July 2002

Texas Open-Enrollment Charter Schools Fifth-Year Evaluation

Executive Summary

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Introduction

In 1995, the Texas Legislature authorized the creation of open-enrollment charter schools (Texas Education Code [TEC] §§ 12.101-120)—traditional public schools substantially released from state education regulations. Subsequent legislative modifications allowed an additional 100 open-enrollment charters and an unlimited number of open-enrollment charter schools with a declared intention to serve 75% or more students at risk of failure or dropping out of school (75 Percent Rule charter schools). The Texas Legislature made further revisions to the education code governing charter schools in 2001. These provisions eliminated the 75 Percent Rule designation, capped the number of charter schools the State Board of Education (SBOE) may grant at 215, and allowed for an unlimited number of specialized charter schools sponsored by public senior colleges and universities.[1] Over time and with legislative changes, the number of Texas charter schools has increased dramatically from 17 charter schools operating in the 1996-97 school year to 160 charter schools and 200 campuses operating in 2000-01. This report presents findings for the fifth-year evaluation of charter schools and includes a longitudinal examination of charter schools across the first five years of operation.

Methodology

The SBOE commissioned an annual evaluation of charter schools pursuant to TEC §12.118. The fifth-year evaluation encompasses a variety of data sources, including student and parent surveys, surveys of charter school directors and traditional school district officials, document analysis, and analysis of the Texas Education Agency's Public Education Information Management System (PEIMS) and Academic Excellence Indicator System (AEIS) data. In addition, the executive summary draws from results reported in annual open-enrollment evaluation reports for years one through four (www.tcer.org).

Analysis by charter school type. To capture the wide variation among the educational missions of charter schools, each year evaluators have grouped charter schools to distinguish between those that serve primarily traditional students and those serving a preponderance of students who are "at-risk" of leaving the public school system. Although criteria used to define "at-risk" status has varied across years, analyses included in this summary use students' yearly PEIMS economic disadvantage status as a surrogate for "at-risk." Charter schools and charter school campuses are frequently divided into two

[1] Provisions included in House Bill 6, the 77th Texas Legislature.

distinct types for analysis purposes: (a) charter schools serving primarily (75% or more) at-risk students and (b) charter schools serving less than 75% at-risk students.

Analysis by years of charter school operation. For this report, "years of operation" refers to the number of school years that a charter school has operated. All comparisons are based on operating years for the original charter school. Thus, all charter campuses associated with a particular charter will have the same length of operation regardless of when and how individual campuses were created. Analyses related to charter schools' length of operation include four categories: (1) campuses associated with charters that began operation in 1996 or 1997 (in operation four or more years), (2) campuses associated with charters operating three years, (3) campuses associated with charters operating two years, and (4) campuses associated with charters operating one year.

Analysis by charter school origination. A charter school may originate as either a "start-up" or "conversion" school. A start-up school is one that did not previously exist. A school plan was created for the charter school application. In contrast, a conversion school existed as some type of school before becoming a charter school (e.g., private school or public school). Origination is based on the characteristics of the founding charter school. Thus, all charter campuses associated with a given charter will have the same origination.

Study limitations. Several factors complicate the analysis of charter school data. First, the assessment of change over time is complicated because the number of charter schools has increased dramatically each year, whereas the number of traditional public school districts has remained relatively stable. Likewise, the numbers of students available for analysis vary widely across years. A second issue is data accuracy. With the exception of the Texas Assessment of Academic Skills (TAAS), the majority of data are self-reported. Thus, information often reflects respondents' perceptions. In some cases, the accuracy of charter school PEIMS data is an issue. For example, the average Person Identification Database (PID) error rate is 11.6 percent for charter schools compared to 1.5 percent statewide. Third, student mobility reduces the number of charter school students included in the state accountability system. Only 56% of charter school students are included, compared to 85% of students statewide.

Fourth, TEA recognizes charter schools both as campuses and districts, so analyses involve both categories. Some comparisons use campus-level data, while others rely on district-level data—as a result, reported numbers of charter schools vary. Finally, for the majority of comparisons, the school is the unit of analysis; for student performance, however, the student is the analysis unit. For school-level analyses, each school receives equal weight, whereas with the student as the unit, larger schools receive more weight in calculations. In general, the reader must consider study limitations when interpreting the reported information.

Major Findings

Characteristics of Texas Open-Enrollment Charter Schools

The number of Texas charter schools and students enrolled in those schools has climbed steadily since the first school opened in 1996. During the 1996-97 school year, 17 open-enrollment charter schools operated in Texas. By 2000-01, the number of charter schools in operation reached 160. The majority of charter campuses are associated with charter schools operating two years (95 campuses, 48%) or three years (51 campuses, 25%). In contrast, only 20 campuses (10%) are affiliated with charter schools operating four or more years. The number of students enrolled in charter schools has increased significantly, from 2,498 to 37,696 across five school years (Table 1). The total charter school student enrollment, however, represents only a small proportion of the approximately four million public school students in Texas.

Table 1. Number of Texas Open-Enrollment Charter Schools and Students Served

School Year	Total Charter Schools in Operation	Number of 75% Rule Charters[a]	Number of Students Enrolled	Average Campus Enrollment
1996-97	17	--	2,498	147
1997-98	19	--	4,135	217
1998-99	89	45	17,616	198
1999-00	146	46	25,687	156
2000-01	160	51	37, 696	188

Source. TEA Snapshot 2001. Open-enrollment evaluation reports, years one to four.

[a] The 75 Percent Rule charter designation was authorized in 1998 and eliminated in 2001.

Over the past three years, charter schools have expanded by opening new campuses. Charter schools have grown by adding additional campuses associated with existing charter schools (Figure 1).

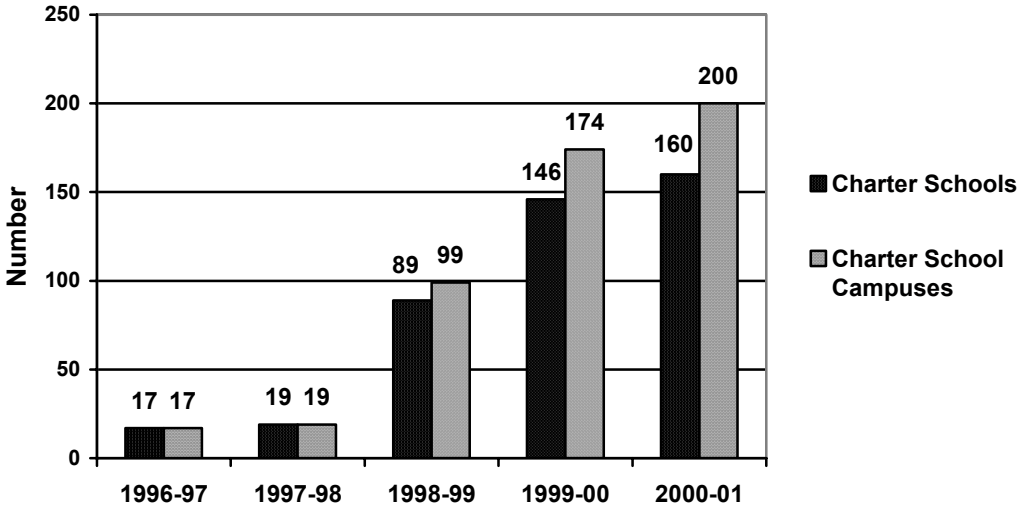

Figure 1. Number of Texas open-enrollment charter schools and campuses, 1996-2001.

To date, few charters have been revoked, a number have been returned, and all applicants have been renewed. To date, five open-enrollment charters have been revoked by the SBOE; four revocations have been for financial irregularities. Eighteen schools have returned their charters. Of the 18 first-generation schools submitting renewal applications, all received charter renewals for a 10-year period.

On average, charter school campuses are small compared to traditional public schools. Charter school campuses have an average 2000-01 campus enrollment of 188 (less than half of the traditional public school average enrollment—549 students). Approximately three-fourths of charter school campuses enroll 215 students or less. Over the past five school years, average campus size has varied: 147, 217, 198, 156, and 188, respectively (Table 1).

One-third of charter schools served 75% or more at-risk students in 2000-01. Of the 200 charter school campuses (Figure 2), one-third (67) served 75% or more at-risk students (i.e., economically disadvantaged), while two-thirds (133) served less than 75% at-risk.

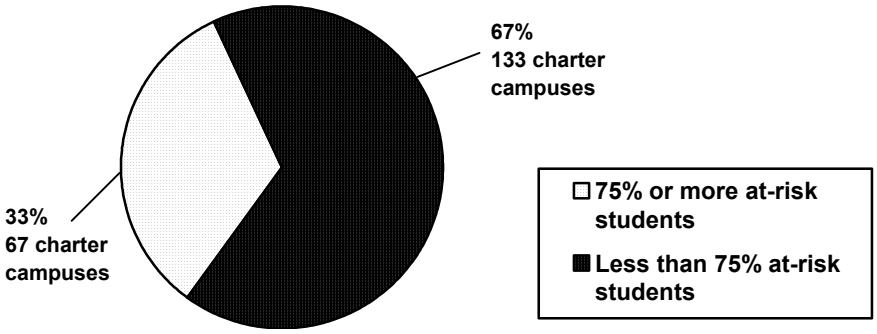

Figure 2. Charter school campuses by student population served, 2000-01.

The majority of charter schools are "start-up" rather than "conversion" schools. In 2000-01, 84% of charter campuses (167) are associated with start-up charter schools (i.e., schools that did not previously exist). Most of the 32 campuses associated with conversion charter schools (i.e., schools previously existing in some form) serve less than 75% at-risk students.

Student Demographics

Charter school students are racially and ethnically diverse. Compared to the student population in Texas traditional public schools in 2000-01, charter schools have greater proportions of minority students (Figure 3). Charter schools have a substantially higher percentage of African American students (41% versus 14%), similar percentages of Hispanic students (37% versus 41%), and a significantly lower percentage of White students (20% versus 42%). Charters serving less at-risk students enroll substantially more White students (27%) than schools serving primarily at-risk students (7%).

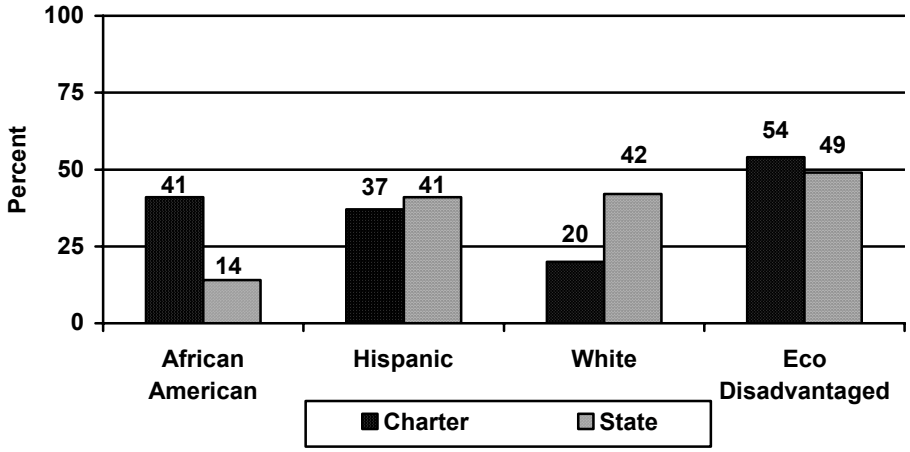

Figure 3. Charter school student demographic data, 2000-01.

Charter school students are somewhat more economically disadvantaged but less likely to be identified for special services. In 2000-01, the percentage of economically disadvantaged students in charter schools (54%) is slightly higher than the state average (49%). However, charter schools have lower percentages of limited English proficient (4%) and special education students (8%) compared to state averages (14% and 12%, respectively).

Newer charter schools have different student demographics than more established charter schools. On average, new charter schools (120 students) are about half the size of charter schools operating four or more years (261 students). In addition, campuses associated with charter schools operating between one and three years have substantially more African American students (33%, 42%, 48%, respectively) compared to campuses associated with charters operating four or more years (26%).

Over time, charter schools have enrolled increasing percentages of African American students and declining percentages of Hispanic students, while percentages of White students have remained stable. Compared to traditional public schools, African American students are over-represented in charter schools and White students are under-represented. The percentage of Hispanic students was originally higher than the state average but is lower than the state in the fifth year. The proportion of economically disadvantaged students has been stable (Figure 4).

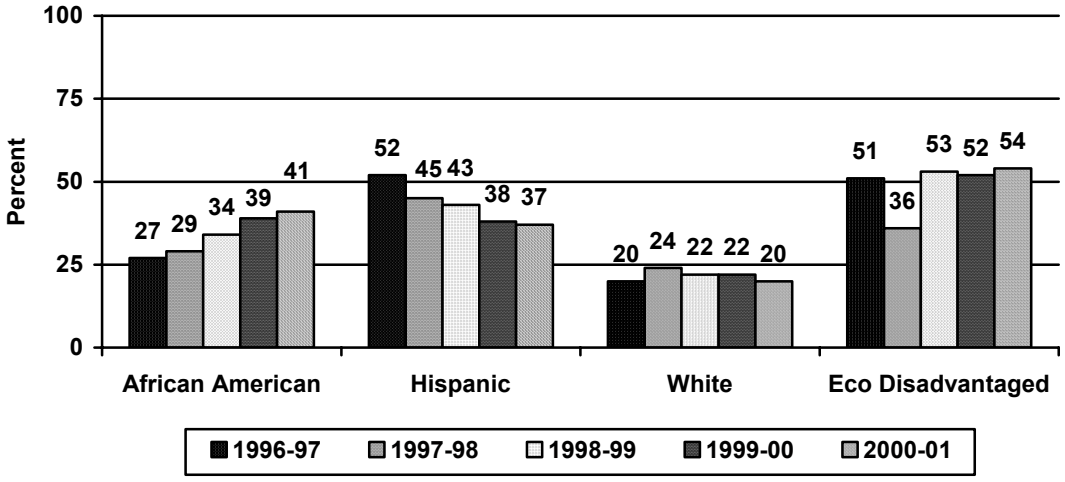

Figure 4. Charter school student demographic trends.

Teacher Characteristics

Charter schools have less experienced teachers. Charter school teachers in 2000-01, on average, are less experienced (5.0 years) than teachers in traditional public schools (11.9 years). The percentage of charter school teachers with one to five years experience is considerably higher than the state average (47% versus 27%).

Charter school teachers are less likely to have degrees. In 2000-01, only 69% of charter school teachers have baccalaureate degrees compared to 75% of traditional public school teachers. Charter school teachers are also less likely to have advanced degrees (15% versus 24%).

Charter schools employ more minority teachers. Charter school faculty have more minority teachers (58%) compared to the state (27%), with a greater proportion of African American teachers (36% versus 8%), slightly more Hispanic teachers (20% versus 17%), and substantially less White teachers (42% versus 73%).

Charter school teachers have low salaries. Teachers in charter schools are paid considerably less than those in traditional public schools. In 2000-01, the average teacher salary in charter schools ($28,054) was more than $10,000 below that for teachers in traditional public schools ($38,361). The salary gap has remained large across five years.

Charter schools have higher student-teacher ratios than traditional schools. The average student-teacher ratio in charter schools (19 to 1) is somewhat higher than the ratio in Texas' traditional public schools (15 to 1). These school-level ratios, however, do not necessarily reflect the student-to-teacher ratios in classrooms.

Charter schools have high teacher turnover. The turnover rate for teachers in charter schools (46%) is a much higher than the stage average (16%) in 2000-01. The turnover

rate, however, is lower in charter schools operating four or more years (43%) compared to charter schools operating only two years (60%).

Charter school teacher characteristics have changed over time. Across the five-year span, the number of charter school teachers increased from 123 to 2,024 (Table 2). Average teacher experience remained low but relatively stable across time (4 to 5 years). Teacher salaries increased slightly from $25,408 to $27,755 (about $2,300). Student-teacher ratios declined substantially (from 29:1 to 18:1). Consistent with student demographic trends, the percentage of African American teachers increased across years. Notably, the percentage of teachers with "no degree" increased from 2.6% to 15.8% over five years. Teacher turnover rates are mixed but spiked in recent years (52%, 46%).

Table 2. Charter School Teacher Characteristics Across Years

Teacher Characteristics	1996-97	1997-98	1998-99	1999-00	2000-01
Total number (FTE)	123	284	734	1,518	2,024
Average experience	4.3	4.8	5.0	4.7	5.1
Average salary	$25,408	$24,222	$26,944	$27,460	$27,755
Student-teacher ratio	28.8	21.5	17.8	16.1	18.4
% with baccalaureate degree	72.9%	70.6%	68.7%	68.7%	69.4%
% with no degree	2.6%	3.8%	9.9%	14.1%	15.8%
% African American	20.2%	24.2%	26.4%	34.2%	35.4%
% White	47.5%	41.9%	47.2%	42.4%	41.2%
% Hispanic	29.1%	25.3%	24.5%	21.8%	21.8%
Teacher turnover rate	--	35.0%	15.2%	51.7%	45.8%

Source. TEA AEIS Reports
Note. 96-97 (N=16); 97-98 (N=18-19); 98-99 (N=60-61); 99-00 (N=59-141); 00-01 (N=157-158)

Charter School Revenues and Expenditures

Charter schools receive the majority of their funding from the state. Charter schools have no taxable property and are funded almost entirely by the state (88%), although they also receive some federal funding (2%) and funding from local sources (10%). All local funding arises primarily from grants and donations because charter schools do not have the authority to impose local property taxes.

Charter schools have lower per-pupil expenditures in almost all expenditure categories than public schools statewide. While charter schools average $5,375 per pupil in expenditures, public schools statewide expend $5,617 per student on average. However, charter school serving predominantly at-risk students have higher per-pupil expenditures ($5,550) than charter schools serving less at-risk students ($5,292).

In all program expenditure categories except regular education, public schools statewide expend significantly more per pupil than charter schools. Charter school expenditures per pupil for regular education exceed the state average for all districts ($3,009 compared to $2,867). However, the per-pupil expenditures for gifted and talented, career and technology, students with disabilities, accelerated education, bilingual, and athletics and related activities are considerably lower for charter schools.

Charter school revenue and expenditures have remained relatively constant over time. From 1998-99 to 2000-01, the state continued to be the greatest source of funding for charter schools (92%, 94%, and 88%, respectively). Instruction remains the function with the greatest per-pupil expenditures, while payroll has consistently been the category of greatest per-pupil object expenditures.

Perspectives of Charter School Directors

Most charter school directors are well educated and have prior educational experience in either public or private schools. More than half (54%) of the responding directors hold a Masters degree, 15% have doctorates, and 3% have law degrees. Almost 75% taught in public schools and held administrator positions in public schools, while approximately 30% have taught and held administrator positions in private schools.

The primary reasons for founding charter schools have not changed over time. As in past years, charter school directors, regardless of the student populations served in their schools, identify the most important reasons for founding the school as realizing an educational vision or serving a special student population.

Challenges in operating charter schools remain the same or are easier to handle with experience. Directors of both new and more experienced charter schools most frequently identify inadequate facilities, lack of planning time, and inadequate operating funds as challenges, and directors of more experienced schools report these challenges are about the same as in previous years.

Almost all charter schools use the state-adopted curriculum (TEKS), and most supplement this with other curricula or materials. Almost all (94%) directors report using state-adopted curricular materials, and 82% augment the TEKS with other educational programs. The most prevalent educational practices include mainstreaming students (83%), using technology for learning (81%), and individualizing learning (80%).

Most charter school directors do not view discipline as a serious problem in their schools. The majority of directors characterize discipline as "not very serious," and over time, more directors are describing discipline problems in this manner. Less than 5% of directors report discipline problems regularly interfere with the educational process, and only 3% note that discipline issues disrupt class a great deal. Disciplinary incidents most commonly involve assault and drugs and are more likely to occur in schools serving primarily at-risk students.

Charter schools have received substantial support from educational organizations, businesses, and the community. More than 90% of charter school directors received support from regional education service centers (ESCs), TEA, and the Charter School Resource Center, and charter schools serving primarily at-risk students are more likely to report support from local school districts and the Charter School Resource Center. More than 60% of charter schools have received support from local businesses and the community through equipment donations, and almost half report business and community

members donating their time to assist in charter schools. In general, charter schools serving primarily at-risk students are more likely to receive business and community support than schools serving less at-risk students.

Student Satisfaction with Charter Schools

Charter schools receive strong support from their students. More than 80% of students are "satisfied" or "very satisfied" with their charter schools, and 57% assign a grade of A or B to the schools. For those students eligible, 44% intend to return to their charter schools in the following year, although more students enrolled in charter schools serving less at-risk students plan on returning than those in schools serving primarily at-risk students (49% compared to 32%).

In making the decision to attend a charter schools, characteristics of classes and teachers are most important to students. In identifying the most important reasons for choosing the charter schools, students most frequently note that the classes fit their specific academic needs (approximately 75% said very important or important), charter school teachers provide more attention to students (64%), and charter schools have better teachers (63%).

Charter school students have high post-graduation aspirations. More than half plan on attending either a four-year college (43%) or a community college (12%). Also, in 2000-01, only 12% of students plan on going directly into the workforce compared to 20% in previous years.

Student satisfaction with charter schools has declined over the five years of the study. While most students are satisfied with their charter schools, Figure 5 shows that the percentage of students who are "very satisfied" with their charter schools has decreased over five years for students in both types of schools.

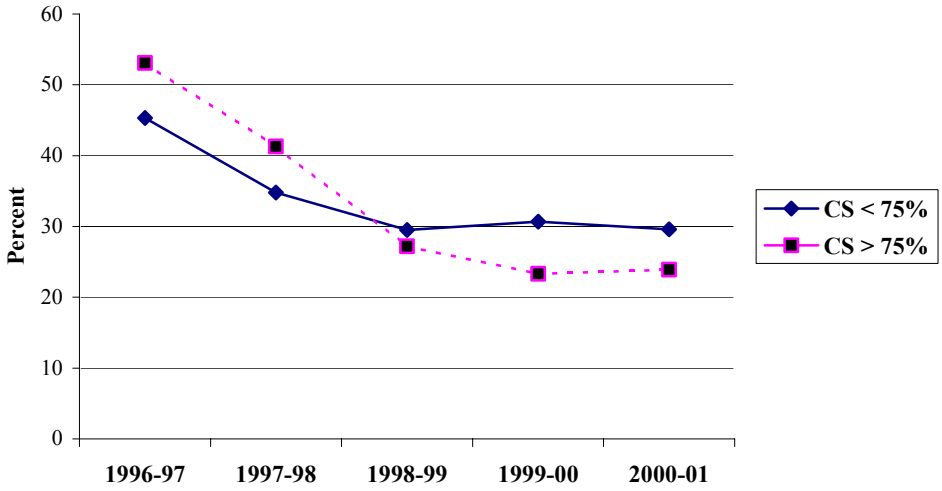

Figure 5. Percentage of Student Respondents "Very Satisfied" with Charter School over Time (Weighted Samples)

In addition, the percentage of students assigning a grade of A to their charter schools has also generally declined over time, from 43% in 1996-97 to 25% in 2000-01 for students in schools serving primarily at-risk students and from 39% to 22% in schools serving less at-risk students. Similarly, over time, students enrolled in charter schools serving primarily at-risk students have been increasingly likely to report that they will be transferring from the charter school (9% in 1996-97 to 36% in 2000-01).

Parent Participation and Satisfaction

Parents are most likely to learn about charter schools from friends and relatives. More than 60% of charter parents learned about charter schools by talking to friends and relatives, compared to only 36% of comparison parents. Parents with children enrolled in charter schools serving primarily at-risk populations are more likely to hear about charters from public schools or teachers (18%) than those with students in charter schools serving less at-risk students (10%).

Charter school parents and comparison parents differ in the school attributes they find most important. Charter school parents' most important reasons for enrolling their children in a charter school are high math and reading test scores (30%), the teaching of moral values (22%), and better discipline (22%). In contrast, parents of students in the traditional public school comparison group cite safety (28%) and high test scores (21%) most frequently.

Charter school parents express high levels of satisfaction with the charter schools their children currently attend. The majority of charter school parents (62%) grade their children's charter school with an A, while only 23% would give their child's previous school this grade. Additionally, charter parents were more likely to give the previous school a failing grade (9% compared to 2%). Charter school parents are also more likely assign A grades than comparison parents to their children's current schools (62% compared to 28%).

Charter parents are more likely than comparison parents to participate in their children's schools. In the current study year, charter parents had higher school participation levels than comparison parents for helping with fundraising, volunteering at school, attending school board meetings, and helping make program and curriculum decisions. Moreover, charter parent participation rates in charter schools are clearly higher than their participation rates in their children's previous schools.

Campus-Level Performance of Charter Schools

Compared to the state, charter schools are more likely to be rated under the Alternative Education accountability system. The percentage of charter school campuses rated under the Alternative Education (AE) system in 2001 (39%) is much higher than the state (7%), and over the past three years, the percentage of charter schools applying for ratings under the AE system has increased. Conversely, of all campuses in the state, 93% received standard ratings in 2001 compared to only 61% of charter campuses (Figure 6).

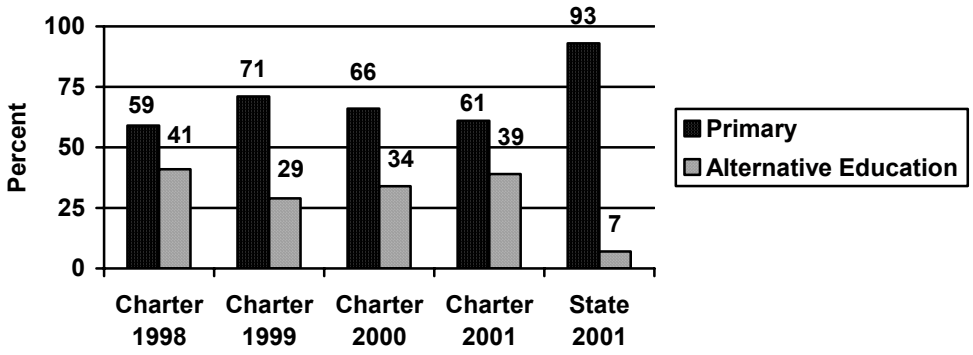

Figure 6. Charter and traditional campuses included in accountability systems.

The percentage of Low-Performing charter schools has increased over time. The percentage of Low-Performing charter school campuses increased from 32% to 44% between 2000 and 2001, whereas the percentage for traditional public schools remained consistently low across school years (2%). In addition, while the combined percentage of traditional schools rated as either Exemplary or Recognized increased from 52% to 60% between the two years, the percentage of higher-performing charter schools declined over the same period (from 19% to 14%) (Table 3).

More than half of charter campuses receiving Alternative Education ratings in 2001 needed "Peer Review." Of all charter school campuses rated under the AE system in 2001, 61% needed Peer Review compared to only 11% of traditional public schools. In comparison to the previous year, however, the percentage of charter school campuses rated as Commended (2%) and Acceptable (38%) in 2001 increased (Table 3).

Table 3. Campus Performance Ratings for Charter and Traditional Public Schools

	Charter Schools				Traditional Public Schools			
Rating	**1998**	**1999**	**2000**	**2001**	**1998**	**1999**	**2000**	**2001**
Standard[a]								
Exemplary	0%	13%	8%	5%	17%	18%	20%	24%
Recognized	10%	20%	11%	9%	27%	30%	32%	36%
Acceptable	70%	47%	49%	42%	55%	51%	46%	38%
Low-Perform	20%	20%	32%	44%	1%	2%	2%	2%
N rated	10	15	63	96	6,138	6,206	6,363	6,616
N not rated[b]	3	45	81	31	118	160	140	149
Alternative Education								
Commended	n/a	n/a	0%	2%	n/a	n/a	2%	5%
Acceptable	29%	83%	27%	38%	--	--	88%	84%
Needs Review	71%	17%	73%	61%	--	--	11%	11%
N rated	7	6	33	62	--	--	--	--

Source. TEA Division of Student Performance Reporting.
Note: Commended rating instituted in 2000. "--" indicates unavailable data. Results for AE traditional exclude charter campuses; standard results include charter campuses. [a] Percentages based on 4 ratings.
[b] Includes campuses not rated for data quality, grades PK-K, new charter, insufficient data.

Accountability ratings for established charter schools show promise. Charter school campuses associated with charter schools operating four or more years (18 campuses) performed better on accountability ratings compared to charter schools overall. Combining standard and AE ratings, 3 campuses (15%) received Exemplary, Recognized, or Commended ratings; 11 campuses (55%) were Acceptable; and only 4 campuses (20%) received Low-Performing or Needs Peer Review ratings.

Charter schools perform below state averages on TAAS. Student TAAS performance in charter schools is well below the state average in all areas—particularly in mathematics and writing. Moreover, lower passing rates are constant across all student comparison groups. Consistent with state patterns, White students in charter schools outperform minority students (Table 4).

Table 4. 2001 TAAS Performance for All Charter Schools and State Average

Percent of Students Passing TAAS	Charter Schools	State Average	Difference
All tests taken	46.7	82.1	35.4
Reading	70.2	88.9	18.7
Writing	61.0	87.9	26.9
Mathematics	63.8	90.2	26.4
Percent of Students Passing All Tests			
African American	42.8	71.6	28.8
Hispanic	51.2	75.5	24.3
White	60.1	90.3	30.2
Economically disadvantaged	45.8	73.6	27.8

Source. 2001 TEA AEIS reports
Note. Includes all students tested in grade levels at which TAAS is administered. Results based on 200 charter campuses with 2001 TAAS data.

TAAS performance for charter schools improved between 2000 and 2001—however, the charter-traditional school achievement gap remains large. Between 2000 and 2001, charter schools had TAAS passing rate gains across all subtests (3 to 7 percentage points). Although charter schools, on average, made progress, the achievement gap between charter and traditional schools was not substantially narrowed (Table 5).

Table 5. TAAS Performance for All Charter Schools, 1999 to 2001

TAAS Percent Passing	All Charter Schools			State Average		
	1999	2000	2001	1999	2000	2001
All Tests Taken	51.8	43.1	46.7	78.1	79.9	82.1
Reading	74.5	64.2	70.2	86.3	87.4	88.9
Writing	68.8	58.4	61.0	87.9	88.2	87.9
Mathematics	60.0	52.5	59.3	85.6	87.4	90.2

Source. 2000 and 2001 TEA AEIS reports.
Note. Results based on 61, 141, and 160 charter schools available for analyses in 1999, 2000, and 2001, respectively. Data excluded for 1997 and 1998 due to small numbers of charter schools.

Established charter schools have made notable TAAS gains across years, but passing rates are still well below state averages. Although the numbers of schools included in analyses are small, TAAS passing rate trends are generally positive for established charter schools, regardless of the student population served. However, TAAS results, even in established charter schools, are consistently below state averages. Students in established charter schools serving less than 75% at risk students had stronger TAAS gains and higher passing rates across all subtests (Table 6).

Table 6. TAAS Performance for Charter Schools Operating Four or More Years

Percent Passing TAAS	Charter School ≥ 75% At-Risk (*n*=6)				Charter School < 75% At-Risk (*n*=12)			
	1999	2000	2001	State[a]	1999	2000	2001	State[a]
All Tests Taken	36.8	43.8	44.6	-37.5	52.1	60.9	59.2	-22.9
Reading	65.7	60.6	68.3	-20.6	61.1	79.2	78.7	-10.2
Writing	59.2	58.2	67.2	-20.7	65.9	73.2	75.9	-12.0
Mathematics	43.0	56.7	56.5	-33.7	61.1	70.7	67.5	-22.7

Source. 2000 and 2001 TEA AEIS reports. [a] Difference between 2001 charter school and state average.

Students in charter schools have less advanced course completions and lower end-of-course passing rates compared to traditional public schools. Compared to analogous state comparison group averages, charter school students in grades 7 to 12 complete less advanced courses and generally have lower passing rates on end-of-course exams. The small numbers of charter campuses in some comparison groups, however, limits the interpretation of findings (Table 7).

Table 7. Campus Advanced Course and End-of-Course Performance

Measure	CS ≥ 75% At-Risk		State Eco Dis Students	CS < 75% At-Risk		State All Students
	n	%		*n*	%	
Advanced course completion	30	6.1	13.8	68	10.2	20.1
Passing Biology EOC	12	37.8	66.8	37	45.6	79.9
Passing Algebra EOC	2	38.0	36.0	17	33.7	49.2
Passing English II EOC	7	33.1	65.4	17	31.7	75.1
Passing U.S. History EOC	2	48.5	59.2	20	70.3	74.3

Source. TEA 2001 AEIS reports.
Note. State Eco Dis refers to the statewide percentage of economically disadvantaged students either completing or passing.

Charter schools have lower attendance rates and higher dropout rates. Charter schools have lower attendance rates and higher dropout rates than analogous state comparison groups (Table 8). Charter schools serving less at-risk students have slightly higher dropout and attendance rates than charter schools enrolling primarily at-risk students.

Table 8. 2000-01 Student Attendance and Dropout Rates

Measure	CS ≥ 75% At-Risk	State Eco-Dis Students	CS < 75% At-Risk	State All Students
Attendance	94.2%	95.4%	90.7%	95.6%
Annual dropout rate	4.0%	1.3%	5.2%	1.3%

Source. TEA 2001 AEIS reports.

Student-Level Performance

Between the 1997-98 and 2000-01 school years, the number of students enrolled in charter schools increased dramatically from 1,606 to 37,636. The student-level analyses involved, in total, 46,375 students who enrolled in charter schools at some time during the four-year period. Analyses involve matched TAAS data for individual students (i.e., the student is the unit of analysis rather than the campus). Longitudinal analyses are informative because student TAAS performance is tracked across time. Nevertheless, a number of issues limit the interpretation of results, including difficulties matching student identification numbers across years, student survivorship over time, small numbers of cases in comparison groups, and the limited number of students with TAAS scores. In addition, when the student is the unit of analysis, larger schools receive more weight in calculations. The findings to follow should be considered within limitations.

Continuing charter school students had strong TAAS reading and mathematics gains. Charter school students with matched test scores (i.e., showing continuous enrollment) had strong TAAS passing rate gains for both reading and mathematics (11 to 16 percentage points). In 2001, passing rates for continuing charter students (69% to 76%) approach state averages (89% to 90%). Students attending charter schools with primarily at-risk students have comparable, if not higher, TAAS performance than students in charter schools serving less at-risk students (Table 9).

Table 9. TAAS Percent Passing for Students Attending Charter Schools, by School Type

Percent Passing TAAS	Charter School ≥ 75% At-Risk				Charter School < 75% At-Risk			
	n	2000	2001	Gain	*n*	2000	2001	Gain
Reading	1,749	62.8	74.6	11.8	4,296	64.4	75.7	11.3
Mathematics	1,799	57.9	73.7	15.8	4,665	54.5	68.6	14.1

Source. Analysis of individual student data from PEIMS; includes students in grades 3-8 and 10.
Note. Students attended charter school in 1999-00 and 2000-01.

Charter school students' TAAS passing rates generally increase by grade level, except for grade 10. Charter school students' TAAS passing rates for both reading and mathematics tend to increase from grade 3 (65%, 50%) to grade 8 (81%, 76%). Grade-level rates, however, are consistently below state averages. Charter school student performance declines sharply for grade 10 exit-level TAAS (66%, 55% passing). In contrast, state exit-level TAAS scores are comparable to earlier grade levels (89% to 90% passing) (Figure 7).

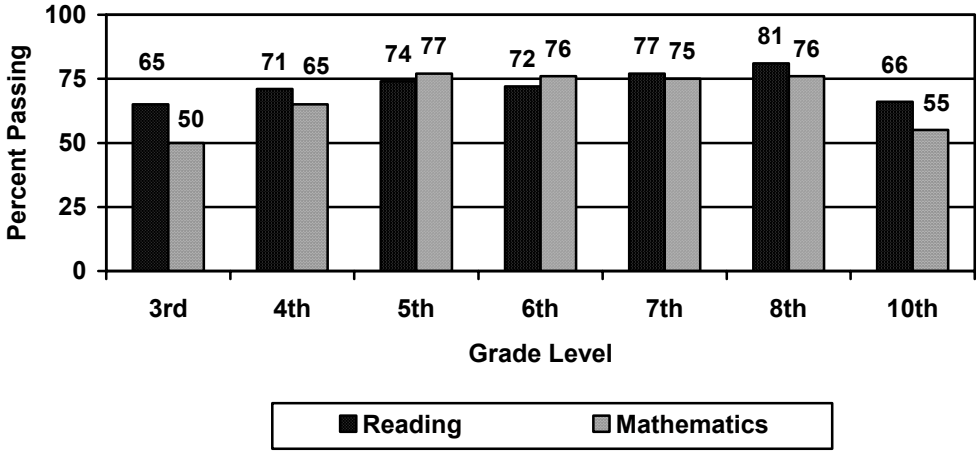

Figure 7. 2001 TAAS percent passing by grade level for students attending charter schools in 1999-00 and 2000-01.

Performance of Continuing and Moving Students

Evaluators compared the performance of students continuously enrolled in charter schools with student cohorts who moved between the traditional public school system and charter schools. Comparisons displayed in Table 10 involve charter school students in grade 8 or lower in 2001 with TAAS reading and mathematics scores for three years (1999, 2000, and 2001). Traditional public school students include those enrolled in charter schools some time between 1997-98 and 2000-01. Although it is difficult to make definitive statements about findings, observations to follow seem noteworthy.

Table 10. TAAS Percent Passing, by School Category Over Three Years

School Category			Students	Percent Passing			Gain/Loss	
1998-99	1999-00	2000-01	*N*	1999	2000	2001	2000	2001
Reading								
Charter	Charter	Charter	639	73.1	76.7	86.1	3.6	9.4
Public	Charter	Charter	1,182	57.0	56.0	78.3	-1.0	22.3
Public	Public	Charter	1,851	73.3	72.5	76.6	-0.8	4.1
Charter	Charter	Public	260	70.8	72.3	88.5	1.5	16.2
Charter	Public	Public	275	77.1	78.5	89.5	1.4	11.0
Public	Charter	Public	906	55.4	53.2	84.5	-2.2	31.3
Mathematics								
Charter	Charter	Charter	655	60.5	67.9	80.9	7.4	13.0
Public	Charter	Charter	1,243	52.1	50.4	74.0	-1.7	23.6
Public	Public	Charter	1,958	67.9	68.3	73.5	0.4	5.2
Charter	Charter	Public	268	58.6	59.3	87.7	0.7	28.4
Charter	Public	Public	279	64.2	79.2	90.0	15.0	10.8
Public	Charter	Public	918	51.9	52.0	82.9	0.1	30.9

Source. Analysis of individual student data from PEIMS.

Continuous student enrollment in charter schools has a positive influence on academic performance. Students enrolled in charter schools for the 2000-01 school year were more likely to make strong TAAS gains in the second or third year of charter school attendance. In 2001, these students had positive TAAS reading and mathematics gains (between 9 and 24 percentage points). In contrast, first-year charter school students in 2000-01, had small gains for both reading and mathematics (between 4 and 5 percentage points).

Students who move to traditional public schools from charter schools generally have substantial TAAS gains upon returning. In almost all cases, students returning to traditional public schools had TAAS gains for both reading and mathematics (between 15 and 31 percentage points). Inexplicably, TAAS gains for 2001 are the greatest for the most mobile students (i.e., those moving from public to charter to public) upon returning to traditional schools.

Effects of Open-Enrollment Charter Schools on Traditional School Districts

Many traditional public school officials are not aware of charter schools in or near their districts' boundaries. Although all traditional public schools surveyed were located in the geographic boundaries of one or more charter schools, only 65% of respondents are aware of charter schools in their areas. This could be due, in part, to the fact that some charter schools may have identified districts far from actual charter school locations.

Traditional public schools do not frequently interact with charter schools. Approximately 25% of respondents (30 districts) report contact between district and charter school staff, most commonly through observations in charter school classrooms, interactions during regional or statewide meetings or training sessions, or interactions at ESC-sponsored events.

Charter schools affect large traditional public school districts more than mid-size and small districts. As Figure 8 shows, more large districts have lost students to charter schools than mid-size or small school districts, and more large districts report students transferring into their districts from charter schools.

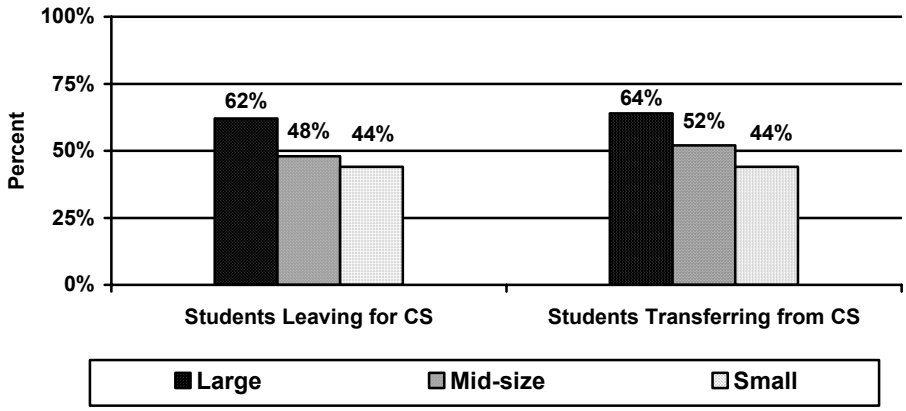

Figure 8. Districts Citing Students Leaving for or Transferring from Charter Schools (Percent).

More than 60% of large districts have lost students to charter schools, whereas less than 50% of mid-size and small districts report losing students. Similarly, while almost two-thirds of large districts have enrolled students transferring from charter schools, only 52% of mid-size and 44% of small districts report this occurring. Moreover, large districts are more likely to report significant effects on budget and financial operations.

Traditional school districts with declining enrollments are more likely to report effects from charter schools than those with stable or increasing enrollments. School districts with decreasing enrollments more frequently track students leaving for and returning from charter schools. In addition, districts with declining enrollments are significantly more likely to report that charter schools have affected their budget and financial operations—these districts more often note losses in ADA funding, federal funding losses, and downsizing of both teaching and administrative staff than districts with stable or increasing enrollments.

Small percentages of traditional public school districts report losing teachers to charter schools. Only 10% of districts (11) note teachers leaving for charter schools—however, large districts are often unsure whether their teachers left for teaching positions in charter schools.

Charter schools have had little impact on educational approaches and practices of traditional public schools. Although districts have implemented a number of changes in educational approaches, few attribute these changes to charter schools. In general, charter schools are more likely to influence class size and the establishment of campus charters.

Many traditional public school officials have concerns with charter schools. Approximately 75% of responding district officials noted apprehensions about the quality of charter school instruction, 60% expressed concerns with charter school grading standards, and more than half (56%) reported worries that special needs students in charter schools may not be receiving an appropriate education. In their general comments, district officials most often described concerns with the educational quality and financial challenges of charter schools.

Evaluation Continuation

This report concludes a five-year study conducted by a team of researchers affiliated with the Texas Center for Educational Research, the School of Urban and Public Affairs at the University of Texas at Arlington, the Center for the Study of Education Reform at the University of North Texas, and the Center for Public Policy at the University of Houston.