



## Testimony Before the House Committee on Public Education

### *Regarding Charter School Expansion Policy*

by Emily Sass, Policy Analyst

The Committee is scheduled to hear a number of bills today that seek to hinder the expansion of charter schools in Texas. The Foundation opposes these measures for the reasons stated below.

The Foundation supports expanding innovation and competition through encouraging the growth of charter schools. Research has found that [charter schools tend to perform more efficiently](#) than their traditional counterparts and that increased choices in a region encourage more efficient district behavior. Caroline Hoxby of Stanford University has found that [charter schools in proximity to traditional schools increased the academic performance of students](#) within traditional schools. Last year Sarah Cordes found that students in traditional New York City schools [experienced increases in academic achievement when charter schools entered the neighborhood](#). Notably, those increases were most pronounced when traditional schools and charter schools were co-located in the same building.

Approximately 140,000 Texas students are on waiting lists, hoping to be chosen in a lottery for one of the limited open seats at a nearby charter school. In Austin alone, [10,000 students are waiting](#) to get a seat.

About 606,000 Texas children are currently assigned to *D* and *F*-rated school districts. In such cases, a nearby charter is often the only option to help ensure a child’s success. With 58 percent of Texas third-graders reading below grade level, Texas should support the expansion of robust, high-performing charter schools to provide immediate alternatives to students trapped in *D* and *F*-rated districts.

Texas families are also choosing charter schools because charters better meet their student’s unique needs by providing, for example, more individualized student attention, smaller school settings, character building, college classes, STEM options, flexible schedules, and an atmosphere that works better for the student’s education attainment.

By welcoming the growth of charter operators and structures in Texas, the state encourages efficient, innovative new actors while simultaneously encouraging efficiency and achievement in traditional public schools.

The Foundation recently compared the latest reported accountability data for traditional ISDs and charter schools. We found the results below:

2017-18 School Year	School Districts	Charter Schools	Difference
Percent Economically Disadvantaged Students	58%	67%	-9%
Percent of Special Education Students	9%	7%	2%
All Funds Average Revenue Per Student	\$12,922	\$9,984	\$2,938
All Funds Average Expenditures Per Student	\$14,148	\$9,588	\$4,560
Weighted Student Overall Grade in A-F Accountability	83%	84%	-1%
Weighted Student Achievement Grade (Domain I)	80%	82%	-2%
Percent of Tested Students Reading on Grade Level	47%	46%	1%

Note: Data obtained from Texas Education Agency (txschools.org) and includes all school districts and charters schools where Overall Score in A-F system was available, Domain I score was available, and the percent of 3-12 grade students performing at or above grade level was unmasked and available.

According to this data, despite educating 9 percent more economically disadvantaged students and spending \$4,560 less per student in all funds, charter schools:

- *Outperformed school districts in the A-F accountability system in overall performance on a weighted average student basis.* The overall performance grade is based on performance in all three accountability domains: Student Achievement, School Progress, and Closing the Gaps.
- *Outperformed school districts in the A-F accountability system in student achievement on a weighted average student basis.* Student achievement measures the number of students that meet grade-level expectations as measured by the STAAR test.

Charter schools cost significantly less on a per student basis than school districts, teach a higher percentage of economically disadvantaged students, and outperform school districts in overall student performance and student achievement on a weighted average student basis. This indicates that charter schools should be encouraged to expand, not be restricted.

Five bills on the committee's agenda today seek to restrict charter school expansion:

**HB 2760** imposes significant new temporal and regulatory barriers to charter expansion:

- It lengthens the maximum timeframe that the commissioner has to approve or reject a charter school's request for expansion from 60 days to 14 months. This applies to even simple changes like adding a grade so that students can remain in their current school.
- It seeks to end the automatic expansion of high-performing charter schools—schools that are consistently achieving excellent results for students. Because of their high performance, the state allows these charters to expand with fewer impediments so that more students can benefit.
- It requires the commissioner to compile a detailed impact statement before the establishment or expansion of any charter school. The statement must be compiled by the commissioner of education and include statements from nearby schools as well as evaluations of the fiscal impact to the state and to the surrounding districts. The impact statement must be given to all before the commissioner makes a decision on a charter school's ability to expand. The report is not required to consider any positive impact a charter's expansion could have on student outcomes. The report calls for concerns expressed by the public but not for support expressed by the public or concerns with current education offerings.
- It subjects all charter revisions to the veto of the State Board of Education. Every charter school already undergoes a [rigorous approval process and is subject to SBOE veto](#) when its application is first considered. Every charter is subject to strict accountability rules that give the commissioner the ability to close it should its academic or fiscal performance be unsatisfactory. The SBOE veto authority over initial charter applications has already been observed to penalize charter networks that originated outside of Texas, even if they are exceptionally high-performing. This change would only serve to extend the charter expansion timeline and politicize routine charter school expansion decisions.

**HB 139** requires charters to provide notice when expanding to a new campus:

- It mandates that notice must be given 18 months ahead of the requested expansion. It prevents an opening before the 18-month date and any opening that is not in the summer. The current mandatory [expansion timeline for charter schools is very tight](#). However, the answer is not to create a new, equally inflexible expansion timeline. HB 3521

shows a better solution; it allows for greater time between a charter's expansion application and the campus opening, but does not mandate it.

- It requires that charter schools requesting an expansion specify the expansion location. The requirement that a charter know its intended location before its initial application is approved and 18 months before a campus will be allowed to open is unrealistic. Since the expansion request must occur before the charter school takes steps to actually expand, such as lease or purchase property, this timeline is out of sync with itself and creates an unworkable constraint on expanding charters.

#### **HB 1003** sets limits on the composition of a charter school's student body:

It requires that students from the school district in which the charter is located must make up a majority of the charter student body. In one way, this bill is puzzling: If the fiscal and enrollment impact of charters on surrounding districts is a concern, this bill mandates that a majority of a charter's enrollment be a direct impact on that surrounding district. More importantly, this subjects interested students to the same constraints of ZIP code that currently limit their options within a local district setting.

#### **HB 1730** creates a new limit on automatic expansion of high-quality charter schools:

The bill prevents new charter campuses from being built within one mile of another charter campus, unless the other campus has been full for two years. This ignores the possibility that charter schools within a mile of each other could be complementary or serve completely different purposes. It also appears to attempt to protect charter schools from competition from other charter schools. Both charter schools and traditional district schools should be equally subject to competitive pressure.

#### **HB 1981** requires that charter schools must identify the closest ISD campus to their proposed location when applying to expand.

Since the expansion request must occur before the charter school takes steps to actually expand, such as lease or purchase property, this timeline is out of sync with itself and creates an unworkable constraint on expanding charters.

### **Recommendation**

The Foundation opposes these bills and other attempts to slow the expansion of successful charter school models. For the notification timeline of new charter campuses, HB 3521 offers a better solution. ★

## ABOUT THE AUTHOR



**Emily Sass** is a policy analyst with the Texas Public Policy Foundation's Center for Education Innovation.

Before coming to the Foundation, Emily was on Sen. Ted Cruz's state staff as deputy regional director for North Texas, serving as the senator's liaison on all policy topics to a 14-county region. Previously, she has worked as staff in the Texas House of Representatives and on multiple campaigns.

A trained classical musician and former teacher, Emily holds a bachelor of arts in music from Thomas Edison State University.

## About Texas Public Policy Foundation

The Texas Public Policy Foundation is a 501(c)3 non-profit, non-partisan research institute. The Foundation's promotes and defends liberty, personal responsibility, and free enterprise in Texas and the nation by educating and affecting policymakers and the Texas public policy debate with academically sound research and outreach.

Funded by thousands of individuals, foundations, and corporations, the Foundation does not accept government funds or contributions to influence the outcomes of its research.

The public is demanding a different direction for their government, and the Texas Public Policy Foundation is providing the ideas that enable policymakers to chart that new course.

