



# BRIEF ANALYSIS

## Texas Charters, Choice and Performance

by Danielle Georgiou

Texas is at the forefront of a blossoming nationwide charter school movement. Although charter schools are publicly funded, they are free of some of the regulations that burden public schools and are managed independently. Charter schools are subject to the state's accountability system, including the annual Texas Assessment of Knowledge and Skills (TAKS). Many Texas charters are earning top marks on the state's annual exam. But critics say comparisons of average test scores of charter school students with average scores of public school students show that many charter schools are low performing. For example, in 2004, only 42 percent of Texas charter school students passed the TAKS, compared to 67 percent of students statewide.

However, the critics ignore the fact that many charter schools are designed to serve the students who are most likely to fail and drop out of public schools. In fact, half the charter schools in Texas are designated as alternative education campuses (AEC), as are a small percentage of public schools. The other charter schools are open-enrollment schools like regular public schools. Thus, the relevant comparisons are between alternative charters and alternative public school campuses, and open-enrollment charters and regular public schools. Such comparisons show that charter schools perform as well or better than their public school counterparts.

**Growth of Texas Charter Schools.** Over the past decade, Texas charter schools have grown from a fledgling program to one of the nation's largest charter school systems with 89,171 students in over 239 schools. Of these charters, 207 are state-authorized, open-enrollment charters, and they educate about two percent of the state's student population. However, unlike traditional public schools, there is no residency requirement for charter schools: Any student can attend any charter school that has room, regardless of the student's residency.

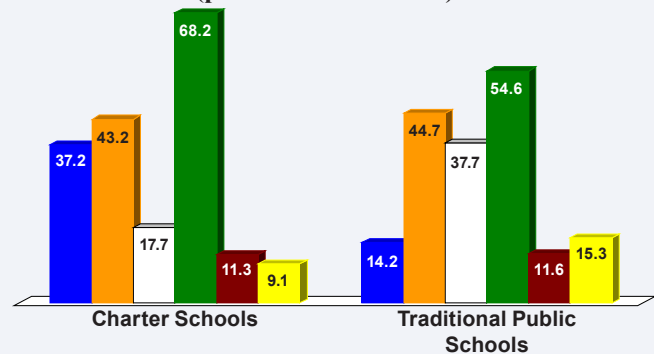
Charter schools have diverse curricula and programs designed to attract different types of students and serve students with a variety of needs. For instance, in 2005-2006, about 50 percent of charter

schools in Texas were registered as alternative education campuses (AECs) and accounted for 42 percent of the state's charter school enrollment. AECs serve students who failed, dropped out of or were expelled from traditional schools, became involved in the juvenile justice system or were at risk of academic failure. Only 3 percent of traditional public schools were registered AECs.

**Charter School Students.** Charter schools tend to be small, with an average enrollment of 226 students. In Texas, a higher percentage of students in charter schools are African-American and low-income than in public schools:

- Charters enroll more the twice as many African-American students (37.2 percent) as traditional public schools (14.2 percent), a slightly smaller percentage of Hispanic students (43.2 percent versus 44.7 percent), and less than half the proportion of white non-Hispanics students (17.7 percent versus 37.7 percent).
- They enroll more low-income students who are eligible to participate in the federal free/reduced-price lunch (FRL) program (68.2 percent) than do traditional public schools (54.6 percent).

**Student Demographics, 2004-05\***  
(percent of enrollment)



\* Latest available data on open-enrollment charters.

Source: Charter School Policy Institute, "Overview of Texas Charter Schools in 2006."

- However, charters and traditional public schools serve about the same percentage of special education students (11.3 percent and 11.6 percent, respectively). [See the figure.]

Because of their high enrollment of minority students, many charter schools specialize in education programs for at-risk students. But the diverse student populations and different types of schools makes it difficult to compare Texas' charters to traditional public schools.

**Performance of Charters versus Traditional Public Schools.** Students in all publicly funded schools in Texas take the TAKS test, but comparisons of school performance should be made between schools that are similar. Open-enrollment (standard) charter schools should be compared to similar traditional public schools, and AEC charters should be compared to traditional AEC public schools.

*Standard charter schools versus traditional public schools.* According to the most recent study by the Texas Center for Education Research (TCER), standard open-enrollment charters are improving, and the latest test scores suggest strong gains. Overall, in 2005-2006, students at standard charters had a significantly higher increase in performance than their peers in traditional public schools. For example:

- Open-enrollment charter students out-performed traditional public school students in grades 6 through 9 in reading/ELA (English Language Arts) and mathematics.
- Traditional public school students with high 2005 math and science scores on the TAKS did earn higher math and science scores in 2006 than comparable high-performing charter school students; however,
- Charter school students with low 2005 TAKS math scores earned higher 2006 TAKS math scores than comparable public school students.

There was not a significant difference in reading scores, and standard charter campuses had lower 2005 graduation rates (56 percent) than standard traditional campuses (84 percent).

*Charter AECs versus traditional AECs.* To earn an Academically Acceptable rating, in 2005 the Texas accountability system required schools to have a passing rate of at least 50 percent for reading/ELA, writing and social studies, 35 percent for mathematics and 35 percent for science. According to TCER, students in charters rated under the accountability system for alternative edu-

cation campuses generally fare better than their public school peers.

- In reading/ELA, students at alternative charter campuses performed above traditional alternative education students in grades 8 through 10.
- In math, students at alternative charter campuses performed above traditional alternative education students in grades 5 and 7 through 10.
- In 2005, 89 percent of charter AECs received Academically Acceptable ratings compared to 95 percent of traditional AECs.
- But, in 2005, charter AECs had slightly higher graduation rates than traditional AECs (37 percent versus 34 percent).

**Improved Performance of Charter Students.**

Moreover, students who continuously enroll in any charter school for long periods of time (three years or more), and have good attendance records, have improved testing outcomes. The Texas Education Agency (TEA) found that, in 2006, students enrolled in open-enrollment charters for more than three years performed almost at state levels in both reading/ELA (85 percent passing compared to the state average of 87 percent) and math (71 percent passing compared to the state average of 75 percent). Charter campuses have been able to retain their enrollments for longer periods, resulting in reduced student mobility and improved student achievement. Additionally, small class size has been found to improve student achievement in AEC charters.

**A possible future?** Texas charter schools have grown dramatically, but further growth is hindered by the cap on the number of state-authorized open-enrollment charters. The cap is currently set at 215, and Texas already has 194! However, there is no limit on the number of AEC charters.

A few lawmakers have called attention to the financial gap between charter schools and traditional districts. Texas charters receive about \$1,200 to \$1,800 less per student than traditional public schools, and receive no public money for buildings. State Sen. Florence Shapiro and Sen. Kyle Janek have proposed legislation to make grants to charter schools for facilities if they earn high marks on the TAKS for two years. Their bill would also allow the state to shut down failing charters — schools that remain on the state's low-performing list for two years.

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