

# **TEXAS CHARTER AUTHORIZER ACCOUNTABILITY REPORT**

**2019–2020**

**EXECUTIVE SUMMARY**

# Executive Summary

## Background

The first charter schools were established in the United States in 1991 to provide students with a tuition-free alternative to traditional public schools. Their purpose: to create additional flexibility and innovation in education. Minnesota was the first state to usher in charter schools, and other states quickly followed; charter schools now operate in 44 states and the District of Columbia. The number of operating charter schools across the nation has more than doubled over the past 13 years—from approximately 3,700 in the 2005–06 academic year to more than 7,500 in 2018–19. Student enrollment has also experienced marked growth, increasing from about 1 million students in 2005–06 to about 3.3 million students in 2018–19 (National Alliance for Public Charter Schools, 2019).

Texas charter schools were first established in 1995 by the 74th Texas Legislature with the addition of Texas Education Code (TEC) Chapter 12. The state proposed charter schools as a means to improve student learning, increase the choice of learning opportunities within the public school system, create professional opportunities to attract new teachers to the public school system, and encourage different and innovative learning methods (TEC § 12.001, 2019). Texas charter schools are subject to fiscal and academic accountability, though they have fewer regulations than other public schools to encourage innovation and flexibility.

Four subchapters within TEC Chapter 12 (2019) codify the different types of charter schools in Texas:

- **Home-rule school district charter schools** (TEC Chapter 12, Subchapter B, 2019), which are not in existence to date;
- **Campus or campus program charter schools** (TEC Chapter 12, Subchapter C, 2019), which are authorized by Texas Independent School District (ISD) school boards and serve students within the district;
- **Open-enrollment charter schools** (TEC Chapter 12, Subchapter D, 2019), which are authorized by the commissioner of education (COE), operated by 501(c)(3) tax-exempt organizations or governmental entities, and can enroll students from any school districts in their approved geographic boundaries; and
- **College, university, or junior college charter schools** (TEC Chapter 12, Subchapter E, 2019), which are authorized by the COE, operated by institutions of higher education, and can enroll students from any school districts in their approved geographic boundaries.

Contemporary charter school legislation demonstrates the state's effort to balance quality with growing charter school demand. In 2013, the 83rd Texas Legislature (regular session) passed Senate Bill (SB) 2, which made significant changes to the state's charter school legislation. The bill added TEC § 12.115 (a)-(d) (2019)—Charter Revocation or Modification of Governance—to the TEC, which placed charter schools under stricter financial and academic accountability expectations and requires the commissioner to revoke a school's charter should it fail to meet the stated accountability benchmarks for three consecutive years. Since the passage of SB 2 in 2013, 40 charter schools have closed, and the number of charters granted annually has decreased. SB 2 also increased the cap on the maximum possible number of open-enrollment charter schools granted from 215 to 305 by September 2019 (TEC § 12.101, 2019). Another significant change introduced in SB 2 was the transfer of authority in granting open-enrollment charters from the State Board of Education (SBOE) to the COE (TEC § 12.101 (a), 2019). The commissioner, however, must still submit notification to the SBOE regarding which charters were approved. The SBOE may veto any new charter approved by the commissioner within 90 days of the commissioner's decision (TEC § 12.101(b-0), 2019). Along with this change, the legislature added a requirement (TEC § 12.1013 (a)-(d), 2019) for a report on the performance of open-enrollment charter school campuses by authorizer type that compares results of each with matched traditional public school campuses.

In 2017, the 85th Texas Legislature (regular session) passed SB 1882, providing incentives to school districts to partner with open-enrollment charter schools and certain eligible entities to open campuses within their district.<sup>1</sup> The bill provided two incentives to promote district partnerships with open-enrollment charter schools and eligible entities. The first was a two-year relief from campus sanctions imposed at schools with low academic performance; the second was access to potentially increased state funding. Both of these benefits incentivized districts to enter into partnerships with outside entities. Also in 2017, the Texas Legislature passed House Bill 21, allowing public charter schools, for the first time in Texas, to receive up to \$60 million in state funding annually for facilities (TEC § 12.106 (d)-(2)) (2019).

## Overview of Texas Charter School Campuses

In the 2019–20 academic year, 8,866 Texas public school campuses were in operation. Approximately 10% (884) of those campuses were charter school campuses, including ISD-authorized charter school campuses and campuses operated by SBOE-authorized charter schools and COE-authorized charter schools. In 2019–20, most charter school campuses operated under SBOE-authorized charter schools (747). Additionally, 102 campuses were authorized by school district boards of trustees, and 35 campuses operated under COE-authorized charter schools.<sup>2</sup> A total of 381,538 students were enrolled in charter school campuses, representing approximately 7% of the 5,479,173 students enrolled in Texas public schools.

The aggregate performance outcomes presented in this report include 694 campuses operated by SBOE-authorized charter schools, 102 ISD-authorized charter school campuses, and 32 campuses operated by COE-authorized charter schools.<sup>3</sup>

## Key Findings for SBOE-Authorized and ISD-Authorized Charter School Campuses

For the purposes of this report, charter schools and their respective campuses are categorized by their authorizer. Campus or campus program charter schools are reported as ISD-authorized charter schools. Open-enrollment and college, university, or junior college charter school campuses are reported as SBOE-authorized or COE-authorized, depending on the year in which the charter schools were authorized; the COE replaced the SBOE as the state charter authorizer for open-enrollment charter schools in 2013. To date, Texas does not have any home-rule school district charter schools; thus, none were reported. These findings—comparing SBOE-authorized and ISD-authorized charter school campuses with matched traditional public school campuses—include aggregate outcome measures related to attrition rates; graduation rates; and college, career, and military readiness (CCMR) outcomes.

### Attrition Rates

For the purposes of this report, the attrition rate is defined as the percentage of students enrolled in the fall of 2019 who did not return to the same campus in the fall of 2020.<sup>4</sup> The attrition rates for this report were calculated using student-level data provided by TEA.

The attrition rate for SBOE-authorized charter school campuses was 18%, compared with 20% at their matched traditional public school campuses. At ISD-authorized charter school campuses, the attrition rate was 22%, compared with 19% at their matched traditional public school campuses. At elementary school campuses, the attrition rate was 19% at SBOE-authorized charter school campuses, 22% at their matched traditional public school campuses, 20% at ISD-authorized charter school campuses, and 21% at their matched traditional public school campuses. At middle school campuses, the attrition rate was 14% at both

1 SB 1882 partnership schools are classified as ISD-authorized charter schools for the purposes of this report.

2 The 747 campuses associated with SBOE-authorized charter schools include campuses approved by the COE through the approval of expansion amendment requests to add new campuses under existing charter schools originally authorized by the SBOE.

3 Residential treatment facilities at charter school campuses (SBOE-authorized charter schools n=53; COE-authorized charter schools n=3) and residential treatment facilities at traditional public school campuses (n=64), as well as traditional public school disciplinary alternative education programs (n=152) and traditional public school juvenile justice alternative education programs (n=148) are not included in the performance outcome reporting.

4 See Appendix A for a detailed description of the attrition analysis.

SBOE-authorized charter school campuses and their matched traditional public school campuses; it was 17% at ISD-authorized charter school campuses and 15% at their matched traditional public school campuses. At high school campuses, the attrition rate was 21% at SBOE-authorized charter school campuses, 17% at their matched traditional public school campuses, 30% at ISD-authorized charter school campuses, and 14% at their matched traditional public school campuses.

### Graduation Rates

SBOE-authorized charter school campuses evaluated under standard accountability provisions had a four-year longitudinal graduation rate of 97% compared with matched traditional public school campuses, which had a four-year longitudinal graduation rate of 90%. The four-year longitudinal graduation rate at ISD-authorized charter school campuses was 77%, compared with 91% at matched traditional public school campuses. Additionally, four-year longitudinal graduation rates for Alternative Education Accountability (AEA) campuses were examined; the graduation rate at SBOE-authorized charter school campuses was 73%, compared with 84% at their matched traditional public school campuses. For ISD-authorized charter school AEA campuses, the graduation rate was 95%, compared with 85% at their matched traditional public school campuses.

### College, Career, and Military Readiness Outcomes

Under TEC § 39.053(c) (2019), for accountability purposes, high school graduates can demonstrate readiness for college, a career, or the military through a number of achievements outlined in detail in Appendix A.

Graduates at SBOE-authorized charter school campuses demonstrated CCMR in several ways: 14% earned college credit through the completion of dual credit courses compared with 25% at matched traditional public school campuses; 4% enlisted in the U.S. Army, Navy, Air Force, Coast Guard, or Marines compared with 6% at matched traditional public school campuses; 1% earned an industry-based certification compared with 7% in matched traditional public school campuses; less than 1% earned a level I or level II certificate in any workforce education area compared with 1% at matched traditional public school campuses; 2% completed and earned credit for an English Language Arts (ELA) college prep course compared with 7% at matched traditional public school campuses; 3% completed and earned credit for a mathematics college prep course compared with 10% at matched traditional public school campuses; less than 1% completed an OnRamps dual enrollment course and qualified for at least three hours of college credit compared with 2% at matched traditional public school campuses; and 3% earned an associate's degree while in high school compared with 6% at matched public school campuses.<sup>5</sup>

Also at SBOE-authorized charter school campuses, 41% of graduates demonstrated CCMR by satisfying the Texas Success Initiative (TSI) college readiness benchmarks in both ELA/reading and math compared with 37% at matched traditional public schools, and 27% of graduates at SBOE-authorized charter school campuses demonstrated CCMR by meeting the criterion on an Advanced Placement (AP) or International Baccalaureate (IB) exam compared with 18% at matched traditional public schools.

Generally, graduates of ISD-authorized charter school campuses demonstrated CCMR at higher rates than the matched traditional public school campuses. Notably, 43% of graduates satisfied TSI college readiness benchmarks in both ELA/reading and mathematics compared with 37% at matched traditional public school campuses; 28% earned college credit through the completion of dual credit courses compared with 23% at matched traditional public school campuses; 3% earned a level I or level II certificate in any workforce education area compared with 1% at matched traditional public school campuses; 10% completed and earned credit for an ELA college prep course compared with 7% at matched traditional public school campuses; and 8% earned an associate's degree while in high school compared with 3% at matched traditional public school campuses. However, 3% enlisted in the U.S. Army, Navy, Air Force, Coast Guard, or Marines compared with 6% at matched traditional public school campuses; 3% earned an

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<sup>5</sup> As of 2021, TEA will no longer include the 2018–19 Texas Student Data System Public Education Information Management System military enlistment data for CCMR calculations for future accountability purposes. Additional information can be found at <https://tea.texas.gov/sites/default/files/military-enlistment-data-faqs.pdf>.

industry-based certification compared with 14% at matched traditional public school campuses; and 4% completed and earned credit for a mathematics college prep course compared with 10% at matched traditional public school campuses. ISD-authorized charter school campuses had equal proportions of students completing an On-Ramps Course (2%) and completing an AP or IB exam (17%) as matched traditional public schools.

## **Key Findings for COE-Authorized Charter School Campuses**

Aggregate outcome measures related to attrition and CCMR were reported for COE-authorized charter school campuses and matched traditional public school campuses. Because of the small number of COE-authorized charter school campuses, aggregate outcome measures related to graduation rates were not reported.

### **Attrition Rates**

The attrition rate for COE-authorized charter school campuses was 26%, compared with 20% at their matched traditional public school campuses.

### **College, Career, and Military Readiness Outcomes**

Graduates at COE-authorized charter school campuses demonstrated CCMR in several ways: 1% satisfied TSI college readiness benchmarks in both ELA/reading and mathematics compared with 38% at matched traditional public school campuses; less than 1% met the criterion on an AP or IB exam compared with 13% at matched traditional public schools; 1% earned college credit through the completion of dual credit courses compared with 22% at matched traditional public school campuses; none enlisted in the U.S. Army, Navy, Air Force, Coast Guard, or Marines compared with 6% in matched traditional public school campuses; none earned a level I or level II certificate in any workforce education area compared with less than 1% in the matched traditional public school campuses; none completed and earned credit for an ELA college prep course compared with 1% at matched traditional public school campuses; none completed and earned credit for a mathematics college prep course compared with 3% at matched traditional public school campuses; none completed an OnRamps dual enrollment course and qualified for at least three hours of college credit compared with less than 1% at matched traditional public school campuses; and none earned an associate's degree while in high school compared with 6% at matched public school campuses. However, 10% earned an industry-based certification compared with 6% at matched traditional public school campuses.

## **Study Limitations**

This report provides a detailed description of charter school campuses and matched traditional public school campuses intended for comparison of school types. While a combination of sampling techniques was used to identify demographically similar traditional public school campuses as the matched set for comparison, inferences regarding the performance of charter schools relative to traditional public schools cannot be made using this report. In order to suggest the performance of one type of school is consistently better or worse than another, statistical tools controlling for observed and unobserved characteristics influencing performance would need to be in place and inferential statistical analysis employed. Additionally, careful interpretation of the comparisons with COE-authorized and ISD-authorized charter school campuses provided in this report is necessary because of the small numbers of campuses in each category.

Because of the award of new charters and the expansion of existing charters, this report should be carefully compared with previously published Texas Charter Authorizer Accountability reports. Since 2012, the state of Texas has phased in a new standardized test (State of Texas Assessments of Academic Readiness, or STAAR®) and performance standards and created a new accountability rating system. The gradual phase-in of the new test and the current accountability system should be taken into consideration when comparing the results of this report to previous reports. Additionally, each year, new charter schools are authorized and new charter school campuses are opened and closed. Thus, Texas Charter Authorizer Accountability reports from two different years contain different subsets of charter schools and results

should be compared with caution. As a final note, although the passage of SB 2 in 2013 resulted in a policy process change in charter school authorization, the reader is cautioned against attributing differences presented in this report solely to this change. Rather, differences may be attributable to other changes occurring over time, such as differences in the charter school applicant makeup, other process changes, and/or changes in leadership at the charter schools—none of which could be accounted for within the scope of this report.

Beginning in spring 2020, public health and safety circumstances caused by the COVID-19 pandemic led to the closure of schools during the state’s testing window and inhibited the state’s ability to measure district and campus performance accurately. Because of the cancellation of the spring 2020 STAAR®, those outcomes do not appear in this report as usual. For the 2020 accountability cycle, TEA also received approval to waive accountability requirements under the Every Student Succeeds Act. Therefore, TEA did not calculate any domain or overall ratings; all districts and campuses were labeled *Not Rated: Declared State of Disaster* for 2020. Outcomes available for this report pertain to attrition, graduation, and CCMR.