



## Charter Schools in Texas: Facts and Figures

### Legislative Background

In 1995, the Texas Legislature authorized the creation of charter schools, which were designed to be laboratories of innovation, free of regulated instructional methods and other state mandates imposed on traditional public schools.

### Types of Charter Schools

Charter schools are publicly funded schools that are subject to fewer state regulations than traditional public and magnet schools. The Texas Education Agency (TEA) estimates that approximately 130,000 students opted to attend a charter school in Texas during the 2007-08 school year. There are a number of different types of charter schools in Texas including:

**School District Campus and Campus Program Charters** (Texas Education Code §12.052): Texas school boards may grant a charter to a group of parents or teachers who want to operate a *campus charter school* if the majority of parents and teachers at the school sign a petition in support of the charter. The charter specifies the campus' educational program, its governing structure, and the conditions under which the charter may be revoked. In addition, school districts may contract with an education service provider to operate a *campus program charter* at a facility located within the district. The school district is held accountable for the academic and financial performance of campus and campus program charters.

**Open-Enrollment Charter Schools** (Texas Education Code §12.101, 12.156(b)): The State Board of Education (SBOE) may grant a charter to a public technical institute, public junior college, public senior college or university, medical or dental unit, public state college, certain private universities, a non-profit organization, or a governmental entity to operate an open-enrollment charter school or district. Open-enrollment charter schools may enroll students from any school district, cannot charge tuition but may charge fees, and must provide transportation to the same extent as school districts. Open-enrollment charter schools are exempt from many of the laws governing traditional public schools and districts. A list of those laws is included at the end of this document. The Texas Legislature established a cap of 215 on the number of open-enrollment charters the SBOE may grant. Charters granted by universities are not subject to the cap. As of December 2008, the SBOE had awarded all 215 charters.

**Home-Rule Charter Schools** (Texas Education Code §§12.014-12.023): An entire school district may elect to convert to charter status by establishing a home-rule charter. This conversion requires multiple steps including: the board of trustees establishing a commission to frame the charter, obtaining preclearance of the charter by the U.S. Department of Justice (if it would change the governance of the district), obtaining approval of the charter by the commissioner of education, adoption of the charter by a majority of the qualified voters in an election in which at least 25 percent of the district's registered voters participate, and certification of the adopted charter to the secretary of state. At this time, no Texas school district has sought home-rule conversion.

## Characteristics of Charter Schools

- **Longevity:** Forty-five percent of open-enrollment and 66 percent of campus charter schools operating in 2006-07 had been in operation for five or fewer years.<sup>1</sup>
- **Enrollment Size:** On average, open-enrollment charter schools enroll 243 students and campus charter schools enroll 389 students, compared with 568 students in traditional public schools.<sup>2</sup>
- **Demographics:** Charter schools enroll larger proportions of minority and low-income students and smaller proportions of White students than traditional district public schools statewide.<sup>3</sup>
  - African American students make up 33% of the students in Texas' open-enrollment charter schools compared to 14% in Texas public schools, overall.
  - Hispanic students make up 48% of the students enrolled in open-enrollment charter schools, compared to the state average of 46%.
  - Open-enrollment charter schools have a higher percentage of economically disadvantaged students (70%) than the state average (56%), a lower percentage of students classified as limited-English proficient (14%) than the state average (16%), and a lower percentage of students served in special education (10%) than the state average (11%).<sup>4</sup>
  - Campus charter schools serve predominantly Hispanic and low-income student populations.<sup>5</sup>
- **Student Mobility:** Student mobility rates in open-enrollment charter schools have consistently been double the rates in traditional public schools. Mobility in open-enrollment charter schools serving elementary grades is less than those serving middle school grades. High school students attending open-enrollment charter schools were most mobile, though this may be due to the fact that many open-enrollment charters serving grades 9-12 have open-enrollment or flexible scheduling policies designed to attract students who may have difficulty attending school. The high student mobility rates in open-enrollment charter schools significantly impact their state and federal funding entitlements and graduation rates.<sup>6</sup>
- **Staff:** Administrators and teachers at open-enrollment charter schools frequently earn substantially less than their peers in traditional district schools. In addition, teachers at open-enrollment charter schools are often less experienced and have higher rates of turnover than teachers statewide. Unlike open-enrollment charters, salaries in campus charter schools are comparable to in the sponsoring district. Teacher experience and turnover rates in campus charters are similar to statewide averages.<sup>7</sup>

## Funding for Open-Enrollment Charter Schools

Open-enrollment charter schools and traditional school districts receive funds based on the average daily attendance (ADA) of students. According to the TEA's Public Education Information Management System, in 2005-06 open-enrollment charter schools received \$250 more per student in federal funds than traditional districts and \$3,914 more per student in state funds. Open-enrollment charter schools do not receive funds from local tax revenue and do not have access to state facilities funding.<sup>8</sup>

## Accountability Ratings

Like traditional public school, open-enrollment charters and traditional public schools receive accountability ratings based on student performance on the Texas Assessment of Knowledge and Skills, as well as dropout and completion rates. Texas has a *standard* accountability system and an Alternative Education Accountability (AEA) system. The AEA is available to districts and campuses that enroll predominantly at-risk students because these schools encounter different educational challenges than schools that serve proportionately fewer at-risk students.

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<sup>1</sup> Texas Charter School Evaluation 2006-07, Texas Center for Educational Research, May 2008, p. 30.

<sup>2</sup> Ibid, p. iii.

<sup>3</sup> Ibid, p. 38-39.

<sup>4</sup> Ibid, p. 31-32.

<sup>5</sup> Ibid, p. iii.

<sup>6</sup> Ibid, p. 141, 143.

<sup>7</sup> Ibid, p. 39.

<sup>8</sup> Ibid, p. 56.

## Accountability Ratings, Cont.

During the 2006-07 school year, an open-enrollment charter or traditional campus was eligible to register for AEA status if it enrolled at least 70 percent at-risk students.<sup>9</sup>

### District Accountability Ratings

Comparing 2007 ratings of districts under the *standard* accountability system:

- 72% of charter districts and 98% of traditional districts were rated Academically Acceptable or higher;
- 26% of charter districts and 2% of traditional school districts were Academically Unacceptable.

In 2007, 33% of open-enrollment charter districts but no traditional school districts were rated under the *alternative* accountability procedures. Of the charter districts rated under the AEA system:

- 97% (61 districts) were Academically Acceptable;
- 3% (2 districts) were Academically Unacceptable.<sup>10</sup>

### Campus Accountability Ratings

Of the 172 open-enrollment charter campuses and 6,814 traditional schools rated under the *standard* accountability system:

- 71% of open-enrollment charters schools and 88% of the traditional schools were rated Academically Acceptable or higher;
- 21% of open-enrollment charter schools and 3% of traditional schools were Academically Unacceptable.

Like open-enrollment charter districts, a larger percentage of open-enrollment campuses (44%) than traditional school campuses (3%) were rated under the *AEA system*. Of those:

- 95% (137 schools) of open-enrollment charter schools and 98 % (249 schools) of traditional schools were rated Academically Acceptable;
- 3% (4 schools) of open-enrollment charter schools and 2% (5 schools) of traditional schools were rated Academically Unacceptable.<sup>11</sup>

## Academic Performance

### Open Enrollment Charter Schools

- Students enrolled in open-enrollment charter schools had lower TAKS passing rates in all tested subjects compared to traditional schools.
- Middle school students enrolled in open-enrollment charter schools performed closer to state averages than did elementary or high school charter students.
- As in traditional public schools, White students in open-enrollment charter schools outperformed minority students; the TAKS performance of White, African American and Hispanic students enrolled in open-enrollment charter schools was below the state average for each subgroup.
- Other performance Indicators: Compared to traditional public schools, open-enrollment charter schools had lower graduation rates, lower percentages of students who completed the Recommended High School Program, and lower advanced course completion rates.

### Campus Charter Schools

- Campus charter schools were more likely to be rated “exemplary” or “recognized” than traditional campuses with similar demographics and statewide.
- Campus charter schools average TAKS performance exceeded comparison schools and statewide averages in all subjects tested except reading/ELA.
- Campus charter high schools had lower graduation rates, lower percentages of students who complete the Recommended High School Program, and lower advanced course completion rates compared to traditional comparison schools and statewide averages.<sup>12</sup>

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<sup>9</sup> Ibid, p. 176.

<sup>10</sup> Ibid, p. 130.

<sup>11</sup> Ibid, p. 131-2.

<sup>12</sup> Ibid, p.v.

## Exemptions that Apply to Open-Enrollment Charter Schools

Open-enrollment charter schools are exempt from many of the requirements that public schools must meet. Charter schools are exempt from the following:

- The charter describes the manner in which an annual financial audit is conducted, rather than requirements that exist for school districts.
- Site-based decision making committees and the formulation of campus improvement plans are not required as campus performance objectives are stated in the charter.
- Charters are not required to employ certified teachers, except in cases of special education and bilingual education.
- Charters are only partially subject to curriculum requirements.
- Charters are exempt from disciplinary provisions of Chapter 37 of the Texas Education Code (TEC), as they design their own discipline policies.
- Charter schools are exempt from the salary provisions in the TEC and may set their own salaries for professional employees.
- Charter schools are not required to offer prekindergarten.
- Charters are only subject to student-teacher ratios or class size limitations contained in their charter.
- Calendars and hours of operation are determined by the charter. No minimum days of attendance exist; however funding is linked to days of attendance.
- Charters do not have to comply with the “Ninety Percent Rule” that prohibits districts from giving a student credit for a class unless the student is in attendance for 90 percent of the days the class is offered.
- Charter schools may deny enrollment to students with a criminal record or discipline problems if the charter allows for such an admission criteria.