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## **Why More Charter Schools and School Vouchers Are Not Needed in Texas**

### **– An IDRA Policy Brief – May 7, 2013**

Recently, charter school advocates have argued that the number of charter schools authorized to operate in Texas must be expanded. At the same time, voucher proponents have insisted on putting in place mechanisms to divert public tax money to fund private school vouchers.

To provide an external assessment of whether there is a need for additional charter schools, IDRA analyzed state education agency data (TEA, 2013), including data on school district enrollment and accountability ratings and information on school funding provided to plaintiff groups in the Texas school funding case, *Texas Taxpayer and Student Fairness Coalition vs. Michael Williams, et al.* (Texas Attorney General, 2013). Review of all the relevant data indicates that no new additional charter sites are needed. Instead, more effective and efficient use of the available 215 charters currently authorized by law could address existing demand.

On the voucher issue, IDRA's research indicates that vouchers do little if anything to improve local public schools and, for the most part, fail to deliver on promises to provide better quality academic outcomes for students enrolled in lower performing public schools. Rather, funneling public money to private schools drains already limited resources to support private interests that are not accountable to elected bodies and are allowed to operate without regard to rules and regulations applicable to public schools, including requirements related to special education and civil rights.

### **Highlights from Findings**

- There is no need to raise the cap on the number of charters available since there are still slots available.
- Existing charter schools are able to increase student enrollment without more charters. In 2012, charter schools enrolled a total of 151,576 students in more than 500 campuses in Texas.
- Over half of Texas' charters have small enrollments of under 500 students, raising questions of efficiency.
- Texas is spending more than \$1 billion on charter schools. Funding has increased 179 percent since 2006 – a much faster rate than the 58 percent for public schools.
- Not all charter schools have been given an accountability rating. Of those that have been rated, it is unclear what happens to charter schools rated as academically unacceptable.

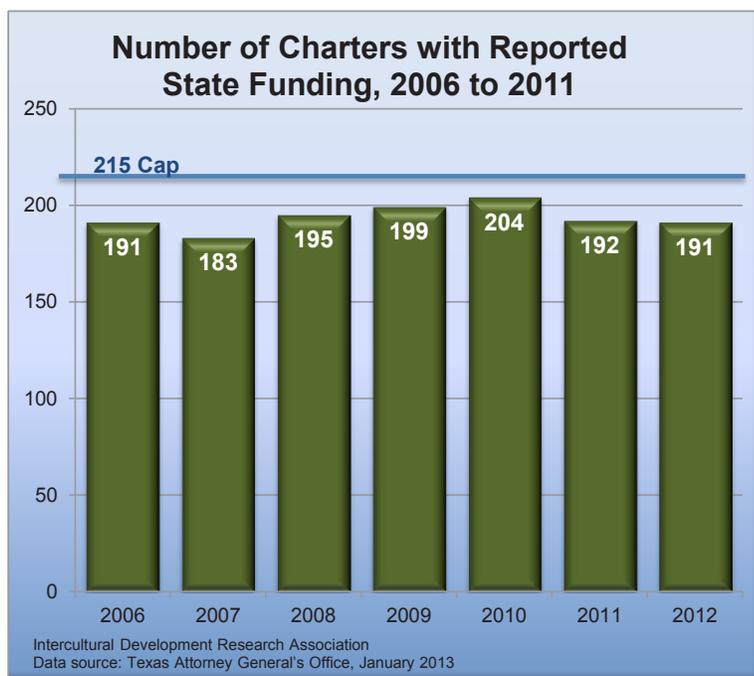
- Families in Texas already have a wide range of education choices for their children.
- Research on vouchers in other states fails to show great results.
- Private schools are not accountable to the public for their actions or results.
- The way to improve public education is to provide equity and excellence in public schools.

### Current Charter School Cap Hasn't Been Reached – Several Spots are Still Available

Since 2006, the cap of 215 charters has never actually been reached.

According to TEA data compiled for the current school finance litigation, the state of Texas has authorized a total of 215 charters that can be approved by the Texas Education Agency. According to the latest state agency reports, in 2012 there were 191 operating charters, leaving a possible 24 charters available for new approvals. While there are a handful of public school-based charter schools, the vast majority of charter schools are privately-run and thus are subject to the 215 cap.

While some media reports state that there are only six new charters available to applicants, summary data on charter school funding provided by the state to the court overseeing the latest Texas school funding case indicate that only 191 charters (of a possible 215) received funding in 2012. The difference may be accounted for by *dormant charters* in Texas – meaning charters that have been approved by the state board but that are not operating any charter school in the state at this time, and charters that the state is attempting to revoke and are challenging the state action in court. Whether the number of available charters is 24 or six, the data indicate that there are unused charter authorizations that could be used to meet what is reported (Texas Charter Schools Association, n.d.) as current demand. Although this demand estimate claim has been made for over a year, no comprehensive listings of specific charter school waiting lists have been disseminated, a fact that surfaced during the recent Texas House Education Committee hearing on charter school expansion.

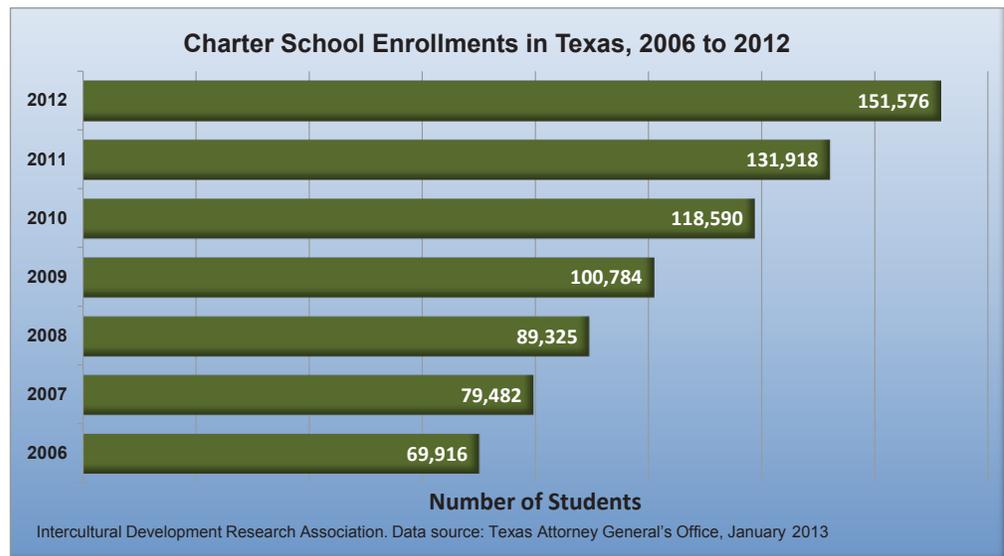


Also noteworthy is that the total number of operational charters (charters on which TEA reported funding data) changed only slightly between 2006 and 2012. The number of charters in 2006 was 191 and returned to that level in 2012. More importantly, since 2006, the cap of 215 was never actually reached, raising a question about why charter school proponents insist that raising that number is essential to supporting continued growth of charters in the state.

## Existing Charter Schools Can Serve More Students Without More Charters

According to data compiled by TEA and provided by the Texas Attorney General to plaintiffs during the recent school finance trial, charter schools enrolled a total of 151,576 students in more than 500 campuses in 2012. The data also reflect that while the number of approved charters has remained almost unchanged between 2006 and 2012, the number of students enrolled in charter schools has steadily increased, growing from 69,900 in 2006 to 151,500 in 2012 – a 117 percent growth in students served in that six-year span. These data demonstrate that it is possible to serve more students by simply expanding the number of students served in existing charters without lifting the cap.

**Charter schools are not widely dispersed throughout the state but are concentrated in the state's major urban areas, with some locales reporting as many as 25 to 35 charter schools.**



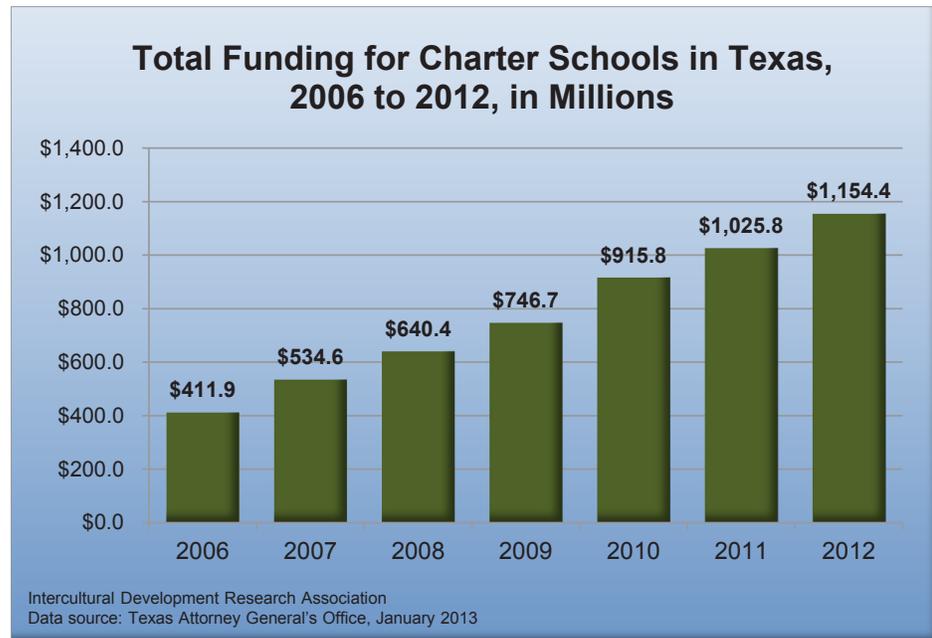
In 2012, charter enrollments ranged from a low of 49 students (108 charter schools had fewer than 500 students) to a high of 9,505 (36 charters had enrollments of 1,000 or higher). The fact that over half of Texas' charters have such small enrollments (a criticism leveled at Texas public school districts in the 2006 Texas Supreme Court ruling in the *West Orange-Cove* school funding case) raises a question about the relative efficiency of such small school operations, and whether consolidation of some operations in areas with multiple small charters should be considered. In fact, consolidating excessively small charter schools serving the same areas also could be used to free up existing charters to new applicants.

The data show that charter schools are not widely dispersed throughout the state but are concentrated in the state's major urban areas, with some locales reporting as many as 25 to 35 charter schools. This concentration raises a related issue of whether there is a possibility of having too many charters concentrated in any one geographic area leading to issues of possible over-saturation and inefficiency in some of those operations.

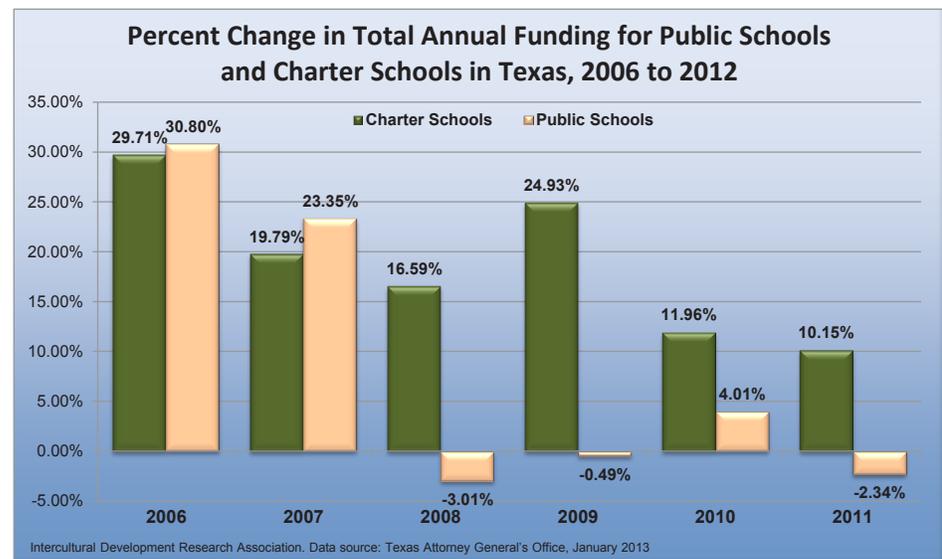
## Charter School Funding has Increased 179 Percent – A Much Faster Rate than the 58 Percent for Public Schools

Total state funding for charters has increased substantially over the period between 2006 and 2012. According to TEA funding data, the state allocated a total of \$411.9 million for charters in 2006. In 2012, the state allocation had increased to a total of \$1,154,453,736 for all charter school operations. That growth translates to an increase of 179 percent over a six-year period, a level far greater than the 58 percent level of funding increases provided to public schools over that same period.

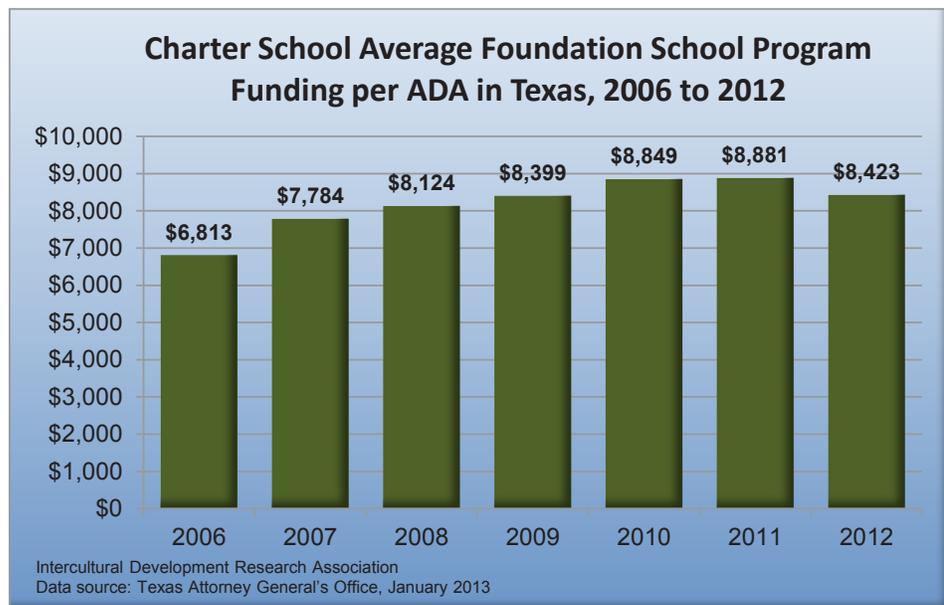
The state has increased spending on charter schools by 179 percent over a six-year period, a level far greater than the 58 percent level of funding increases provided to public schools over that same period.



Year to year funding for charter schools has also largely outpaced public school funding for public schools over that time span.



Average charter school Foundation School Program revenue per ADA averaged \$8,423 in 2012, increasing from \$6,813 in 2006 – a growth of 23.4 percent over that six-year span, despite the cuts suffered by all schools over the last biennium.



## Charter School Accountability Ratings Show Need for State Action to Address Low-Performing Charter Schools

**Only 4.4 percent of public schools are rated academically unacceptable, while 17.6 percent of charters earned that rating – a ratio of more than 4 to 1.**

IDRA analyses of TEA data on charter school ratings, in 2011, show a total of 191 charter schools received state funding, but not all charter schools were rated. Of the 184 charters on which ratings data were available in 2011, 20 charters serving more than 10,000 students were rated as *academically unacceptable* under the accountability system used for all regular public schools. Another four charters serving an additional 1,000 students were rated as *academically unacceptable* using the alternative accountability system available to charter schools that opt to use it.

Expressing reservations about expanding Texas charter school operations, the *Austin American-Statesman* editorial board noted that 4.4 percent of public schools are rated *academically unacceptable*, while 17.6 percent of charters earned that rating – a ratio of more than 4 to 1 (2013).

Based on these ratings data, it would seem that rather than providing additional new charters by lifting the current cap, the state would be better served by simply accelerating closure of low performing charter operations and re-allocating the minimum 20+ charters that would be freed to new applicants. Given the sizeable state investment in existing charter schools and the lack of comprehensive review of charter operations since the program's inception, a comprehensive, independent study of those systems is needed *before* any expansion of charters is considered. Different areas of the state have suggested that expansion be slowed down until the proposed improved oversight over existing charter schools is shown to be operational and effective (*Odessa American*, 2013).

Expansion of charter school operations is based on contentions that existing charter schools cannot keep up with demand, citing a backlog of 100,000 waiting lists of applicants to certain charter schools. If there indeed are waiting lists for charter school openings (a claim that has not been substantiated), the legislature could adopt new policy directing the State Board of Education to give priority to those areas with the greatest unmet demand utilizing available unassigned and inactive charters.

## **Facilities Funding for Charter Schools Would Divert Funds from Public School Facilities that Have Gone Unfunded for Years**

Recently, state lawmakers introduced proposed policies that would set aside millions in state funding specifically in support of charter schools and would require public school districts to sell local buildings to charter school operators. This raises some important legal and liability questions. More importantly, regular public schools have been waiting for reliable state funding for facilities for decades, and many have been left unfunded as limited state funding for facilities has been insufficient to provide state aid to all eligible applicants. Rather than receiving special treatment when it comes to facilities funding, charter schools should be sent to the back of the line and wait their turn, as has been required for all public schools since state funding for facilities was limited. Since courts have long recognized that the quality of school facilities is one indicator of students' access to quality education, Texas must not neglect school facilities that serve the great majority of our children.

### **“Choice” – Vouchers and Charter Schools**

In the early years of the “choice” movement, charter proponents were part of a coordinated strategy to divert public money to private interests. At an early gathering in 1992, privatization proponents outlined strategies to help promote the diversion of public funding to private schooling that included: (1) promoting the idea that problems confronting public schools are not “fixable” – thus justifying the creation, proliferation and perpetuation a separate system; (2) maintaining secrecy about the agenda to allow minimum time and opportunity for any opposition to organize and respond to privatization efforts; (3) using privately-funded vouchers to set the stage for eventual diverting of public money to continue and expand such programs; and (4) positioning the movement as trying to help children, emphasizing support for improving the “choices” of minority and low-income students in the education privatization effort (Miner, 1992).

Speaking on the issue in 1992, Dr. María Robledo Montecel, IDRA's President and CEO, noted: “I have come to understand that, while the privately-funded voucher movement may seem like just one more example of corporate philanthropy (like the scholarships and the tutoring programs that businesses sponsor to show good corporate citizenship), privately-funded voucher plans are seen by many as what Tom Tancredo (a former U.S. Department of Education official) calls ‘pump primers’ and part of a tactic to build support for publicly-funded vouchers” (1998).

While charter schools and vouchers originally had differing supporters, one faction of the charter movement advocated for a “free-market model” that would bypass local elected school boards, state performance standards, and rights to public oversight. And that faction has expanded its influence over many charter operations. In fact, for some, charter schools are but one more strategy intended to lead to the adoption of state-funded vouchers as a substitute for locally-governed public schools.

## The Myth about Public Education Choice

Critics of Texas public schools point to the existence of low performing public schools as evidence that there is need to provide an “escape” for students from such schools by providing expanded “choices.” Ironically, Texas is among the leaders in providing parents a myriad of choices to send their students to alternative educational options.

**Texas already is among the leaders in providing parents a myriad of choices to send their students to alternative educational options.**

Texas is a leader in the home school movement, allowing parents to withdraw their children from public schools with a minimum of state oversight of home-schooling operations. Texas school choice also includes allowing public school students to transfer to one of more than 500 local charter schools operated by the state’s approved charter school operators – at no cost to the student.

In addition to transferring a student out of the public school system, parents can choose to transfer a student from one school to another within the same school district. Parents can transfer their child from a public school in one district to a school in another school district using funding provided by the Texas Public Education Grant.

What is needed are not false choices or “escape clauses” for a few, but high quality schools for all children in Texas.

## Research on Vouchers in Other States Fails to Show Substantial Results

Research conducted on voucher programs that have been implemented in 16 states indicate that private schools supported by public funds do not necessarily do a better job than public schools in educating children who are most at risk of school failure. Vouchers also have not been shown to provide incentives for public schools to improve by threatening low performing schools with the loss of students to competing private schools. Meta-analyses of major voucher studies, including the Milwaukee and Cleveland voucher programs, have been found to show no or minimal effects for minority students participating in those programs. (Raise Your Hand Texas, 2013)

In San Antonio, a voucher plan called the Horizon Scholarship was organized by a millionaire voucher advocate as a 10-year experiment in a low wealth school district secretly designed to “inspire state funding of private schools” (Nathan, 1999). The initiative was unable to produce conclusive evidence that its students consistently performed significantly better on academic measures than comparable students in the impacted public schools. Yet the program cost the school district and the community millions of dollars. And the promises that had been made to children and families were broken. When the resources ended abruptly, cut short due to lack of funder interest and demonstrable results, students were at the mercy of these private efforts that were taken away with no recourse. Some students close to graduating were left dangling (Lacoste-Caputo, 2010).

## Alternatives to Lifting the Cap on Charters or Adopting State-Funded Vouchers in Texas

**The way to improve public schools is to sufficiently fund and then hold accountable those public schools.**

**Local public schools are part of the communities they serve.**

Lack of substantive evidence in support of such alternatives as unlimited charters along with state constitutional prohibitions against using state funds “for the benefit of sect or religious society” (Article I, Section 7 of the Texas Constitution) or “for the support of any sectarian school” (Article VII, Section 5) makes it a mystery why some proponents continue to insist that the state of Texas adopt some form of state funding for private schooling.

The Equal Voice for America’s Families network recently reported about the Kenwood Oakland Community Organization in Chicago that together with parents in 18 cities across the nation filed a Title VI Civil Rights complaint with the U.S. Department of Education. The complaint stated that the “federal education policy of promoting charter schools over neighborhood schools has a negative disparate impact on communities of color across the U.S. This has led to the formation of a new network of communities working in solidarity for community-driven sustainable school transformation, and against the privatization of public education.” (Malone, 2013)

Texas parents can and do have a range of choices on where to educate their children even in the absence of more charter schools or a state-funded voucher program. As noted earlier, accelerating the closure of low performing charter schools frees up new charter options; transferring students within or across school districts is another alternative.

IDRA has also long affirmed that the way to improve public schools is to fund schools equitably and hold public schools accountable for educating *all* students. Unlike voucher programs and privately-run charter schools, parents in public schools can hold their locally elected boards accountable – and exercising their right to vote – replace the leadership that is not producing desired results in their community.

After all is said and done, local public schools endure because they are part of the communities that they serve. Any effort that removes the students and families from that center of community creates a void that no amount of funding channeled to parties outside those communities will ever fill.

Texas must do what is best for all Texas students and their families. Our children are worth more than education by lottery.

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