

# **TEXAS CHARTER AUTHORIZER ACCOUNTABILITY REPORT**

**2020–2021**

**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 14 years—from approximately 3,700 in the 2005–06 academic year to approximately 7,500 in 2019–20. Student enrollment has also experienced marked growth, increasing from about 1 million students in 2005–06 to about 3.5 million students in 2019–20 (National Alliance for Public Charter Schools, 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.

Four 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; and
- **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.

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) (2022)—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, 2022). 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), 2022). The commissioner, however, must still submit notification to the SBOE regarding which charters are proposed. The SBOE may veto any new charter proposed by the commissioner within 90 days 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 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>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) 2022).

## Overview of Texas Charter School Campuses

In the 2020–21 academic year, 8,840 Texas public school campuses were in operation. Approximately 11% (952) 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 2020–21, most charter school campuses operated under SBOE-authorized charter schools (788).<sup>2</sup> Additionally, 121 campuses were ISD-authorized, and 43 campuses operated under COE-authorized charter schools. A total of 428,259 students were enrolled in charter school campuses, representing approximately 8% of the 5,371,356 students enrolled in Texas public schools.

The aggregate performance outcomes presented in this report include 737 campuses operated by SBOE-authorized charter schools, 121 ISD-authorized charter school campuses, and 39 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 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 rates; graduation rates; and college, career, and military readiness (CCMR) outcomes. The comparison of SBOE-authorized and ISD-authorized charter school campuses with matched traditional public school campuses does not extend to State of Texas Assessments of Academic Readiness (STAAR®) results, as the COVID-19 pandemic influenced STAAR testing participation differently across the state.

### Attrition Rates

For the purposes of this report, the attrition rate is defined as the percentage of students enrolled in the fall of 2020 who did not return to the same campus in the fall of 2021.<sup>4</sup> The attrition rates for this report were calculated using student-level data provided by the Texas Education Agency (TEA).

The attrition rate for SBOE-authorized charter school campuses was 29%, compared with 23% at their matched traditional public school campuses. When broken down by school level, SBOE-authorized charter school campuses observed the highest level of attrition at the high school level—38% at SBOE-authorized

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

2 The 788 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=51; COE-authorized charter schools n=4), and residential treatment facilities at traditional public school campuses (n=74), as well as traditional public school disciplinary alternative education programs (n=117) and traditional public school juvenile justice alternative education programs (n=99) are not included in the performance outcome reporting.

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

charter school campuses compared with 25% at their matched traditional public school campuses. The attrition rate was 22% at ISD-authorized charter school campuses and their matched traditional public school campuses. When broken down by school level, ISD-authorized charter school campuses observed the highest level of attrition at the high school level—24% at ISD-authorized charter school campuses, compared with 21% at their matched traditional public school campuses.

### **STAAR Results**

Analyzed in this report are the percentages of students achieving the Approaches Grade Level standard or above and Masters Grade Level standard on STAAR-Reading and STAAR-Mathematics exams taken by elementary and middle school students in Grades 3–8, 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>5,6</sup>

At SBOE-authorized charter schools, 55% of students taking the STAAR-Mathematics exams and 62% of students taking the STAAR-Algebra I EOC exam met the Approaches Grade Level standard, while 11% of students taking the STAAR-Mathematics exams and 14% of students taking the STAAR-Algebra I EOC exam met the Masters Grade Level standard. For students taking the Reading/English Language Arts (ELA) exams, 65% taking STAAR-Reading exams, 64% taking the STAAR-English I EOC exam, and 68% taking the STAAR-English II EOC exam met the Approaches Grade Level standard. Eighteen percent of students taking STAAR-Reading exams met the Masters Grade Level standard—the most achieving that level across all tests and grade levels; 9% of students taking the STAAR-English I EOC exam and 8% of students taking the STAAR-English II EOC exam met the Masters Grade Level standard.

At ISD-authorized charter schools, 49% of students taking the STAAR-Mathematics exams and 70% of students taking the STAAR-Algebra I EOC exam met the Approaches Grade Level standard, while 11% of students taking the STAAR-Mathematics exams and 19% of students taking the STAAR-Algebra I EOC exam met the Masters Grade Level standard. For students taking the Reading/ELA exams, 57% taking STAAR-Reading exams, 66% taking the STAAR-English I EOC exam, and 71% taking the STAAR-English II exam met the Approaches Grade Level standard. Fifteen percent of students taking STAAR-Reading exams, 10% of students taking the STAAR-English I EOC exam, and 9% of students taking the STAAR-English II EOC exam met the Masters Grade Level standard.

### **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 91%. The four-year longitudinal graduation rate at ISD-authorized charter school campuses was 88%, 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 72%, compared with 89% at their matched traditional public school campuses. For ISD-authorized charter school AEA campuses, the graduation rate is masked due to the limited number of schools (two) operating under these provisions and eligible for this analysis.

### **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, though, for

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5 The Approaches Grade Level standard is a STAAR performance level descriptor 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 passing standard.

6 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.

the most part, at lower rates than matched traditional public school campuses. The most common way to demonstrate CCMR is by meeting Texas Success Initiative (TSI) criteria in ELA/reading and mathematics: SBOE-authorized charter school campuses and their matched traditional public school campuses had 41% of students demonstrating CCMR through this pathway. Relatively few graduates at SBOE-authorized charter school campuses demonstrated CCMR through earning additional certifications and credits, including earning college prep course credit, an associate's degree, or industry-based and workforce education certifications, both overall and in comparison with matched traditional public schools.<sup>7</sup>

Generally, graduates of ISD-authorized charter school campuses demonstrated CCMR at higher rates than their matched traditional public school campuses. Notably, 40% of graduates satisfied TSI college readiness benchmarks in both ELA/reading and mathematics compared with 35% at matched traditional public school campuses, and 30% earned college credit through the completion of dual credit courses compared with 22% at matched traditional public school campuses. While the percentage of graduates was small, ISD-authorized charter school campuses and matched traditional public school campuses had equal proportions of students completing an industry-based certification (13%), earning a Level I or Level II certificate in any workforce education area (1%), and earning credit for an ELA college prep course (7%).

## Key Findings for COE-Authorized Charter School Campuses

Aggregate outcome measures related to attrition were reported for COE-authorized charter school campuses and matched traditional public school campuses. STAAR results were also reported, although without comparisons with matched traditional public school campuses due to differences in testing requirements between schools. 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 36%, compared with 25% 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 school and middle school students in Grades 3–8, 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.

Fifty-nine percent of students taking the STAAR-Mathematics exams and 71% of students taking the STAAR-Algebra I EOC exam met the Approaches Grade Level standard, while 12% of students taking the STAAR-Mathematics exams and 17% of students taking the STAAR-Algebra I EOC exam met the Masters Grade Level standard. For students taking the Reading/ ELA exams, 70% taking STAAR-Reading exams, 74% taking the STAAR-English I EOC exam, and 75% taking the STAAR-English II EOC exam met the Approaches Grade Level standard. Twenty-two percent of students taking STAAR-Reading exams, 12% of students taking the STAAR-English I EOC exam, and 12% of students taking the STAAR-English II EOC exam met the Masters Grade Level standard.

## 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

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<sup>7</sup> Per the [TEA Accountability Manual](#) for 2021 (page 10, PDF e-page 16): Due to discrepancies between annual enlistment counts for Texas military enlistees aged 17-19 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, 2021a).

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, 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 the spring of 2020, public health and safety circumstances caused by the coronavirus disease (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. The COVID-19 pandemic continued to interrupt education into the 2020–21 school year and influenced some participation in STAAR testing. For the 2021 accountability cycle, TEA received approval to waive accountability requirements under the Every Student Succeeds Act. Therefore, all districts and campuses were labeled *Not Rated: Declared State of Disaster for 2021*, and domain scores and overall ratings were not calculated and therefore not included in this report. STAAR performance outcomes are reported for charter schools but not compared with STAAR performance for matched traditional public schools due to possible differences in STAAR test participation. Outcomes available for this report pertaining to attrition, graduation, and CCMR are reported for charter schools and matched traditional public schools.