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Texas Charter Authorizer
Accountability Report,
2014-15
Executive Summary

FOR THE TEXAS EDUCATION AGENCY

Charter Authorizer Accountability Report

2014–15 School Year

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List of Acronyms Used in this Report

Alternative Education Accountability (AEA)
Commissioner of Education (COE)
Disciplinary Alternative Education Program (DAEP)
End-of-course (EOC)
English Language Learner (ELL)
Independent School District (ISD)
Juvenile Justice Alternative Education Program (JJAEP)
Public Education Information Management System (PEIMS)
Request for Proposals (RFP)
Senate Bill (SB)
Senate Bill 2 (SB 2)
State Board of Education (SBOE)
State of Texas Assessments of Academic Readiness (STAAR)
Texas Academic Performance Reports (TAPR)
Texas Performance Reporting System (TPRS)
Texas Education Code (TEC)

Executive Summary

Background

Charter schools were created to help improve the nation's public school system and offer parents another public school option to better meet their child's specific needs. The first law allowing the establishment of charter schools was enacted in Minnesota in 1991, and the first charter school began serving students in 1992 (National Center for Education Statistics, 2016). Over the 1999–2000 to 2014–15 period, the number of charter schools operating across the country grew from approximately 1,500 to over 6,600, with steady annual growth over that time period. In line with the national growth in the number of charter schools in operation was the number of students enrolled in charter schools over the 1999–2000 (approximately 350,000) to 2013–14 (approximately 2.7 million) period (National Alliance for Public Charter Schools, 2016). There is also some evidence suggesting that the types of charter schools that open, and that persist, have produced improvements in the aggregate quality of charter schools (Baude et al., 2014).

The 74th Texas Legislature passed state laws to authorize the creation of charter schools in 1995. The goal of this legislation was to increase innovation in teaching methods, improve student learning, increase options for students and families within the public school system, and create professional opportunities which attract new teachers to the public school system. In addition, this legislation was intended to establish a new form of accountability for public schools (Texas Education Code (TEC) § 12.001). Four types of charter schools, or subchapters, were established in TEC to outline eligibility requirements and regulations for the award and operation of charter.

Charter schools authorized by the State Board of Education (SBOE) or the commissioner of education (COE) are categorized as open-enrollment charter schools, which are operated by public or non-public institutions of higher education, tax-exempt organizations classified as 501(c)(3)s under the Internal Revenue Code, and governmental entities (TEC Chapter 12, Subchapters D and E). Open-enrollment charter school campuses operated under the charter schools authorized by the SBOE or COE may enroll students from any approved school district as listed in the application for their charter or subsequent amendment(s), cannot charge tuition but may charge fees, and must provide transportation to the same extent as school districts (TEC § 12.101). TEC Chapter 12, Subchapter C establishes statutory authority among traditional school districts to authorize in-district charter campuses (referred to as ISD-Authorized Charters in this report). Within this authority, the board of trustees of a school district may grant a charter campus to: 1) parents and teachers upon lawful petition and public vote; 2) educational service provider(s); or 3) a campus/program that is designated to operate as though the campus was an open-enrollment charter school (TEC Chapter 12, Subchapter C §§ 12.051-12.065). The authorization process is determined at the local school board level; however, all participating school districts must adopt policies that outline authorization, evaluation, renewal, and revocation criteria and procedures (TEC § 12.052). Another type of charter, the home-rule district charter is allowable under TEC Chapter 12, Subchapter B; however, no home-rule district charter schools are currently in operation.

In 2013, the 83rd Texas Legislature, through the passage of Senate Bill 2 (SB 2), added § 12.1013 to the TEC. This legislation required a report on the performance of open-enrollment charter school campuses by authorizer, with results compared to matched traditional public school campuses. SB 2 also modified the process by which open-enrollment charter schools are authorized (i.e., from the SBOE authorization to COE authorization).

For this report based on 2014–15 data, comparisons were made between the following types of campuses: 1) charter school campuses authorized by the State Board of Education (SBOE-authorized charter school campuses); 2) charter school campuses authorized by independent school districts (ISD-authorized charter school campuses); 3) charter school campuses authorized by the commissioner of education (COE-authorized charter school campuses); and 4) matched traditional public school campuses for each of the three authorizer-specific charter school campus groups. When reviewing comparative data contained in this report, it is important to note that the intent of the methodology was to select traditional public school campuses that have similar student enrollment profiles in order to generate comparative descriptive statistics for several measures of campus performance. *The intent of matching was not to produce differences in the relative effectiveness of charter school campuses compared to matched traditional public school campuses.*

Overview of Texas Charter School Campuses

In 2014–15, a total of 679 charter school campuses were in operation, serving almost 262,000 students. This represents approximately eight percent of the public schools in Texas and five percent of the students enrolled in Texas public schools. The vast majority of the charter school campuses operating in 2014–15 (611, or 90%) were SBOE-authorized charter school campuses—this includes 45 charter school campuses which were residential treatment facilities (approximately 7%). A total of 66 charter school campuses (approximately 10%) were ISD-authorized charter school campuses. The authority to authorize open-enrollment charter schools was transferred from the SBOE to the commissioner of education starting with those beginning operations in 2014–15. Only two charter school campuses authorized by the commissioner of education (COE-authorized charter school campuses) served students during the 2014–15 school year.

A total of 566 open-enrollment charter school campuses operating under charter schools authorized by the SBOE, 66 charter school campuses authorized by ISDs, and two charter school campuses operating under charter schools authorized by the commissioner of education are included in the aggregate performance analyses presented in this report.¹

Key Findings

Aggregate campus-level performance results were explored for several different outcomes, including: 1) attrition rates (i.e., the percentage of students enrolled at a campus in 2014–15 who did not return to that same campus in 2015–16); 2) percentage of students meeting or exceeding the Level II Phase-in 1 standard on the State of Texas Assessments of Academic Readiness (STAAR)-Reading and Mathematics exams (for Grades 3–8) and the English I, English II, and Algebra I end-of-course (EOC) exams (for Grades 9–12); 3) Texas Education Agency (TEA) performance index scores (for Student Achievement, Student Progress, Closing Performance Gaps, and Postsecondary Readiness indices);² 4) annual dropout rates (for Grades 7–8 and Grades 9–12); and 5) Grade 9 four-year longitudinal graduation rates for the class of 2014.

¹ Residential treatment facilities operated at charter school campuses (n=45) and traditional public school campuses (n=61), Disciplinary Alternative Education Program campuses (n=157), and Juvenile Justice Alternative Education Program campuses (n=156) operated at traditional public school campuses are not included in the analytic dataset for the aggregate performance analyses.

² Scores range from 0 to 100 for each of the four TEA performance indices.

Attrition Rates

The attrition rate for this project was defined as the percentage of students who did not return to the same campus in 2015–16 in which they were enrolled in 2014–15. This calculation, however, required several adjustments to account for the grade-level pathways available to students at each campus.

Higher attrition rates were observed at SBOE- (25% vs. 21%) and ISD-authorized (26% vs. 21%) charter school campuses when compared to their matched traditional public school campuses. Further, overall attrition rate differences were driven by attrition rates at the high school level which were substantially higher for both SBOE- (35% vs. 16%) and ISD-authorized (33% vs. 16%) charter school campuses compared to their matched traditional public school campuses. Attrition rates for SBOE- and ISD-authorized charter school campuses and their matched traditional public school campuses were comparable for elementary and middle schools.

STAAR-Reading and Mathematics, English I and II EOC, and Algebra I EOC Results

The percentage of students meeting or exceeding the Level II Phase-in 1 standard on the 2014–15 STAAR-Reading and STAAR-Mathematics exams was calculated for Grade 3–8 students. Thus, only elementary and middle school campuses were included in these analyses.³ The Level II Phase-in 1 standards on the 2014–15 English I, English II, and Algebra I exams were used for high school-level analyses.

SBOE-authorized charter school campuses had a slightly higher percentage of students meeting or exceeding the Level II Phase-in 1 standards on the 2014–15 STAAR-Reading (80% vs. 75%) and STAAR-Mathematics (72% vs. 69%) exams than their matched traditional public school campuses. ISD-authorized charter school campuses had a slightly lower percentage of students meeting or exceeding the Level II Phase-in 1 standards on the 2014–15 STAAR-Mathematics compared to their matched traditional public school campuses (66% vs. 70%), but had a similar percentage of students meeting or exceeding the Level II Phase-in 1 standards on the 2014–15 STAAR Reading exam (both 76%).

Differences in the percentage of students meeting or exceeding the Level II Phase-in 1 standards on the STAAR-Reading and Mathematics exams were observed when data were disaggregated by school level. Lower passing rates were observed for ISD-authorized charter school campuses (versus their matched comparison campuses) at the elementary school level (68% vs. 74% for reading, and 61% vs. 71% for mathematics), but higher passing rates were found at the high school level on the English I and II and Algebra I EOC exams (82% vs. 68% for English I, 82% vs. 71% for English II, and 82% vs. 75% for Algebra I). School-level differences for SBOE-authorized charter school campuses and their matched traditional public school campuses followed a different pattern with a slightly higher percentage of students at SBOE-authorized charter school campuses meeting or exceeding the Level II Phase-in 1 standards at the elementary school level (79% vs. 75% for reading, and 72% vs. 71% for mathematics), but lower passing rates at the high school level on the English I and II and Algebra I EOC exams (65% vs. 69% for English I, 65% vs. 71% for English II, and 68% vs. 76% for Algebra I).

TEA Performance Index Scores

The Texas accountability system uses a performance index framework to combine a broad range of indicators into a comprehensive measure of campus and district performance. Index scores from the

³ Results for the STAAR-Mathematics were derived from a different source (the Texas Performance Reporting System) than other outcomes (derived from Texas Academic Performance Reports), because they were not used to determine campus accountability ratings since the standard had not been established when ratings were issued.

2015 Accountability Ratings were used in the analyses described below. Results are presented for each of the four performance indices: 1) *Student Achievement* (which measures campus and district performance based on satisfactory student achievement combined over all subjects for all students); 2) *Student Progress* (which measures student progress by subject and reports results by student demographics: race/ethnicity, English Language Learners (ELLs), and special education); 3) *Closing Performance Gaps* (which emphasizes the academic achievement of economically disadvantaged students and the two lowest performing racial/ethnic student groups); and 4) *Postsecondary Readiness* (which emphasizes the role of elementary and middle schools in preparing students for the rigors of high school and the importance of earning a high school diploma that provides students with the foundation necessary for success in college, the workforce, job training programs, or the military).⁴

Differences in TEA performance index scores for the Student Achievement, Student Progress, and Closing Performance Gaps were not materially different between SBOE- and ISD-authorized charter school campuses (evaluated under standard accountability provisions) and their matched comparison campuses. However, postsecondary readiness index scores were higher for SBOE- (46 vs. 38) and ISD-authorized (48 vs. 37) charter school campuses than matched traditional public school campuses. Composite TEA index scores (which include all index scores available for a particular campus) for charter school campuses, evaluated under standard accountability provisions, were somewhat higher for both SBOE-authorized (51 vs. 47) and ISD-authorized (51 vs. 46) charter school campuses than those of their matched comparison campuses.

For each of the four TEA performance indices, SBOE-authorized charter school campuses evaluated under alternative education accountability (AEA) provisions posted higher scores than their matched traditional public school campuses: Student Achievement (59 vs. 52); Student Progress (22 vs. 19); Closing Performance Gaps (31 vs. 25); and Postsecondary Readiness (92 vs. 86). In contrast, ISD-authorized charter school campuses evaluated under AEA provisions posted consistently lower scores than their matched traditional public school campuses on the four indices: Student Achievement (35 vs. 64); Student Progress (16 vs. 20); Closing Performance Gaps (20 vs. 34); and Postsecondary Readiness (82 vs. 97). ISD-authorized charter school campuses evaluated under AEA provisions posted composite performance index scores lower than their matched traditional public school campuses (40 vs. 55), while SBOE-authorized charter school campuses evaluated under AEA provisions were comparable to their matched traditional public school campuses (49 vs. 50).

Annual Dropout Rates

Dropout rates were small and not materially different between SBOE- (both 0.3%) and ISD-authorized charter middle school campuses (0.4% vs. 0.3%) and their matched traditional public school campuses. While differences were not observed for Grades 7–8 (middle schools), annual high school dropout rates (Grades 9–12) were consistently higher for both SBOE-authorized (5.6% vs. 2.0%) and ISD-authorized (5.6% vs. 1.8%) charter school campuses than their matched traditional public school campuses.

Graduation Rates

The Grade 9 four-year longitudinal graduation rate calculated for state accountability was used for this project.⁵ The Grade 9 four-year graduation rate for the class of 2014 is defined as the percentage of the

⁴ Refer to the 2015 Texas Accountability Manual for additional detail about the TEA performance indices: <https://rptsvr1.tea.texas.gov/perfreport/account/2015/manual/manual.pdf>.

⁵ There is a one-year lag for the publication of graduation rates in TAPR.

class of students who began Grade 9 in Texas public schools in 2010–11 that graduated by August 31, 2014.

The Grade 9 four-year longitudinal graduation rate was eight percentage points lower for both SBOE-authorized (83% vs. 91%) and ISD-authorized (84% vs. 92%) charter school campuses compared to their matched traditional public school campuses.

Study Limitations

The findings presented in this report do not suggest that one type of public school campus consistently outperforms another type. When interpreting aggregate performance outcomes, it is important to recognize that differences remain in the composition of the student populations at charter school campuses and their matched traditional public school campuses. Because the analyses were conducted at the campus level, and no statistical controls were used to account for the differences in the characteristics of students enrolled at charter school campuses and their matched traditional public school campuses, these differences in student characteristics may have had an impact on the aggregate outcome results for the various charter school campus types and their matched traditional public school campuses. In addition, differences in prior academic performance and other unobservable characteristics not available through publicly available data may have also had an impact on performance results at charter school campuses and students enrolled at traditional public school campuses. Furthermore, the number of campuses available for some of the analyses reported in this report, particularly those involving campuses evaluated under AEA provisions, may be fairly small. Analyses involving small numbers of campuses warrant cautious interpretation.

The most severe study limitations are related to comparison of results for COE-authorized charter school campuses and their matched traditional public school campuses. The lack of comparability is driven by the fact that just two COE-authorized charter school campuses were available to be included in the analysis, and the campuses served different grade spans (i.e., one campus served K–3 students and the other served only students in Grade 6 in 2014–15). Because of the lack of comparability between the COE-authorized charter school campus group and the group of matched traditional public school campuses, and due to the other reasons outlined above, the COE-authorized charter school campus comparisons are presented separately from analyses for SBOE- and ISD-authorized charter school campuses and should be viewed only as exploratory. More in-depth analyses of COE-authorized charter school campuses and their matched traditional public school campuses may be feasible when a larger group of these charter school campuses is operational.