

CHARTER SCHOOL RECKONING:

DECLINE, DISILLUSIONMENT AND COST

PART I: DECLINE

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NCCSA

NATIONAL CENTER FOR CHARTER
SCHOOL ACCOUNTABILITY

PREFACE

In 1992, [City Academy — the nation’s first charter school](#) — opened in St. Paul, Minnesota. Created and led by experienced teachers, it was designed as an alternative school for students struggling in traditional settings. With just 53 students, City Academy embodied the original vision for charter schools: small, teacher-run schools within public districts that tested innovative strategies to reach hard-to-teach kids. When successful, those strategies would inform and strengthen public education as a whole.

[That was the idea](#) supported by American Federation of Teachers President Al Shanker in 1988. But by the early 1990s, Shanker had become disillusioned. As his [wife Edith later explained](#), “Al became increasingly critical of charter schools as they moved further from their original intent. He warned that without well-crafted legislation and public oversight, business interests would hijack the charter school concept, ‘whose real aim is to smash public schools.’”

His warning proved prophetic. In the decades since, real estate investors, for-profit management companies, and corporate charter chains have taken over what began as teacher-led experiments. Today, more than 50 charter trade associations—some state-based, others national—lobby aggressively to block charter school oversight and resist any legislative reform. The National Alliance for Public Charter Schools [reported over \\$26.5 million](#) in income in 2023, with more than \$28 million in assets. The California Charter Schools Association [reported nearly \\$13 million](#) in revenue that same year. These organizations are not only advocates but powerful lobbyists, intent on protecting all existing charters and promoting unlimited growth.

During the Obama years, federal initiatives like Race to the Top fueled charter expansion with strong bipartisan support. But that coalition has since unraveled. While Republican enthusiasm for any alternative to public education — charters, vouchers, homeschools — has surged, Democratic support has eroded, particularly as concerns grow over transparency, equity, and privatization.

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Today, the charter sector stands at a reckoning point. Growth has slowed. For-profit models are expanding. The push to create religious charter schools has fractured the movement from within. Meanwhile, charters are now competing not just with public schools and each other, but with a growing network of voucher-funded private schools and publicly subsidized homeschoools.

This report, released in three parts — *Decline, Disillusionment, and Costs* — examines the trajectory of the charter school movement. It contrasts the promise of its early days with its complex, often troubling, reality today.

As the charter experiment enters its fourth decade, the question is no longer what charter schools were meant to be — but whether they can still be reformed in order to serve the public good.

The National Center for Charter School Accountability is a project of the Network for Public Education, a nonprofit advocacy organization dedicated to strengthening and improving public education.



PART ONE: DECLINE

INTRODUCTION

In the first half of 2025, 50 charter schools announced plans to shut down. Some would close immediately, while others would remain open through the end of the school year. These closures added to those that occurred without warning during the fall. [Apprentice Academy](#) in North Carolina shuttered abruptly over Labor Day weekend, just days into the school year. In Minnesota, [Loveworks](#) closed on September 6. Ohio's [Victory Charter School](#) gave families only two weeks' notice.

In Texas, [Mount Carmel Academy](#) announced in November it would close the following month. These four are not isolated incidents — they are part of a growing trend. And even more charters will close during the second half of 2025.

At the same time as closures accelerate, the pace of new school openings slows to a crawl. According to the National Center for Education Statistics, the [2023–24 school year](#) saw just 12 more open charter schools than during the previous year — a dramatic departure from the sector's rapid growth during the preceding decades. For example, from 2010 to 2011 alone, the number of charter schools increased by 421.

The Federal Charter Schools Program (CSP) was established in 1994 during the Clinton administration to provide seed funding to states for the develop-



ment of charter schools. In its first year, just \$4.54 million was awarded to nine state education agencies. Since then, driven by pressure from the powerful charter school lobby, the program's budget has swelled, reaching half a billion taxpayer dollars annually under the Trump administration.

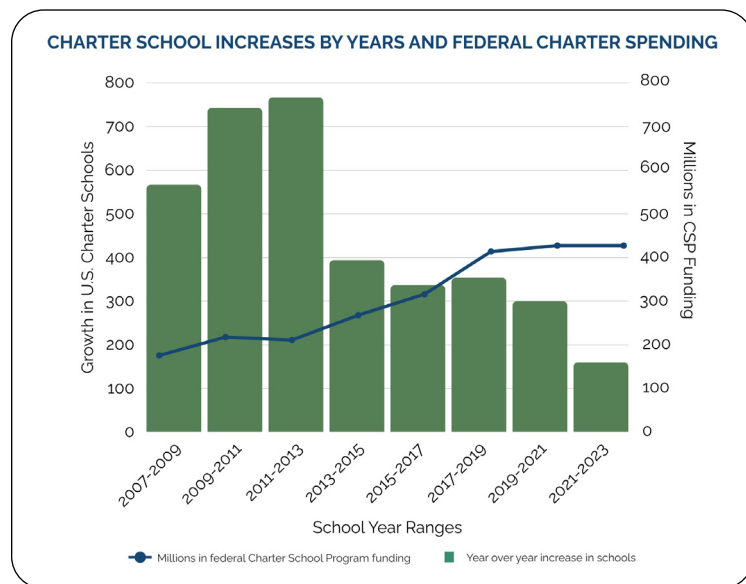


Figure 1: Charter School Increases by Years and Federal Charter Spending¹

However, increased federal investment has not resulted in meaningful growth. As illustrated in Figure 1, charter school expansion has been steadily slowing, even as more federal tax dollars have been allocated to charter school expansion.

As CSP funding grew, so did the opportunity for abuse of public funding, as would-be charter operators scrambled to get pre-planning funds. Grant applications, not checked for accuracy by contractors from the charter sector, led to spurious claims and undelivered promises. A

program originally intended to foster innovation became a vehicle for waste, [mismanagement, and fraud](#).

Part I of this report, therefore, documents the growth and decline of the charter school movement and explores the question: Has the charter market reached its saturation point?



Of the 50 schools that shut down or announced imminent closures during the first half of 2025, nearly half had received a combined total of \$102 million in CSP funds for start-up or expansion.

1. All data regarding the count of charter schools in any year were obtained from the Table Generator of the National Center for Education Statistics of the Common Core of Data found here: <https://nces.ed.gov/ccd/pubschuniv.asp>

GROWTH AND DECLINE: A DECADE IN TRANSITION

The [Federal Charter School Programs \(CSP\)](#) was established in 1995 with a modest \$5.4 million investment to support the creation of new charter schools. In the early years, the program helped spur legislative action, with new states adopting charter laws and existing states expanding the number of authorizers.

The Obama administration made charter schools a central component of its education reform [Race to the Top \(RTTT\) agenda](#), which incentivized states to lift enrollment caps, expand the number of charter authorizers, create charter facilities grants, and pass charter-friendly legislation. [By 2011, CSP funding had soared to \\$226 million.](#)

This aggressive push fueled rapid expansion. Between the 2009–10 school year, when RTTT began, and the 2015–16 school year, when it ended, the number of charter schools [increased from 4,952 to 6,885.](#)

The influence of the charter lobby and neo-liberal reformers did not end with RTTT. In 2015, the reauthorization of the [Elementary and Secondary Education Act as the Every Student Succeeds Act \(ESSA\)](#) further entrenched federal support for charter schools. Under ESSA, the CSP was expanded to benefit large Charter Management Organizations (CMOs) and charter trade associations. Before ESSA, most CSP funds were awarded directly by the U.S. Department of Education to charter schools or through State Education Agencies (SEA) grants. These SEA grants had a narrow set of eligible recipients, predominantly State Education Departments.

ESSA restructured the program. It introduced the [State Entities \(SE\) grant](#) competition to broaden eligibility beyond state education agencies, allowing nonprofit charter support organizations to apply for and distribute federal funds. Charter trade organizations could compete with State Education Departments for grants. If a State Education Department did not want to expand its charter school sector, the trade organizations would step in, distribute funds, and retain 10% for themselves.

But oversight failed to keep pace. In 2012, [The New York Times exposed](#) a New Jersey charter school that had been denied approval three times by the state but received an \$800,000 CSP grant. A quick check would have revealed misrepresentations by the real estate agent behind the application. When contacted, U.S. Department of Education officials revealed that applications

reviewed by outside consultants were limited to the contents of the applications themselves — a practice that journalist Mike Winerip called an invitation to “fiction writing.”

Audits have confirmed these failures. Between 2006 and 2016, [11% of CSP-funded schools never opened](#). A [2022 report by the Department’s Office of the Inspector General](#) found that only 51% of the schools promised by grantees between 2013 and 2016 actually opened or expanded. Worse still, the Department lacked mechanisms to track outcomes after grants ended, rendering the long-term effectiveness of its funding unknowable.

After RTTT concluded, CSP funding continued to rise, even as charter school growth slowed. Between 2016 and 2023, Congress allocated nearly \$3 billion to CSP, but the net increase in schools during that time was only about 1,000.

Politics, not need, now drives program expansion. In 2025, Secretary of Education Linda McMahon, aligned with the Trump administration’s school choice agenda, [pushed it to half a billion dollars](#) despite little growth.

ENROLLMENT STAGNATION AND GEOGRAPHIC RETRENCHMENT

Charter slowdown is not limited to fewer school openings. Enrollment growth has also stalled. The spike in charter enrollment during the COVID-19 pandemic largely stemmed from virtual charter schools filling gaps left by disrupted district systems. But as public schools rebounded, on-line charters lost their appeal. Between 2020 and 2023, charter enrollment increased by just 0.1 percentage point — from 7.5% to 7.6% of total public school enrollment — a far cry from the surging growth seen during the RTTT years.

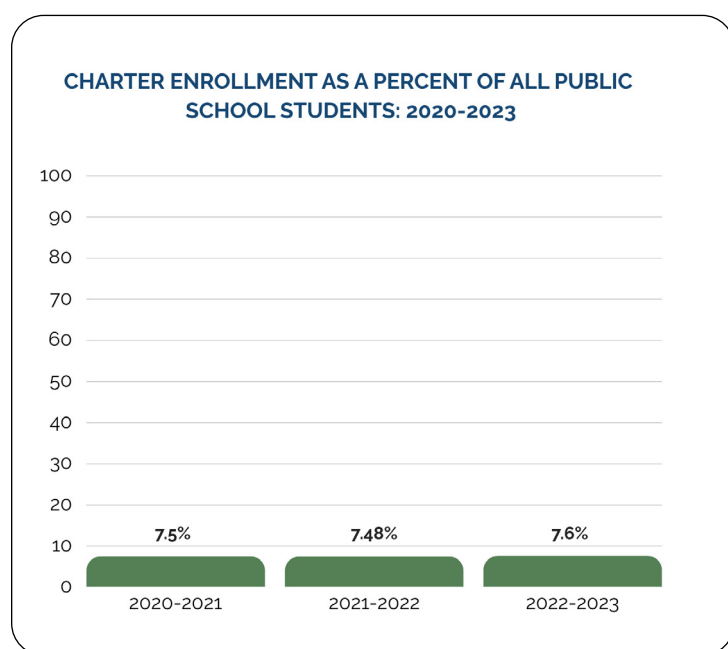


Figure 2: Charter Enrollment as a Percent of all Public School Students: 2020-2023

By 2022, fewer than half of charter-authorizing states saw sector growth. Only 21 of the 45 states and D.C. with charter laws gained schools between 2022-23 and 2023-04. Of those, only three — Minnesota (8), South Carolina (7), and Texas (6) — saw increases greater than five schools. Most states experienced declines or stagnation, and preliminary indicators suggest that, once the 2024 data is finalized, the trend will likely worsen.

As noted in the introduction, in the first half of 2025, 50 charter schools announced they would be shutting down. Some closed abruptly, while others would wait until the end of the school year. According to the [National Center for Education Statistics \(NCES\)](#) data, the number of charter schools increased by only 11 schools between the [2022-23](#) and [2023-24](#) school years.

This is a far cry from the halcyon days during the prior decades when the sector expanded by hundreds of schools each year. Between 2010 and 2011 alone, the number of charter schools increased by 421.

Using a combination of NCES data and other confirmatory sources, we identified **165 charter schools that were listed with enrollment in 2022-23 and closed during that school year.**² In a few cases, the school surrendered the

charter and became a public district school. In an additional handful of cases, their enrollment was so low that they “merged” with another school. In the overwhelming majority of cases, charters shut their doors, often abruptly.

An additional 67 charter schools were listed as open in the 2022-23 NCES database, but with no reported enrollment. The following year (2023-24), only 14 of those schools showed enrollment, with some having fewer than five students. Fifty-three schools either dropped off the NCES database or continued to report no enrollment.

The total count of charter schools that closed or never opened between 2022-23 and 2023-24 is 218.

The National Alliance for Public Charter Schools **claims** that in 2022-23, there were **8,150** charter schools nationwide.

But the National Center for Education Statistics reports **7,999**. Of those 7,999:

- **68** had no enrollment.
- **150** with enrollment reported 25 or fewer students.

The National Alliance for Public Charter Schools reports that **12** charter schools closed in the 2022-23 academic year.

Using NCES data, NPE found **165** schools that closed.

2. All data regarding charter school numbers and enrollment in this report unless linked were obtained from the Table Generator of the National Center for Education Statistics of the Common Core of Data found here: <https://nces.ed.gov/ccd/pubschuniv.asp> or [NCES tables](#).

THE MYTH OF THE ONE MILLION STUDENT WAITING LIST

During a June 6, 2025, [Senate budget hearing](#), U.S. Secretary of Education Linda McMahon defended a \$60 million increase in federal Charter Schools Program (CSP) funding by claiming, “We’ve got about a million students on charter school waiting lists.” At the same time, she proposed deep cuts to public school funding, eliminating billions from federal education programs.

The claim she invoked—a supposed national waiting list of one million students—can be traced back to the [National Alliance for Public Charter Schools](#) (NAPCS) in 2013. But that figure was debunked over a decade ago. In a 2014 policy brief titled [Wait, Wait. Don’t Mislead Me](#), scholars Kevin Welner and Gary Miron of the National Education Policy Center identified at least nine reasons to be skeptical of such numbers. Among them: the absence of standardized data, duplicate counting, and self-reported, unaudited figures from charter operators themselves. Most states do not track charter vacancies, and even in those that do, the numbers often contradict the narrative of overwhelming demand.

Texas — one of the few states with detailed charter enrollment data — [reported in 2025](#) that its charter schools had 120,826 vacant seats. Some schools reported waitlists, but many did not. All the data were self-reported and unverified.

What we do know is this: under-enrollment, not over-demand, is the leading cause of charter school closures.

Our 2024 report, [Doomed to Fail: An Analysis of Charter Closures from 1998–2022](#), found that 47% of charter school closures were due to insufficient enrollment. The trend has continued into 2025. Of the 50 charter schools that announced closures in the first half of the year, 27 (54%) cited low enrollment as the primary reason.

The real-world impacts are stark. In Tampa, Florida, parents at Village of Excellence Academy were given [just one day’s notice](#) before the K–5 school shut its doors on January 24, 2025. Its enrollment had dropped to 78 students, down from 108 the prior October. The [middle school had already been](#)



Of the 50 charter schools that announced closures in the first half of the year, 27 (54%) cited low enrollment as the primary reason.

Nationwide, during the 2023–24 school year, 903 charter schools — nearly 13% of the total — served fewer than 100 students. Another 52 schools were listed as open but had no student enrollment at all.

[shuttered](#), and the elementary program relied heavily on uncertified substitute teachers — a workaround allowed under Florida law to avoid teacher certification requirements.

In New York, [Nurses Middle College Charter High School](#) announced its [closure](#) at the end of its second year due to an enrollment of only 70 students. Elsewhere, closures came at the end of the school year, or as part of mergers that relocated students sometimes far from their original school communities.

Among the 50 least-enrolled charter schools in the country, student numbers ranged from one to eleven. Six schools had just one student. Eight of the fifty have no functioning website or online presence to verify basic information. Although some may remain open in future years, others will close, never fill, or experience further enrollment decline.

One example is **Pinecrest Collegiate Academy**, part of the for-profit *Academica* chain, which has never enrolled more than 14 students since opening five years ago. In 2023–24, it served just six. Another school, **Midtown High School** in Arizona, had 10 students enrolled in the 2023–24 academic year, and no online presence. Its enrollment peaked at 146 students in 2004, but since 2021 has dropped to below 10. Arizona law allows charters to operate for 15 years without reauthorization.

When hundreds of charter schools can't fill even a single classroom, and under-enrollment is the primary reason schools fail, the myth of a million-student waitlist is not just misleading — it's a deliberate distraction from a system in decline.

TOO BIG TO SUCCEED FOR STUDENTS

On the other end of the charter school spectrum are the so-called mega-charters—schools with thousands of students and a seemingly limitless capacity to expand. **Of the 50 largest charter schools in the U.S., only six are traditional brick-and-mortar institutions.**

The rest are cyber charters, credit recovery programs for at-risk students or dropouts, or homeschool umbrellas—each with low overhead, minimal regulation, little accountability, and nearly unlimited capacity to grow. And these factors make them ripe for scandal.

COMMONWEALTH CHARTER ACADEMY (CCA)

The largest mega-school of all is **Commonwealth Charter Academy (CCA)**, an online school in Pennsylvania, formerly known as Commonwealth Connections Academy. With an enrollment of **23,589 students**, CCA is now the largest K–12 school in the United States.

CCA's explosive growth began during the COVID-19 pandemic, fueled by an aggressive marketing campaign that nearly tripled its enrollment. But the spending didn't stop there. According to Education Voters PA, CCA [spent almost \\$9 million on media ad buys](#) in just the 2023–24 school year.

Despite this rapid growth and enormous spending, [student outcomes have remained dismal](#). On the 2023–24 state assessments, just 11.0% of CCA students were proficient in English Language Arts (grades 3–11), and a mere 4.7% in Math. Statewide averages are 53.9% and 40.2%, respectively. [Graduation rates](#) are no better: CCA's four-year cohort graduation rate dropped to 64.3% in 2022–2023, far below the state average of 87.6%.

In 2024, a 12-year-old CCA student was tortured and starved by her guardians. In response, Pennsylvania enacted a law requiring cyber charter schools to ensure that students are seen and heard in real-time each week. **CCA has refused** to comply, claiming the mandate is "unreasonable and impossible" given its size and asynchronous model. A wrongful death lawsuit against CCA alleges staff observed signs of abuse but failed to act.



Although the 50 mega-charters represent less than 1% (0.006) of all charter schools, they enrolled 7% of all students in charters in the 2023-24 school year.

Yet, while CCA students struggle, the school's finances thrive. Between 2020 and 2023, CCA spent approximately [\\$196 million from its capital projects](#) fund on real estate — purchasing, constructing, or renovating twenty-one buildings across the state. Officials claim these expenditures support statewide services, but the scale and nature of these holdings are highly unusual for a cyber charter and have drawn scrutiny from state officials.

The school has also made headlines for lavish spending on non-instructional perks. According to a [recent Education Voters PA analysis](#), CCA used public funds for:

- \$114,000 at restaurants
- \$404,000 on entertainment (Hersheypark, TopGolf, Dave & Buster's)
- Over \$500,000 on new vehicles, including multiple Ford SUVs
- \$4,000 for a corporate membership at the exclusive Hill Society social club in Harrisburg
- Routine perks for families, such as field trips and gift cards.

Loose charter laws in Pennsylvania allowed the CEO of CCA, Tom Longnecker, to earn more than \$700,000 from his side job as a bank director of Orrstown, which holds in excess of \$230 million in Commonwealth charter school deposits. That was on top of his reported 40-hour-a-week day job at Commonwealth, [which paid him](#) \$421,498 in 2023.

HIGHLANDS COMMUNITY CHARTER AND TECHNICAL SCHOOLS (HCCS)

An alternative charter school based in Sacramento, California, Highlands bills itself as a school of second chances, serving adults seeking high school diplomas. But beneath the surface, HCCS has become a flashpoint for controversy, marred by financial fraud, staff exploitation, and egregious academic failings.

The fraudulent practices of the school came to light when former and current teachers became whistleblowers, [leading to an investigation and report](#) by ABC 10 in Northern California. Teachers described a toxic, exploitative culture fueled by intimidation, mismanagement, and disregard for student learning. Teachers were routinely encouraged to inflate attendance, even for students they had never met, according to the ABC 10 report. The news report triggered a [state audit](#). According to the California State Auditor, HCCS collected more than \$180 million in public funds it was not entitled to: “Highlands received more than an estimated \$5 million in overpayments, of which \$3.5 million is in addition to the \$177 million in disallowed funding, by not complying with state law in calculating its average daily attendance.” Highlands has

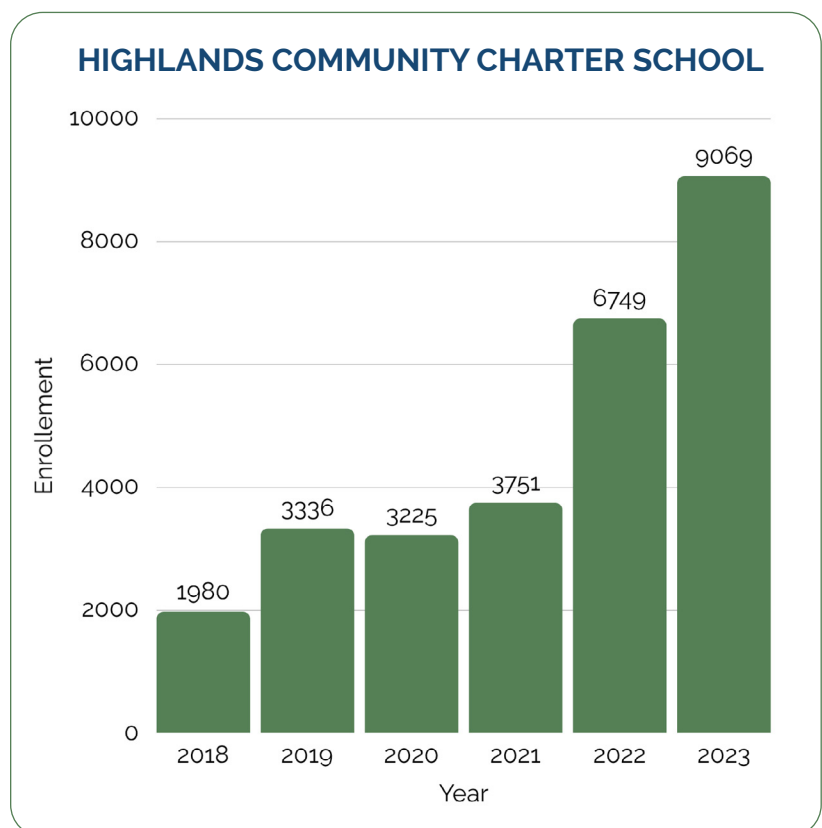


Figure 3: Growth in Highlands Charter Enrollment: 2018–2023

agreed to repay nearly \$13 million for one school year alone.

The fraudulent attendance claims were not isolated errors. They were systematic misrepresentations, including enrolling students who had long stopped attending or manipulating digital attendance systems. Staff [reported to ABC News](#) that students they had never met were added to their roster.

The audit also revealed instances of questionable and wasteful spending, including nearly \$80,000 for seven employees and a consultant to register for a conference at a luxury hotel in Hawaii, which, according to the auditors, had no educational merit.

Fraudulent reports of attendance have been at the heart of hundreds of charter school scandals identified by NPE, and they are especially common in mega-charter schools. Because charter schools receive funding based on enrollment and attendance, schools are incentivized to bring students through the door.

According to the California state audit, Highland’s taxpayer-funded income increased from \$29 million in 2019 to \$195 million in the 2024–2025 school year.

What did not increase were positive outcomes for students. Despite the flood of public money, student outcomes have been abysmal. The graduation rate hovered around 2–3%, even among students attending on-site classes. Instructional time requirements were not met, and class sizes and student loads made meaningful instruction almost impossible.

According to the audit, “The majority of Highlands teachers we tested did not hold appropriate credentials ... Highlands had a student-to-teacher ratio of 51:1.”

The audit also criticized the Twin Rivers School District, the authorizer of the charter school, which is responsible for overseeing and supervising the school. However, California incentivizes district authorizers to disregard mega school abuses. Authorizers receive between 1% and 3% of all charter income. That means the higher the enrollment and attendance reported, the more the authorizing district receives.

Even at the base rate of 1%, Twin Rivers would get nearly \$2 million in 2024–25.

Mega-charter schools may promise flexibility and opportunity, but their



**Twenty of
the top 50
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are in
California.**

staggering growth often comes at a steep cost to students and taxpayers alike.

With bloated, unchecked enrollments, poor academic outcomes, lavish and sometimes questionable spending, and widespread fraud enabled by weak oversight, they are not too big to fail, and they are often too big to succeed for students.

HOW SOME CHARTER SCHOOLS PUMP UP ENROLLMENT

One of the top 50, EPIC Charter Schools, enticed students to enroll by "[holding fairs that gave attendees](#) gift bags, and door prizes, including hotel stays, restaurant gift cards, greens fees for golf, and more."

The former owners of the for-profit that ran the school [have been charged](#) with racketeering and fraud. Among their criminal activities, they recruited home-schooled and private school students who were not full-time students to increase enrollment and secure state funding.



Chester Community Charter School, a brick-and-mortar Pennsylvania mega-charter also run by a for-profit entity, offers families a \$50 gift card if they refer a potential student to the school. Twenty adults are presently being [investigated for physically abusing](#) the charter school's students or failing to report the abuse.

CONCLUSION

The charter school sector stands at a critical juncture. Once heralded as a bold experiment in innovation and opportunity, it is now characterized by stagnation, retrenchment, and rising school closures. Between 2022 and 2025, growth has nearly halted, and closures — often sudden and disruptive — are accelerating. Federal investment, rather than adapting to the sector’s shifting realities, has ballooned to half a billion dollars annually, funding schools that never open, quickly fail, or operate with minimal oversight and accountability.

As the data show, under-enrollment is the primary driver of failure. There is no crisis of unmet demand. Hundreds of charter schools, according to NCES data, can’t fill even a single classroom. The frequently cited “million-student waitlist” has been thoroughly debunked, yet continues to be invoked to justify ever-increasing taxpayer support.



Meanwhile, mega-charters and online schools like Commonwealth Charter Academy siphon vast sums of public dollars while delivering dismal academic outcomes. Others, like Highlands Community Charter School, have defrauded taxpayers and exploited students under the guise of second chances.

With enrollment stagnating and oversight failing, taxpayers should ask: Why are we continuing to fund with federal dollars an expansion that isn’t happening? It is time for Congress and the Department of Education to reassess the Charter School Programs. Federal dollars should no longer subsidize a shrinking and troubled sector. Instead, they must be redirected toward accountable, transparent, and student-centered public schools.

Part II of this report, *Disillusionment*, to be published this fall, will further explain the reasons behind the sector’s decline.