

# **TEXAS CHARTER AUTHORIZER ACCOUNTABILITY REPORT**

**2021–2022**

**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 15 years—from approximately 3,700 in the 2005–06 academic year to approximately 7,800 in 2020–21. Student enrollment has also experienced marked growth, increasing from about 1 million students in 2005–06 to about 3.7 million students in 2020–21 (White, 2022).

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, 2022). Texas charter schools are subject to fiscal and academic accountability, though they have fewer regulations than traditional public schools to encourage innovation and flexibility.

Five subchapters within TEC Chapter 12 (2022) codify the different types of charter schools in Texas:

- **Home-rule school district charter schools** (TEC Chapter 12, Subchapter B, 2022), which are not in existence to date;
- **Campus or campus program charter schools** (TEC Chapter 12, Subchapter C, 2022), 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, 2022), which are authorized by the commissioner of education (COE), are operated by 501(c)(3) tax-exempt organizations or governmental entities, and can enroll students from any school districts in their approved geographic boundaries;
- **College, university, or junior college charter schools** (TEC Chapter 12, Subchapter E, 2022), which are authorized by the COE, are operated by institutions of higher education, and can enroll students from any school districts in their approved geographic boundaries; and
- **Adult high school charter schools** (TEC Chapter 12, Subchapter G, 2022), which are authorized by the COE and operated by 501(c)(3) tax-exempt organizations to provide services and instruction below the college level for adults.

Contemporary charter school legislation demonstrates the state’s effort to balance quality with growing charter school demand. In 2013, the 83rd Texas Legislature passed Senate Bill (SB) 2, which made significant changes to the state’s charter school legislation. The bill added Section 12.115 (a)-(d) (2022)—Charter Revocation or Modification of Governance—to the TEC, which placed charter schools under stricter financial and academic accountability expectations and enacted the requirement that the commissioner 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.<sup>1</sup> 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, 2022). Another significant change introduced in SB 2 was the transfer of authority in granting open-

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<sup>1</sup> In previous versions of this report, the number of charter schools reported closed since the passage of SB2 in 2013 inconsistently counted charter consolidations in the closure number. In some years consolidations were reported as one charter closure and in some years consolidations were counted as multiple closures. The reported number in this report reflects each consolidation as one charter closure (Texas Education Agency, Personal Communication, July 27, 2023).

enrollment charters from the State Board of Education (SBOE) to the COE (TEC § 12.101 (a), 2022). The commissioner must still submit notification to the SBOE regarding which charters are proposed, and the SBOE may veto any new charter proposed within 90 days of the notification of the commissioner's decision (TEC § 12.101(b-0), 2022). Along with this change, the legislature added a requirement (TEC § 12.1013 (a)-(d), 2022) for a report on the performance of open-enrollment charter school campuses by authorizer type that compares the results of each with matched traditional public school campuses.

In 2017, the 85th Texas Legislature 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>2</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), 2022).

After a 2020 court ruling that nullified flexible provisions to address low-performing schools, the 87th Texas Legislature passed SB 1365 in 2021 to grant explicit authority for revocation, as well as a specific timeline for particular interventions and sanctions. Included in SB 1365 was language that made clear that D ratings in the state's academic rating system, in addition to F ratings, would make schools eligible for closure (TEC § 12.1141(b) and (d), 2022).

## Overview of Texas Charter School Campuses

In the 2021–22 academic year, 8,966 Texas public school campuses were in operation. Approximately 11% (996) 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 2021–22, most charter school campuses operated under SBOE-authorized charter schools (821).<sup>3</sup> Additionally, 124 campuses were ISD-authorized, and 51 campuses operated under COE-authorized charter schools. A total of 442,842 students were enrolled in charter school campuses, representing approximately 8% of the 5,427,147 students enrolled in Texas public schools.

The aggregate performance outcomes presented in this report include 771 campuses operated by SBOE-authorized charter schools, 124 ISD-authorized charter school campuses, and 47 campuses operated by COE-authorized charter schools.<sup>4</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 original 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. Since then, campus expansions for charters originally authorized by the SBOE are approved by the COE. To date, Texas does not have any home-rule school district charter schools on which to report. These findings—comparing SBOE-authorized and ISD-authorized charter school campuses with matched traditional public school campuses—include aggregate outcome measures related to attrition; State of Texas Assessments of

<sup>2</sup> SB 1882 Texas Partnership schools are classified as ISD-authorized charter schools for the purposes of this report.

<sup>3</sup> The 821 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.

<sup>4</sup> Residential treatment facilities (RTFs) at charter school campuses (SBOE-authorized charter schools n=50; COE-authorized charter schools n=4) and RTFs at traditional public school campuses (n=77), as well as traditional public school disciplinary alternative education programs (n=142) and traditional public school juvenile justice alternative education programs (n=129) are not included in the performance outcome reporting.

Academic Readiness (STAAR®) exams; graduation rates; college, career, and military readiness (CCMR); and Texas Education Agency (TEA) accountability domain scores and overall ratings.

### Attrition Rates

For the purposes of this report, the attrition rate is defined as the percentage of students enrolled in the fall of 2021 who did not return to the same campus in the fall of 2022.<sup>5</sup> The attrition rates for this report were calculated using student-level data provided by TEA.

SBOE-authorized charter school campuses reported higher attrition compared with their matched traditional public school campuses overall (23% vs. 21%) and at each school level: 23% vs. 22% at elementary school campuses; 21% vs. 19% at middle school campuses; and 27% vs. 19% at high school campuses. ISD-authorized charter school campuses also reported higher attrition than matched traditional public school campuses overall (26% vs. 20%). Attrition at ISD-authorized elementary charter school campuses was lower than matched traditional elementary public school campuses (21% vs. 22%) and was higher at middle school campuses (22% vs. 17%) and high school campuses (34% vs. 18%).

### STAAR Results

Analyzed in this report are the percentages of students achieving the Approaches Grade Level standard and Masters Grade Level standard on STAAR-Reading and STAAR-Mathematics exams taken by elementary and middle school students in Grades 3 through 8, the STAAR-Algebra I end-of-course (EOC) exam taken by middle and high school students, and the STAAR-English I and English II EOC exams taken by middle and high school students.<sup>6, 7</sup>

At SBOE-authorized charter school campuses, 67% of students taking the STAAR-Mathematics exams and 76% of students taking the STAAR-Algebra I EOC exam met the Approaches Grade Level standard, compared with 68% of students taking the STAAR-Mathematics exams and 75% of students taking the STAAR-Algebra I EOC exam at matched traditional public school campuses. Lower percentages of students achieved the Masters Grade Level standard on STAAR-Mathematics exams (16% vs. 19%) and the STAAR-Algebra I EOC exam (24% vs. 26%) at SBOE-authorized charter school campuses compared with matched traditional public school campuses. For the STAAR-Reading/English Language Arts (ELA) exams, a higher percentage of students in Grades 3 through 8 at SBOE-authorized charter school campuses achieved the Approaches Grade Level standard on the STAAR-Reading exams (77% vs. 75%), STAAR-English I EOC exam (67% vs. 64%), and STAAR-English II EOC exam (72% vs. 71%) than students at matched traditional public school campuses. A higher percentage of students at SBOE-authorized charter school campuses achieved the Masters Grade Level standard on STAAR-Reading exams (31% vs. 29%) and lower percentages achieved the Masters Grade Level standard on the STAAR-English I EOC exam (10% vs. 11%) and STAAR-English II EOC exam (8% vs. 9%) compared with matched traditional public school campuses.

At ISD-authorized charter school campuses, 59% of students achieved the Approaches Grade Level standard on STAAR-Mathematics exams, compared with 65% of students at matched traditional public school campuses, and 75% of students achieved the Approaches Grade Level standard on the STAAR-Algebra I EOC exam, compared with 71% at matched traditional public school campuses. A lower percentage of students at ISD-authorized charter school campuses achieved the Masters Grade Level standard on STAAR-Mathematics exams (13% vs. 14%) and a higher percentage achieved the Masters Grade Level standard on the STAAR-Algebra I EOC exam (25% vs. 21%) than matched traditional public school campuses. For STAAR-Reading exams, 70% of students achieved the Approaches Grade Level standard at ISD-authorized charter school campuses, compared with 73% of students at matched traditional public school campuses. Higher percentages of students at ISD-authorized charter school

<sup>5</sup> See Appendix A for a detailed description of the attrition analysis.

<sup>6</sup> The Approaches Grade Level standard is a STAAR performance level indicating that the student is likely to succeed in the next grade or course with targeted academic intervention. The Approaches Grade Level standard serves as the state's passing standard.

<sup>7</sup> A more difficult achievement level to attain, the Masters Grade Level standard is a STAAR performance level descriptor indicating that the student is expected to succeed in the next grade or course with little or no academic intervention.

campuses achieved the Approaches Grade Level standard on the STAAR-English I EOC exam (73% vs. 60%) and STAAR-English II EOC exam (78% vs. 67%) than at matched traditional public school campuses. Equal percentages of students at ISD-authorized charter school campuses and matched traditional public school campuses achieved the Masters Grade Level standard on STAAR-Reading exams (26%), while higher percentages of students at ISD-authorized charter school campuses achieved the Masters Grade Level standard on the STAAR-English I EOC exam (11% vs. 7%) and STAAR-English II EOC exam (9% vs. 6%) compared with 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 rate of 92%. The four-year longitudinal graduation rate at ISD-authorized charter school campuses was 91%, the same as matched traditional public school campuses. Additionally, four-year longitudinal graduation rates for campuses evaluated under alternative education accountability (AEA) provisions were examined; the graduation rate at SBOE-authorized charter school campuses was 67%, compared with 88% at their matched traditional public school campuses. For ISD-authorized charter school campuses evaluated under AEA provisions, the graduation rate is masked due to the limited number of schools (one) operating under these provisions and was thus ineligible for this analysis.

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

Under TEC § 39.053(c) (2022), 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.

SBOE-authorized charter school campuses reported higher percentages of graduates on three CCMR outcomes compared with their matched traditional public school campuses: 42% of graduates from SBOE-authorized charter school campuses met Texas Success Initiative (TSI) college readiness benchmarks in both reading and mathematics, compared with 39% from matched traditional public school campuses; 31% of graduates from SBOE-authorized charter school campuses met the criterion score on an Advanced Placement (AP) or International Baccalaureate (IB) exam in any subject, compared with 18% from matched traditional public school campuses; and 5% of special education graduates from SBOE-authorized charter school campuses graduated under an advanced diploma plan, compared with 4% from matched traditional public school campuses. For all other CCMR outcomes, matched traditional public school campuses reported higher percentages of CCMR graduates.<sup>8</sup>

ISD-authorized charter school campuses reported the same or higher percentages of graduates for all except two CCMR outcomes when compared with matched traditional public school campuses. A lower percentage of graduates from ISD-authorized charter school campuses met the criterion score on an AP or IB exam in any subject area (18% vs. 19%), and a lower percentage of graduates from ISD-authorized charter school campuses completed individualized education programs (IEP) and workforce readiness (1% vs. 2%) than matched traditional public school campuses. ISD-authorized charter school campuses and matched traditional public school campuses reported equal percentages of graduates earning a Level I or Level II certificate in any workforce education area (1%), completing an OnRamps dual enrollment course, and qualifying for at least three hours of college credit (6%). For all other CCMR outcomes, ISD-authorized charter school campuses reported higher percentages of CCMR graduates than matched traditional public school campuses.

### **TEA Accountability Domain Scores**

Under the Texas Accountability Rating System, campuses are scored in three domains—Student Achievement, School Progress (Academic Growth and Relative Performance), and Closing the Gaps—and they are also given an overall accountability rating. Each domain score and the overall accountability

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<sup>8</sup> Per the [TEA Accountability Manual for 2022](#) (page 10, PDF e-page 14): Due to discrepancies between annual enlistment counts for Texas military enlistees aged 17 to 19 released by the United States Department of Defense and the Texas Student Data System Public Education Information Management System's military enlistment data for 2017 and 2018 annual graduates, military enlistment data is excluded from accountability calculations until such data can be obtained directly from the United States Armed Forces (TEA, 2022a).

rating are on a scale of zero to 100 points. With the exception of the Closing the Gaps Domain (77 vs. 79), SBOE-authorized charter school campuses had average scores higher than those of matched traditional public school campuses: Student Achievement Domain (77 vs. 74); School Progress Domain, Academic Growth (84 vs. 83); School Progress Domain, Relative Performance (77 vs. 75); and the Overall Rating (84 vs. 83). ISD-authorized charter school campuses had average scores lower than those of matched traditional public school campuses: Student Achievement Domain (69 vs. 72); School Progress Domain, Academic Growth (80 vs. 82); School Progress Domain, Relative Performance (72 vs. 75); Closing the Gaps Domain (76 vs. 78); and Overall Rating (81 vs. 83).

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

Aggregate outcome measures related to attrition, STAAR exams, and TEA Accountability domains and overall ratings 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 and CCMR outcomes were not reported.

### **Attrition Rates**

The attrition rate for COE-authorized charter school campuses was 30%, compared with 22% at their matched traditional public school campuses.

### **STAAR Results**

Analyzed in this report are the percentages of students achieving the Approaches Grade Level standard and Masters Grade Level standard on STAAR-Reading and STAAR-Mathematics exams taken by elementary and middle school students in Grades 3 through 8, the STAAR-Algebra I EOC exam taken by middle and high school students, and the STAAR-English I and English II EOC exams taken by middle and high school students.

COE-authorized charter school campuses reported lower percentages of students who achieved the Approaches Grade Level standard on STAAR-Mathematics exams (65% vs. 67%) and the STAAR-Algebra I EOC exam (76% vs. 90%) than matched traditional public school campuses. Lower percentages of students at COE-authorized charter school campuses achieved the Masters Grade Level standard on STAAR-Mathematics exams (13% vs. 18%) and the STAAR-Algebra I EOC exam (20% vs. 43%) compared with matched traditional public school campuses. For the STAAR-Reading/ELA exams, a higher percentage of students at COE-authorized charter school campuses achieved the Approaches Grade Level standard on the STAAR-Reading exams (79% vs. 74%) and STAAR-English II EOC exam (79% vs. 76%) and a lower percentage achieved the Approaches Grade Level standard on the STAAR-English I EOC exam (76% vs. 79%) than matched traditional public school campuses. A higher percentage of students at COE-authorized charter school campuses achieved the Masters Grade Level standard on the STAAR-Reading exams (32% vs. 27%), STAAR-English I EOC exam (11% vs. 8%), and STAAR-English II EOC exam (11% vs. 6%) compared with matched traditional public school campuses.

### **TEA Accountability Domain Scores**

Under the Texas Accountability Rating System, campuses are scored in three domains—Student Achievement, School Progress (Academic Growth and Relative Performance), and Closing the Gaps—and they are also given an overall accountability rating. Each domain score and the overall accountability rating are on a scale of zero to 100 points. COE-authorized charter school campuses had average scores lower than those of matched traditional public school campuses: Student Achievement Domain (69 vs. 72); School Progress Domain, Academic Growth (81 vs. 83); School Progress Domain, Relative Performance (67 vs. 73); Closing the Gaps Domain (73 vs. 82); and the overall accountability rating (77 vs. 82).

### **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 number of campuses in each category.

For the purposes of this report, charter schools and their respective campuses are categorized by their original 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. Since then, campus expansions for charters originally authorized by the SBOE are approved by the COE.

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, 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.