N, *The Annual Statistical Report of Schools, Enrollment and Staffing* 2 (2011).

2012] COLLAPSE OF CATHOLIC SCHOOL ENROLLMENT

5

Catholic school enrollment dropped to just over 2.5 million students, or a little over 5% of public school enrollment.²⁰

Somewhat surprisingly, Catholic school enrollment stabilized during the next decade (1990 to 2000), and actually increased slightly.²¹ By the beginning of the next decade, however, the drop resumed and picked up speed. Enrollment fell by almost 600,000 to 2.1 million.²² By comparison, charter school enrollment went from zero in 1990 to 460,000 in 2000, and is now over 2 million, nearly exceeding Catholic school enrollment.²³ New York's Catholic school enrollment has declined similarly. However, New York's Catholic school population is twice the national average, on a percentage basis, reflecting its denser Catholic population.²⁴

In 1970, Catholic school enrollment in New York was 670,000, or nearly 20% of the comparable public school enrollment.²⁵ By 1990, that dropped to 290,000 students, or roughly 11% of the public-school enrollment.²⁶ 1990 to 2000 was stable, but in the last decade, Catholic school enrollment fell again, to just 180,000 students.²⁷ Table One below summarizes the data.

²⁰ AUD ET AL., *supra* note 19, at 126 (reporting that public school enrollment in 1990 was 41,217,000); McDONALD, *supra* note 19, at 2.

²¹ McDONALD & SCHULTZ, *supra* note 19, at 2.

²² *Id.* at 2, 16.

²³ *Id.* at 2; see DIANE RAVITCH, THE DEATH AND LIFE OF THE GREAT AMERICAN SCHOOL SYSTEM 125 (2010) (stating that the first charter school in the United States was opened in 1992); 2010–2011 National, Students Overview, NAT'L ALLIANCE FOR PUB. CHARTER SCH., <http://dashboard.publiccharters.org/dashboard/students/page/overview/year/2001> (last visited Jan. 23, 2013); 2010–2011 New York, Students Overview, NAT'L ALLIANCE FOR PUB. CHARTER SCH., <http://dashboard.publiccharters.org/dashboard/students/page/overview/state/NY/year/2011> (showing that charter school enrollment for 2011–2012 was 2,056,996, while Catholic school enrollment in that same year was 2,065,872) (last visited Jan. 23, 2013).

²⁴ See generally McDONALD & SCHULTZ, *supra* note 19, at 14 (reporting that Catholic School enrollment in New York State for the 2010–2011 school year was 198,004 students, and also was one of five states that accounted for 41.5% of total enrollment in Catholic schools in the nation).

²⁵ N.Y. STATE EDUC. DEP'T, ELEMENTARY AND SECONDARY PUBLIC AND NONPUBLIC SCHOOL ENROLLMENT: NEW YORK STATE (Jan. 2012), available at <http://www.p12.nysed.gov/irs/statistics/public/home.html> (reporting that public school enrollment in New York State was 3,489,245 for the school year 1970 to 1971).

²⁶ DALE McDONALD, NAT'L CATHOLIC EDUC. ASS'N, *The Annual Statistical Report on Schools, Enrollment and Staffing: United States Catholic Elementary and Secondary Schools 2000–2001* exhibit 15 (2001); *Elementary and Secondary Public and Non-Public School Enrollment*, NYSED.GOV tbl. 1 <http://www.p12.nysed.gov/irs/statistics/public/2012/TABLE1.pdf> (last visited Oct. 11, 2012).

²⁷ *Nonpublic School Enrollment By Level and Affiliation Grades K-12*, NYSED.GOV tbl. 1 <http://www.p12.nysed.gov/irs/statistics/nonpublic/TABLE1>.

Table One: Catholic School Enrollment (K-12)²⁸

Year	Nation	% Change	New York	% Change
1970	4,367,000	—	667,840	—
1980	3,139,000	(28.2%)	425,600	(36.2%)
1990	2,589,000	(17.5%)	288,789	(32.1%)
2000	2,653,038	+2.4%	299,321	+3.6%
2010	2,119,341	(20.1%)	179,310	(39.8%)

As the table indicates, Catholic school enrollment had two periods of contraction. In the first (1970 to 1990), enrollment declined by approximately 40% nationally and by approximately 57% in New York. The second major contraction began in 2000, and is still continuing.

A. *Two Waves of Enrollment Decline*

This section shows that both contractions have had multiple causes. The first contraction was triggered in part by the migration of the Catholic middle class from the city to the suburbs.²⁹ As the white middle class moved out of the city, black families, who are proportionately less likely to be Catholic, moved in.³⁰ Research by J.A. McLellan found that the twenty dioceses with the largest Catholic school enrollment lost students from 1960 to 1990 in proportion to the decline in the white population in their central cities.³¹

The second cause for the enrollment decline in this time period was the reduced availability of Catholic teachers.³² Catholic schools had to replace religious faculty with secular faculty at a considerably higher cost, since religious teachers were often paid

pdf (last visited Oct. 11, 2012).

²⁸ DALE McDONALD & MARGARET M. SCHULTZ, NAT'L CATHOLIC EDUC. ASS'N, *The Annual Statistical Report of Schools, Enrollment and Staffing: United States Catholic Elementary and Secondary Schools 2010-2011* exhibit 1 (2011); McDONALD, *supra* note 26, exhibit 15; *additional data on file with author*.

²⁹ John T. James et al., *Developing a Predictive Metric to Assess School Viability*, 11 CATH. EDUC. 465, 465-66 (2008), *available at* <http://ejournals.bc.edu/ojs/index.php/catholic/article/view/1033/1213>.

³⁰ *Id.* at 465.

³¹ Jeffrey A. McLellan, *Rise, Fall and Reasons Why: U.S. Catholic Elementary Education, 1940-1955*, in CATHOLIC SCHOOLS AT THE CROSSROADS 17, 29 (James Youniss & John J. Convey eds., 2000).

³² James, *supra* note 29, at 467.

2012] COLLAPSE OF CATHOLIC SCHOOL ENROLLMENT 7

salaries far below market rates.³³ Table Two traces this national trend from 1950 to 2010.

Table Two: Number of Religious Faculty in Catholic Schools³⁴

Year	Religious Faculty	Change
1950	84,925	—
1960	112,029	27,104
1970	80,615	(31,414)
1980	42,732	(37,883)
1990	20,020	(22,212)
2000	11,011	(9,009)
2010	5,749	(5,262)

As this table indicates, Catholic schools lost more than 60,000 religious faculty between 1970 and 1990 (75% of the total), placing enormous cost pressures on the Church, which in turn led to higher tuitions, triggering more enrollment declines and school closings.

While the period of 1990 to 2000 was one of relative enrollment stability—the average number of students per Catholic school increased from 297 to 325³⁵—the financial condition of the Catholic school system was still precarious.

Table Three: The Number of Catholic Schools (Nationally)³⁶

Year	Total	Students	Students per School
1950	10,778	3,067,000	285
1960	12,893	5,253,000	407
1970	11,352	4,367,000	385
1980	9,640	3,139,000	326
1990	8,719	2,589,000	297
2000	8,144	2,653,038	325
2010	7,094	2,119,341	298

³³ *Id.*

³⁴ MCDONALD & SCHULTZ, *supra* note 28, at exhibit 2.

³⁵ *See infra* Table Three.

³⁶ MCDONALD & SCHULTZ, *supra* note 28, at exhibit 1.

B. *The Second Wave*

Around 2000, two relatively new factors triggered a second contraction: the sex abuse scandal (with its concurrent financial impact), and the rise of the charter school movement.

The sex abuse scandal became public in the late 1980's, and the first legal proceedings began in 1993 in Dallas with a \$31 million settlement handed down in 1998.³⁷ Since 2002, dioceses and religious orders have paid out over \$2.4 billion.³⁸ These settlements address one-third of the allegations that the bishops have received through 2009.³⁹

The financial stress caused by these legal settlements left many dioceses financially unprepared to face a major new threat to the Catholic school system—the charter school movement.

II. THE IMPACT OF CHARTER SCHOOLS ON CATHOLIC SCHOOL ENROLLMENT

A. *“Disruptive Innovation”*

Charter schools are relatively new. The first in the nation opened in 1992 in Minnesota. New York's first three charter schools opened simultaneously in September 1999 (in Albany and Harlem).⁴⁰ Today, twenty years later, the nation has over 5,600 charter schools enrolling more than two million students.⁴¹

In many respects, charter schools represent a “disruptive innovation.” Clayton Christensen developed the concept of disruptive innovation in his book *The Innovator's Dilemma*⁴² and builds upon the concept of “creative destruction” developed by the economist Joseph Schumpeter in *Capitalism, Socialism, and*

³⁷ See John Eligon & Laurie Goodstein, *Bishop Is Guilty of Bid to Shield Pedophile Priest*, N.Y. TIMES, Sept. 7, 2012, at A0; Anthony DePalma, *Tough Policies on Priests Prompt Some Dissension in the Pews*, N.Y. TIMES, May 21, 2002, at A1.

³⁸ *Sexual Abuse by U.S. Catholic Clergy Settlements and Monetary Awards in Civil Suits*, BISHOPACCOUNTABILITY.ORG, <http://www.bishop-accountability.org/settlements/> (last visited Jan. 23, 2013).

³⁹ *Id.*

⁴⁰ Tom Carroll, *Lessons for Charter Schools*, TIMES UNION (Albany), Apr. 2, 2010, at A11; David M. Herszenhorn, *Report Faults New York's First 3 Charter Schools*, N.Y. TIMES, Jan. 13, 2004, at A3.

⁴¹ Sean Cavanagh, *Catholic Ed., K-12 Charters Squaring Off; Competition for Students Squeezes Parochial Schools*, EDUC. WK., Aug. 29, 2012, at 1, 1.

⁴² CLAYTON M. CHRISTENSEN, *THE INNOVATOR'S DILEMMA*, at xv (2011).

Democracy.⁴³

Joseph Schumpeter outlined an economic process where industries and firms are continuously being created, only to be replaced—for example, the landline phone being supplanted by the mobile phone.⁴⁴ Clayton Christensen refined Schumpeter’s concept by focusing on innovation as the mechanism behind creative destruction. To quote Christensen; “disruptive technology is probably the cause behind ‘creative destruction’ that economist Joseph Schumpeter observed to be the primary engine of economic progress more than half a century ago.”⁴⁵

One of Clayton Christensen’s key insights is that a disruptive innovation is often “a product or service that actually is not as good as what companies historically had been selling.”⁴⁶ At least initially, disruptive innovation results in “*worse* product performance.”⁴⁷ Disruptive innovations generally “underperform established products in mainstream markets.”⁴⁸ Christensen often refers to the personal computer replacing the mainframe computer as a classic example of a disruptive innovation.⁴⁹

In a recent book, *Disrupting Class*, Christensen applies his theory of disruptive innovation to public education.⁵⁰ Initially, Clayton was inclined to describe charter schools as an example of disruptive innovation, but had a change of heart:

As we approached the study of education through the lenses of our research on innovation, our instinct was to frame chartered schools as disruptive innovations, but upon reflection that was not correct. Most chartered schools are *sustaining* innovations, in that their intent is to do a better job educating the same students that [public] districts educate.⁵¹

Chester E. Finn, Jr., a Senior Fellow at Stanford University’s Hoover Institution, disagrees with Clayton’s assessment. Finn believes charter schools are a disruptive innovation and:

could turn out to be as disruptive, and ultimately as

⁴³ Tom Bottomore, *Introduction to JOSEPH A. SCHUMPETER, CAPITALISM, SOCIALISM AND DEMOCRACY*, at ix (1976).

⁴⁴ CHRISTENSEN, *supra* note 42, at xxix.

⁴⁵ *Id.* at xxxiv.

⁴⁶ CLAYTON M. CHRISTENSEN ET AL., *DISRUPTING CLASS* 47 (2011) [hereinafter *DISRUPTING CLASS*].

⁴⁷ CHRISTENSEN, *supra* note 42, at xviii.

⁴⁸ *Id.*

⁴⁹ *Id.* at 125–27, 196.

⁵⁰ *DISRUPTING CLASS.*, *supra* note 46, at 10.

⁵¹ *Id.* at 218.

devastating, to traditional education systems as those crummy little Sony radios turned out to be to the vacuum-tube behemoths and as Honda was to Detroit. These [charter] upstarts may not put the [public school] districts out of business but they're definitely capturing market share⁵²

I agree with Chester Finn's assessment of charter schools as a disruptive innovation. However, charter schools are disrupting Catholic education and not traditional public education. Consistent with the theory of disruptive innovation, charter schools provide a cheaper and, in many cases, less effective educational alternative to Catholic schools. The remainder of this section will look at the evidence.

B. Michigan and New York: A Look at the Evidence

The impact of charter schools on Catholic school enrollment was first studied in 2006.⁵³ An econometric analysis found that charter schools in Michigan drew students from public and Catholic schools at nearly the same rate.⁵⁴ But because only 8% of Michigan students attended private school, the relative impact on Catholic schools was far greater.⁵⁵

This analysis found that the coefficient measuring the effect of charter on Catholic school enrollment was -0.31. In other words, Michigan's Catholic schools lost one student for every three students gained by the charter schools.⁵⁶

The study's lead author, University of Kentucky Professor Eugenia F. Toma, said in a 2008 *Education Week* interview that the results surprised her. She said, "[g]oing into [the study], we just expected [the students would] be pulled from other public

⁵² Chester E. Finn, Jr., *Disruptive Innovation and Independent Public Schools*, *Education Gadfly Weekly*, THOMAS B. FORDHAM INST. (June 21, 2012), available at <http://www.edexcellence.net/commentary/education-gadfly-weekly/2012/june-21/disruptive-innovation-and-independent-public-schools.html>.

⁵³ Eugenia F. Toma et al., *Beyond Achievement: Enrollment Consequences of Charter Schools in Michigan*, 14 *ADVANCES IN APPLIED MICROECONOMICS* 241, 241–42 (2006); see Kathryn Kraft, Comment, *Cyber Charter Schools*, 56 *SMU L. REV.* 2327, 2334 (2003); *contra* RAJASHRI CHAKRABARTI & JOYDEEP ROY, DO CHARTER SCHOOLS CROWD OUT PRIVATE SCHOOL ENROLLMENT? EVIDENCE FROM MICHIGAN 2, 12 (revised Feb. 2011), http://www.newyorkfed.org/research/staff_reports/sr472.pdf (analyzing the difference between private and Catholic schools).

⁵⁴ Toma, *supra* note 53, at 250–51.

⁵⁵ *Id.* at 250.

⁵⁶ *Id.*; *contra* CHAKRABARTI & ROY, *supra* note 53, at 4.

2012] COLLAPSE OF CATHOLIC SCHOOL ENROLLMENT 11

schools—we were surprised to see that they pulled *more* from private schools.”⁵⁷ Nationwide, she said, “[w]e don’t know if this pattern will hold up . . . [i]f I were an administrator in a Catholic school, I would probably be concerned.”⁵⁸

1. New York

This author recently analyzed the impact of charter schools on Catholic enrollment in New York and reached similar results to Toma et al.⁵⁹ The Lackman study compares K–8 and 9–12 enrollments. In New York, K–8 accounts for nearly 90% of charter school enrollment.⁶⁰ By comparison, K–8 for the public school and Catholic school cohorts is 67% and 64%, respectively.⁶¹ It is expected that as the charter school movement matures, the percentage of high school students will increase at a faster pace and approach the percentage for public and Catholic schools.

In the previous decade, however, the differential decline in Catholic school enrollment between grades K–8 and grades 9–12 is a reliable measure of the competitive force exerted by charter schools on the Catholic school system—see the table below.⁶²

Table Four: New York State Catholic School Enrollment

Year	K-8	9-12	K-12
2000	202,722	72,453	275,175
2010	115,492	63,818	179,310
Change	(87,230)	(8,635)	(95,865)
Percent Change	(43.0%)	(11.9%)	(34.8%)

As Table Four indicates, Catholic school enrollment suffered four times as much decline in the market where charter schools

⁵⁷ Scott J. Cech, *Catholic Closures Linked to Growth of City Charters*, EDUC. WK., Feb. 13, 2008 (emphasis added).

⁵⁸ *Id.*

⁵⁹ Abraham M. Lackman, *The Collapse of Catholic School Enrollment*, PRAXIS INSIGHTS EDUC. & GOVERNMENTAL CONSULTING (Mar. 7, 2012), <https://sites.google.com/site/neifpe/home/pdffiles/120307Lackman.pdf>.

⁶⁰ See *2010–2011 New York, Students by Grade Level*, NAT’L ALLIANCE FOR PUB. CHARTER SCH., <http://dashboard.publiccharters.org/dashboard/students/page/level/state/NY/year/2011> (last visited Jan. 23, 2013).

⁶¹ See Lackman, *supra* note 59; see also N.Y. STATE EDUC. DEP’T., PUBLIC SCHOOL ENROLLMENT BY GRADE 20, 45 (2011), <http://www.p12.nysed.gov/irs/statistics/enroll-n-staff/TABLE10secondary.pdf>.

⁶² Lackman, *supra* note 59.

are most prevalent (K–8). After analyzing demographic trends in New York State kindergarten enrollment,⁶³ this author attributes New York’s K–8 Catholic school enrollment decline to three factors, as outline in Table Five below.

Table Five: Dissecting the Collapse in K–8 Catholic Enrollment

Category	% Responsibility
Demographics	28%
Migration to Public Schools	42%
Migration to Charter Schools	30%

Like the Michigan study, this author finds that roughly one of every three students gained by charter schools in New York came at the expense of the Catholic school system. These results are supported by two recent Cato studies which estimate that between 2002 and 2007, 27% of the students who left Catholic schools enrolled in nearby charters.⁶⁴ Charter schools affect Catholic school enrollment directly and indirectly. First is the immediate effect: the siphoning of Catholic school students to charter schools. These direct losses at Catholic schools are amplified when their enrollment declines to a tipping point where they can’t survive financially and must shut down. When a Catholic school’s enrollment dips below 150 students, it will invariably close.⁶⁵ This triggers a second migration of the remaining Catholic school students to nearby public schools, charter schools, and other private schools.

The strong negative impact of urban charter schools on Catholic school enrollment is demonstrated by a close examination of the city of Albany in upstate New York.

2. The Evidence from Albany

Albany is the epicenter of the charter school movement in New

⁶³ *Id.* (showing that since 1995 overall kindergarten school enrollment in New York State has declined by approximately 15%, mirroring a regional (North East) trend).

⁶⁴ ADAM B. SCHAEFFER, CATO INST., *THE CHARTER SCHOOL PARADOX* 5 (2012); see RICHARD BUDDIN, CATO INST., *THE IMPACT OF CHARTER SCHOOLS ON PUBLIC AND PRIVATE SCHOOL ENROLLMENTS* (2012).

⁶⁵ James et. al., *supra* note 29, at 473; see JOHN T. MCGREEVY, *PARISH BOUNDARIES* 236 (1996).

2012] COLLAPSE OF CATHOLIC SCHOOL ENROLLMENT 13

York for many reasons.⁶⁶ The relatively small city of 97,660 inhabitants has a school population of 11,000. As 12 charter schools have opened in the last decade, Albany has far more charter schools per pupil than any other city in the state. Table Six below compares the Albany City charter school students in 2010 to the state average and other urban school districts.⁶⁷

Table Six: Charter School Students as a Percentage of Enrollment

Jurisdiction	Percentage
City of Albany	22.7%
Albany Area	14.6%
Buffalo Area	18.1%
New York City	3.8%
Rochester Area	5.0%
Syracuse Area	5.3%
State-wide	2.0%

In Albany, the impact on Catholic school enrollment has plummeted—dropping 64% in a single decade (2000 to 2010)—

⁶⁶ See 2010–2011 NY—City School District of Albany, *Students Overview*, NAT'L ALLIANCE FOR PUB. CHARTER SCH., <http://dashboard.publiccharters.org/dashboard/students/page/overview/district/NY-2/year/2011> (last visited Jan. 23, 2013); see 2010–2011 NY—Buffalo City Schools, *Students Overview*, NAT'L ALLIANCE FOR PUB. CHARTER SCH., <http://dashboard.publiccharters.org/dashboard/students/page/overview/district/NY-3/year/2011> (last visited Jan. 23, 2013); see 2010–2011 NY—New York City Department of Education, *Students Overview*, NAT'L ALLIANCE FOR PUB. CHARTER SCH., <http://dashboard.publiccharters.org/dashboard/students/page/overview/district/NY-8/year/2011> (last visited Jan. 23, 2013); see 2010–2011 NY—Rochester City School District, *Students Overview*, NAT'L ALLIANCE FOR PUB. CHARTER SCH., <http://dashboard.publiccharters.org/dashboard/students/page/overview/district/NY-11/year/2011> (last visited Jan. 23, 2013); see 2010–2011 NY—The Syracuse City School District, *Students Overview*, NAT'L ALLIANCE FOR PUB. CHARTER SCH., <http://dashboard.publiccharters.org/dashboard/students/page/overview/district/NY-13/year/2011> (last visited Jan. 23, 2013); see 2010–2011 New York, *Students Overview*, *supra* note 23 (showing Albany City school district has highest percentage of charter school students to all public school students in New York State).

⁶⁷ 2010–2011 NY—City School District of Albany, *Students Overview*, *supra* note 66; 2010–2011 NY—Buffalo City Schools, *Students Overview*, *supra* note 66; 2010–2011 NY—New York City Department of Education, *Students Overview*, *supra* note 66; 2010–2011 NY—Rochester City School District, *Students Overview*, *supra* note 66; 2010–2011 NY—The Syracuse City School District, *Students Overview*, *supra* note 66; 2010–2011 New York, *Students Overview*, *supra* note 23.

nearly *double* the comparable drop in statewide Catholic school enrollment.⁶⁸

In 1998, before the charter schools arrived, the city of Albany had seven Catholic elementary schools and one high school with a total of 1,812 students.⁶⁹ By the 2011–12 school year, four elementary schools closed and enrollment had dropped to 575.⁷⁰ At the same time, charter school enrollment in Albany increased from zero in 1998 to 2,421 in 2010.⁷¹

Charter schools in Albany are a clear case of “disruptive innovation”. They provide a low-cost (no tuition), and in many cases inferior education, as compared with the Catholic school system. Consider the tangled and tragic case of the New Covenant Charter School and the Saint Casimir Parochial School.

C. Closing Saint Casimir

The Saint Casimir Catholic School closed in 2009 after operating in the city of Albany for 112 years.⁷² Saint Casimir was located in a poor neighborhood with a median family income of \$25,800, less than half of the statewide average of \$55,718.⁷³ The student population is 89% African American and 5% Latino. Seventy-four percent of the neighborhood’s students qualify for free or reduced-price lunches.⁷⁴ Between 1999 and 2005, three charter schools opened within walking distance of Saint Casimir.⁷⁵ They are the New Covenant Charter School (1999),

⁶⁸ Sean Cavanagh, *Catholic Schools Feeling Squeeze from Charters*, EDUC. WK., Aug. 29, 2012.

⁶⁹ Scott Waldman, *Parochial Schools Feel Pinch*, TIMES UNION (Albany), Sept. 25, 2012, at A1.

⁷⁰ *Id.*

⁷¹ 2010–2011 NY—City School District of Albany, *Students Overview*, *supra* note 66; see *Parent Resources*, CHARTER SCHS. INST., <http://www.newyorkcharters.org/parentResources.htm> (last visited Jan. 23, 2013).

⁷² Scott Waldman, *Group Funds Uneasy Rivals*, TIMES UNION (Albany), Dec. 8, 2011, at A1.

⁷³ U.S. CENSUS BUREAU, HOUSEHOLD INCOME FOR STATES: 2009 AND 2010, <http://www.census.gov/prod/2011pubs/acsbr10-02.pdf> (last visited Jan 23, 2013).

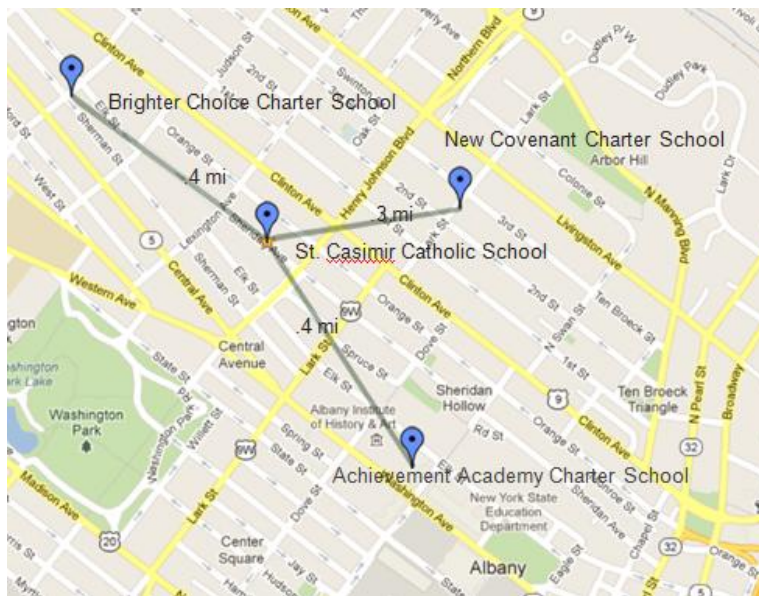
⁷⁴ See, e.g., *Arbor Hill Elementary School*, PUBLICSCHOOLREVIEW.COM, http://www.publicschoolreview.com/school_ov/school_id/54420 (last visited Jan. 23, 2013).

⁷⁵ *Achievement Academy Charter School*, NAT’L ALLIANCE FOR PUB. CHARTER SCH., http://dashboard.publiccharters.org/dashboard/select/school/achievement_academy-1/year/2009 (last visited Jan. 23, 2013); *Brighter Choice Charter School for Girls*, NAT’L ALLIANCE FOR PUB. CHARTER SCH., http://dashboard.publiccharters.org/dashboard/select/school/brighter_choice_girls/year/2009 (last visited Jan. 23, 2013); *Brighter Choice Charter School for Boys*, NAT’L ALLIANCE FOR

2012] COLLAPSE OF CATHOLIC SCHOOL ENROLLMENT 15

Brighter Choice Charter School (2002), and Achievement Academy Charter School (2005).⁷⁶ The map below indicates the proximity of the three charter schools to Saint Casimir.⁷⁷

THE ARBOR HILL NEIGHBORHOOD



PUB. CHARTER SCH., http://dashboard.publiccharters.org/dashboard/select/school/brighter_choice_boys/year/2009 (last visited Jan. 23, 2013); *New Covenant Charter School*, NAT'L ALLIANCE FOR PUB. CHARTER SCH., http://dashboard.publiccharters.org/dashboard/select/school/new_covenant/year/2009 (last visited Jan. 23, 2013); *SUNY Trustees Vote to Close New Covenant Charter School (Albany)*, ST. UNIV. N. Y. (Mar. 23, 2010), <http://www.suny.edu/sunynews/News.cfm?filename=03-23-10NewCovenantClosure.htm>.

⁷⁶ *St. Casimir Regional School*, ELEMENTARYSCHOOLS.COM, <http://elementaryschools.org/schools/104081/st-casimir-regional-school.html> (last visited Jan. 23, 2013) (showing Saint Casimir Regional School address to be 309 Sheridan Avenue, Albany, NY 12206); *Achievement Academy Charter School*, *supra* note 75 (showing address to be 42 South Dove Street, Albany, NY 12202); *Brighter Choice Charter School for Girls*, *supra* note 75 (showing address to be 250 Central Avenue, Albany, NY 12206); *Brighter Choice Charter School for Boys*, *supra* note 75 (showing address to be 116 North Lake Avenue, Albany, NY 12206); *New Covenant Charter School*, *supra* note 75 (showing address to be 50 North Lark Street, Albany, NY 12210); *SUNY Trustees Vote to Close New Covenant Charter School (Albany)*, *supra* note 75.

⁷⁷ See *St. Casimir Regional School*, *supra* note 76; see *Brighter Choice Charter School for Boys*, *supra* note 75; see *New Covenant Charter School*, *supra* note 75; *Search Results for Arbor Hill Charter Schools*, GOOGLE MAPS (Jan. 30, 2013).

By 2008, these three charter schools had enrolled over 1,000 students.⁷⁸ Not surprisingly, this drained Saint Casimir's enrollment, and it was forced to close in 2009.⁷⁹ One year later, the state closed the New Covenant Charter School for failing to provide an adequate education.⁸⁰ The New Covenant had been mismanaged by three for-profit companies (Advantage Schools, Edison Learning, and Victory Schools) over its troubled eleven-year history.⁸¹

Further compounding the tragedy, the Brighter Choice Foundation recently announced that it plans to close Achievement Academy Charter School at the end of the 2012–2013 academic year due to “poor academic performance.”⁸² Ron Lesko, the Albany School District spokesman, stated “[t]he charter school movement has come into Albany and destabilized education. . . . Year after year, these families have to scramble to find a new place for their children.”⁸³

It is tragic when a 112-year-old Catholic school providing a solid education and a disciplined learning environment is forced to shut down by the competitive pressures of substandard charter schools providing little education and a tumultuous environment. In closing New Covenant, the state said, “In the coming days [we] will aid New Covenant families in their transition to a new school for next year.”⁸⁴ Saint Casimir, however, was no longer an option.

The impact on families of Saint Casimir's closure was described by Sean Cavanagh in a recent story in *Education Week*, “Catholic Schools Feeling Squeeze from Charters”.⁸⁵

The school's closing saddened Ronnie Nicholson, whose

⁷⁸ See *Achievement Academy Charter School*, *supra* note 75 (showing 2008 enrollment to be 173); *Brighter Choice Charter School for Girls*, *supra* note 75 (showing 2008 enrollment to be 226); *Brighter Choice Charter School for Boys*, *supra* note 75 (showing 2008 enrollment to be 217); *New Covenant Charter School*, *supra* note 75 (showing 2008 enrollment to be 634).

⁷⁹ Waldman, *supra* note 72.

⁸⁰ *SUNY Trustees Vote to Close New Covenant Charter School (Albany)*, *supra* note 75.

⁸¹ Leo Casey, *New Covenant Charter School*, EDWIZE (Apr. 2, 2010, 6:24 PM), <http://www.edwize.org/new-covenant-charter-school-the-failure-of-for-profit-management-of-charter-schools>.

⁸² Scott Waldman, *Reverse Course for Charters*, TIMES UNION (Albany), Aug. 16, 2012, at A1.

⁸³ *Id.*

⁸⁴ *SUNY Trustees Vote to Close New Covenant Charter School (Albany)*, *supra* note 75.

⁸⁵ Cavanagh, *supra* note 68 (containing interview with the former principal of Saint Casimir and his description of its closure).

2012] COLLAPSE OF CATHOLIC SCHOOL ENROLLMENT 17

daughter attended St. Casimir. Mr. Nicholson isn't Catholic, but he said the school's overall emphasis on religious instruction appealed to him, as did its small scale.

His daughter, now 14, later attended an Albany charter school, and now attends a regular public one.

"It was family-oriented," Mr. Nicholson said of the Catholic school. "You could get answers to your questions. You could talk to the principal, or the people at the front desk . . . I cried when they closed that school."⁸⁶

It is estimated that of the 2,400 students in the Albany charter schools, approximately 1,000 students were siphoned from the Catholic school system.⁸⁷ At the state and local levels, this migration of Catholic school students to charter schools imposes a drain on government budgets. The next section estimates the negative fiscal impact on New York taxpayers.

III. THE FISCAL IMPACT OF CHARTER SCHOOLS

When a student transfers from a local public school to a charter school, the impact on state and local budgets is (in theory) negligible. Every time a public school student transfers, the local school district loses money to the charter, but sees its own costs reduced by the same amount.⁸⁸

While many contest this interpretation of the charter school's per-pupil subsidy as revenue-neutral, there is no doubt that the transfer of a Catholic school student to a charter school places a burden on government budgets. For example, when a Catholic high school student at Bishop Maginn (Albany) transfers to an Albany charter high school, the operating subsidy comes from the Albany public school system and not from the Catholic Diocese. In this case, the transfer of a Catholic school student to a charter school is an unambiguous cost to the Albany public school district, since there are no offsetting reductions in operating expenses.

Currently there are approximately 64,000 charter school students in New York,⁸⁹ and about one-third of these students

⁸⁶ *Id.*

⁸⁷ Author's Analysis.

⁸⁸ See N.Y.C. INDEP. BUDGET OFFICE, COMPARING THE LEVEL OF PUBLIC SUPPORT 3 (2010), <http://www.ibo.nyc.ny.us/iboreports/charterschoolsfeb2010.pdf> (containing a good analysis of the budget issues).

⁸⁹ N.Y. State Educ. Dep't, *Charter School Office: Charter School Facts*, NYSED.GOV, <http://www.p12.nysed.gov/psc/CharterSchoolsFact.html> (last

came from the statewide Catholic school system.⁹⁰ Multiplying 21,000 students by the average public per-pupil cost (net of building aid) of \$18,618,⁹¹ we estimate the fiscal cost of Catholic school students transferring to charter schools at \$390 million.

Currently, there are 184 charter schools operating in New York.⁹² The cap on charter schools was recently raised to 460.⁹³ Assuming charter school enrollment rises from 64,000 to 140,000 students by 2025, the cost to taxpayers will rise from \$390 million to \$1070 million.

How are these new budgetary costs allocated among the local school district, the State and the Federal government? In New York, local school districts cover 49% of total school costs, the state 46%, and the federal government 5%.⁹⁴ Table Seven (below) details the costs incurred by each when Catholic students transfer to charter schools.

**Table Seven: Budgetary Impact of Charter Schools
(\$ Millions)**

Year	2012	2025
Local School Budgets	\$191	\$524
State Budget	\$180	\$492
Federal Budget	\$19	\$54
Total Impact	\$390	\$1070

When charter schools were first implemented in 1998, it was argued that no additional costs would be borne by government—at any level.⁹⁵ In budget-speak, this meant charter schools were revenue-neutral. In hindsight, this assumption was clearly wrong. The analysis and debate in 1998 focused almost exclusively on the impact of charter schools on public school enrollment, ignoring the impact on private school enrollment.⁹⁶

updated July 24, 2012).

⁹⁰ SCHAEFFER, *supra* note 64, at 2.

⁹¹ MARK DIXON, U.S. CENSUS BUREAU, PUBLIC EDUCATION FINANCES: 2010, at 112 (2012), <http://www2.census.gov/govs/school/10f33pub.pdf>.

⁹² N.Y. State Educ. Dep't, *supra* note 89.

⁹³ *Id.*

⁹⁴ N.Y. STATE EDUC. DEP'T, 2010–11 STATE AID HANDBOOK 5 (2010), <https://stateaid.nysed.gov/publications/handbooks/handbook10.pdf>.

⁹⁵ See N.Y. Bill Jacket, S.B. 7881, Ch. 4 at 6–7, 221st Leg., Reg. Sess. (N.Y. 1998) (stating that the authorization of a charter school system would have no fiscal impact on the State).

⁹⁶ See generally Kevin S. Huffman, Note, *Charter Schools, Equal Protection*

2012] COLLAPSE OF CATHOLIC SCHOOL ENROLLMENT 19

During the past decade, approximately 200 Catholic schools closed in New York, while approximately 200 charter schools opened.⁹⁷ The primary impact of the charter school movement has been on the private Catholic school system—not the traditional public schools, as initially anticipated.

CONCLUSION

The charter school movement promised increased school choice. In New York, however, the number of schools has not changed. One Catholic school has closed for every charter school that has opened. And there is a causal relationship at work.

The near-collapse of Catholic education in New York is unfortunate. Catholic schools have a long track record of superior educational outcomes, particularly in poor urban areas.⁹⁸ This is due in part to their unique sense of mission. James Coleman's landmark 1982 study noted that Catholic schools have "an atmosphere of trust and cooperation between teachers, administrators and parents, based on a shared moral vision."⁹⁹

Sol Stern's 2003 book *Breaking Free: Public School Lessons and the Imperative of School Choice* reinforces this view:

The other salient aspect of Catholic schools is that teaching there is quite literally a religious calling. "We are here to educate and empower these kids, to do two things with them," said Pat Kelley, the principal of Saint Angela Morrici. "One is to make sure that they learn how to read, write, and do math—every day. The other is to form their character. We believe in the divinity of being; we believe in the holiness of our existence. That infuses the culture we're in."¹⁰⁰

The future of schools like Saint Angela Morrici, in the South

Litigation, and the New School Reform Movement, 73 N.Y.U. L. REV. 1290, 1301–03 (1998) (outlining the arguments of opponents and proponents of charter schools which are stated exclusively in terms of effects on the public education system).

⁹⁷ CULTRARA, *supra* note 11, at 3.

⁹⁸ See Chester E. Finn, Jr. & Andy Smarick, Editorial, *Our Endangered Catholic Schools*, WASH. POST, Apr. 21, 2009, at A23 (citing Catholic schools as having a "long track record of successfully educating ill-served populations"); *The Catholic-School Crisis*, N.Y. POST, May 15, 2006, at 28 (discussing the high performance of Catholic schools as compared to public schools among poor neighborhoods in New York City).

⁹⁹ SOL STERN, *BREAKING FREE: PUBLIC SCHOOL LESSONS AND THE IMPERATIVE OF SCHOOL CHOICE* 175 (2003).

¹⁰⁰ *Id.* at 188.

Bronx, is threatened by the explosive growth in charter schools, which promise a comparable education at zero tuition.¹⁰¹ Many more Catholic schools will close unless laws change or the government provides financial support (to level the playing field), both of which seem unlikely.

Father Andrew Greeley predicted that government support “would arrive on the day that the last Catholic school closed.”¹⁰² Diane Ravitch’s 2010 book, The Death and Life of the Great American School System, recounted those remarks by Father Greeley and went on to state:

[Father Greeley] knew that Catholic schools, despite their great success in educating working-class and poor children, were struggling to survive. He knew that help was not on the way. What he did not know—and what I did not realize—was that the new charter school movement would undercut Catholic schooling.¹⁰³

¹⁰¹ N.Y.State Educ. Dep’t, *supra* note 89.

¹⁰² RAVITCH, *supra* note 23, at 128.

¹⁰³ *Id.*