



### Charter Innovation



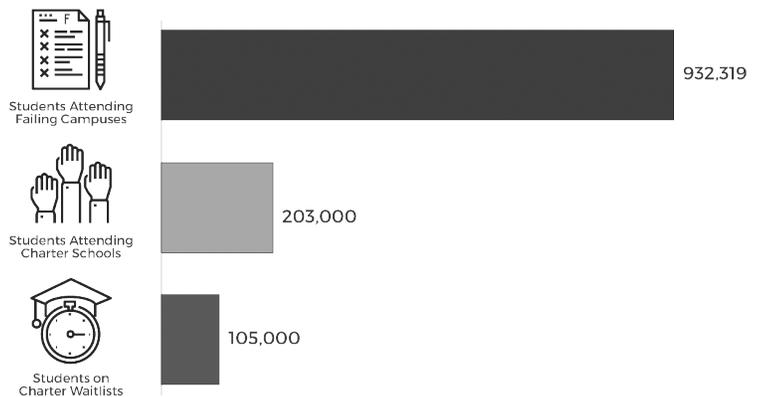
#### The Issue

While traditional school officials fear change, research by many economists indicates that competition from charter schools improves traditional public education. Texans must insist on doing what is best for students and teachers rather than what is demanded by those stakeholders who primarily want to defend the status quo. We should remove all restrictions inhibiting student achievement and act in the best interest of the students, teachers, and taxpayers.

One way to increase the efficiency of the education system is through the strategic expansion of charter schools. Charters provide the choice and competition needed to drive improvements to better meet consumer demand. However, charter schools are greatly restricted from growing naturally, which has led to a significant disparity between high demand and low supply. Currently, according to the Texas Education Agency, 1,532 Texas public school campuses are rated as underperforming and over 930,000 students are assigned to these failing schools. At the same time, charter enrollment sits at only about 200,000, while another 105,000 students are on waiting lists to get into a charter school that may better fit their individual needs. The figure below illustrates this problem. The Texas Legislature can make several reforms to improve this situation.

#### Students in Failing Schools, Students in Charter Schools, and Students on Charter Waitlists, 2015

Figure 5: Students in Failing Schools, Students in Charter Schools, and Students on Charter Waitlists, 2015



#### Remove the Artificial Cap

Currently, the Texas Education Code (12.101(b-1)) limits the number of charters that the state can grant. While this cap continues to increase, its original intent was to limit the number of charter schools and slow their growth. Texas should remove the artificial limit on the number of open-enrollment charters and thereby provide more educational opportunities for future Texas students.

#### Establish Professional Charter Academies

Great teachers are trapped in a system which stifles innovation and undervalues their talents. Teachers are by far the most important component to successful schools and successful students, however, the traditional system often fails to fully recognize and reward their talents.

In other fields (law, medicine, accounting, engineering, etc.), professionals are afforded the opportunity to control their professional activities and reap the rewards of their individual talents through management of their own professional enterprise. A lawyer can begin his/her own firm, a doctor, his/her own practice. However, because our school finance system ties student allotments to districts rather than students themselves, most professional educators do not have that same opportunity.

Under a Professional Charter plan, experienced and highly rated educators would be able to start their own schools and receive state funding. In fiscal year 2014, M&O averaged \$8,692. If five teachers started their own Professional Charter school, rented appropriate facilities, and educated 125 students, their annual revenue would be over one million dollars. While the 2014-15 Texas

Academic Performance Reports shows that the average annual salary for teachers was only \$50,715, under a Professional Charter system, these teachers might double their take-home pay even after covering all expenses. At the same time, they would have increased freedom from arbitrary curriculum and administrative requirements, would have greater flexibility in meeting the needs of their students, and would enjoy greater job satisfaction.

Public school teachers would be eligible for a Professional Charter if they have five years of experience and are rated proficient or higher by the Texas Teacher Evaluation System. No students would be assigned to a Professional Charter school; however, any Texas student would be eligible to attend. As with other professions, start-up expenses would be the responsibility of those forming the venture. The state would reimburse the professional charter holders at the end of the school year, which allows the state to avoid any financial risk caused by failed start-ups. In such a system, teachers who provide a great education for students would see a direct and immediate reward for their efforts both fiscally and professionally.

## The Facts

- Educators are professionals who are effectively denied the same opportunities as other professionals.
- Many great teachers leave the profession frustrated over red tape and lack of discretion to do their jobs as they know best.
- Education is still primarily delivered through an institutional system designed over a century ago.
- According to NEA polls, teachers are not feeling trusted or respected by their administrators.
- Many school administrators oppose expansion of student and teacher choice due to self-interest.
- Restricting supply side change has protected the status quo at the expense of Texas students, taxpayers, and teachers.
- Artificial restrictions on the number of open-enrollment charter schools prohibit many students from exercising their freedom of educational opportunity.
- Over 100,000 children are on charter school waiting lists.

## Recommendations

- Allow teachers to form and operate Professional Charter Academies.
- Remove the statutory cap on charter schools contained in Texas Education Code 12.101.

## Resources

[\*Urban Charter School Study Report on 41 U.S. Regions\*](#) by the Center for Research on Education Outcomes (2015).

[\*National Charter School Study\*](#) by the Center for Research on Education Outcomes (2013).

[\*What Keeps Texas Schools from Being as Efficient as They Could Be?\*](#) by Dr. Paul Hill (July 2012).

[\*Allan E. Parker's Expert Report for School Finance Trial\*](#) by Kent Grusendorf and Michael Barba, Texas Public Policy Foundation (Jan. 2015).

[\*Would School Choice Change the Teaching Profession?\*](#) by Caroline Hoxby, *Journal of Human Resources* (Fall 2002).

[\*How School Choice Affects the Achievement of Public School Students\*](#) by Caroline Hoxby (2002).

[\*Competition: For the Children\*](#) by Chuck DeVore, Texas Public Policy Foundation (June 2016).

