

NEXT GENERATION TEXAS

BARRIERS TO INNOVATION IN TEXAS CHARTER SCHOOL AUTHORIZATION

WRITTEN BY

Matthew McCormick and Nathaniel Privitt

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KEY POINTS

- Charter schools offer options for a quality education to Texas students.
- The charter authorization process has failed to bring adequate access and innovation to Texas students.
- The cost and burdensomeness of the charter school application process has chilled the supply of new school applicants.
- Regulation and environmental factors have limited innovation in the charter sector.
- TEA should remove barriers to access and innovation, including by simplifying the application process, and the Texas Legislature should create alternative methods to establish new charter districts.

EXECUTIVE SUMMARY

This work describes the process by which new charter schools are authorized and recommends improvements that aim to help students, parents, and educators.

In the last 15 years, the Texas open-enrollment charter school system has exploded in size. In the 2011-12 school year, 154,584 students attended charter schools, and by 2022-23 this number had swelled to 422,930 students. Both push and pull factors explain this surge in charter growth in Texas. Nationally, charter parents cite a safe environment, academic quality, and location as the three primary reasons they chose their child's school.

Unfortunately, the Texas charter system has not been able to keep up with this demand, and there are many more applications than available seats at charter schools. As of 2023, 75,996 children sit on charter school waitlists, which is a 38% increase compared to three years ago. Despite this growing demand, the number of new charter operators has slowed significantly. In each year since 2013, less than five teams of educators who applied to open a charter school were authorized (i.e. state-approved). The focus of this research is to examine what role the charter authorization process plays in restricting Texas students' access to innovation and choice through charters.

To be authorized as a charter school in Texas, an applicant must pass through a stringent multi-stage process:

Before submitting their proposal, applicants must notify legislators and school districts local to the proposed charter site and hold townhall meetings to engage the community. Once the charter application is submitted, TEA staff review the applications for completeness and flag any missing sections for the applicant to rectify. The complete applications are then sent to external reviewers contracted by TEA to rate the applications. Five external reviewers grade each application, awarding between 0 and two points to around 90 criteria, and the average of the five scores must be at least 85.0% for the proposal to advance. TEA implements two methods to make this scoring system fairer. First, TEA applies a score adjustment by eliminating the high score and the low score. TEA will accept either the unadjusted score (the average of all five scores) or adjusted score (the average of just the middle three scores), whichever is higher. Second, if either the adjusted or unadjusted average score is between 80.0% and 84.9%, TEA will send the application to another external reviewer for a sixth rating. The score adjustment will then be used and considered with all six scores.

Charter proposals that receive an average score of at least 85.0% are invited to interview with TEA, who conduct interviews with the finalists. After these interviews, TEA, under the authority of the Commissioner, chooses which schools to award a charter. The SBOE no longer holds the authorizing power, but it does retain a veto on that it may exercise with a majority vote. Schools that the SBOE does not veto then enter a contingency period where school leadership rectifies any lingering deficiencies in the charter proposal identified by TEA staff. Schools that satisfy these contingencies must open within one year or apply for a one-time one-year extension.

Over the last eight application cycles, from 2016 to 2023, 217 charter proposals have been submitted. Fifty-two (23.9%) of these applications were deemed incomplete, and 92 (42.4%) missed the cut score in the external review. Twenty-seven (12.4%) applications were not recommended for an award despite making the cut score. Of the 41 (18.9%) applications recommended by TEA for a charter

grant, 13, or 31.7% of the applications that came before the SBOE, were vetoed. In these eight years, out of 217 applications, 28 received a charter, a success rate of 12.9%, or just 3.5 new charter grants a year. Because almost two-thirds of applications are eliminated at the completion check or the external review, these stages are a natural place to investigate the reasons why new charter applicants fail to secure charter grants. Accordingly, this research will focus on an analysis of the application itself and the external review process.

The charter authorization process is lengthy and resource-intensive for applicants, requiring several months (**Table 1**) of effort by a team of professionals. The average complete application in Generation 28 (2023) was over 400 pages, and applicants reported expenses of \$50,000 to \$100,000 per application cycle. Apart from the time and effort on the part of the application team, paid consultants who assist in writing the application and managing relationships are advantageous if not essential. In Generation 28, Charter applicants who retained consultants saw greater success at each stage of the application process and all five finalists who went before the SBOE used consultants. These factors indicate that the resources available to a charter applicant plays a large role in their likelihood of receiving a charter, especially when a school may need to apply more than once.

Twenty-five schools applied in the Generation 28 application cycle, which ran from 2022 to 2023. Six (24.0%) applications were deemed incomplete, and the remaining 19 were distributed to external reviewers. Of these 19 applications, ten did not meet the cut score, one withdrew, and eight passed on to the capacity interviews.

There were, however, substantial disagreements among raters on the quality of the applications, with wide ranges in scores. On eleven of the 19 rated applications, the grade reviewers assigned differed by more than 20%, and five applications had a range in scores of more than 30%. Furthermore, four of the reviewers consistently assigned scores higher or

lower than the median. One rater scored an average of 10% higher than the median, scoring applications an average of 14.75% higher than the median. The three that rated applications less favorably, however, showed an even more extreme departure, scoring applications an average of 16.02%, 17.80%, and 20.93% lower than the median score. These disagreements among graders represent a challenge in determining what school proposals are worthy of receiving a charter grant.

Texas' charter authorization system has produced a charter ecosystem that fails to provide both access and innovation to many Texas students. Large geographical portions of Texas lack any charter schools, especially federally designated Opportunity Zones. Most charter schools cluster around urban areas. The current charter authorization process exacerbates this effect because a larger school in an urban area has more opportunities to attract the resources necessary to build a successful charter application. Moreover, 58% of charter school students attend a charter district that operates more than 10 campuses. Many Texas students have no option other than their local public school and many others may only have one option.

Access aside, the charter authorization process also restricts innovation in the charter system. Charter schools are expected to conform to certain regulations. To comply with these rules, schools will respond similarly and, therefore, be more similar, an effect known as institutional isomorphism. Many of these regulations are essential for health and safety, but the charter authorization creates an additional layer of rules, official and unofficial, that narrows the window for innovative charter models. The resources required to create a successful application necessitate a large school. In the 26th, 27th, and 28th application cycles, only two niche schools had an enrollment of less than 950 students. The stringency of the external review process and the risk of running afoul of the preferences of the external reviewers incentivizes applicants to make safe choices regarding school model, curriculum, and policies. Innovation is often synonymous with

risk, and this makes authorizing innovative charter schools challenging for TEA and the SBOE.

TEA has made substantial improvements to the charter authorization process in the last few years, transitioning to an electronic application, providing more feedback to unsuccessful applications, and implementing a shortened blackout period. TEA will also begin taking responsibility for the notification of local legislators and school districts, reducing the applicants' burden. Several more improvements lie within TEA's power. TEA should continue its efforts to reduce the burden of the application process by trimming unnecessary documentation from the application packet. An improved submission process with a digital checklist would also help guide applicants.

As for the external review process itself, TEA should consider ways to mitigate disagreements among the raters, especially in circumstances where there is a large range between scores or aberrant scores. TEA should identify when raters have significant disagreements on particular applications or when a particular rater consistently produces outlying scores. Adding another point or two to the scoring scale could also ameliorate disparities in scores by allowing the graders to express their judgement more precisely. Additionally, by focusing on objective measures of whether a charter applicant could both shorten the application and reduce disagreement between the reviewers. Finally, TEA should strongly consider facilitating a post-external review discussion to allow the reviewers to explain their reasoning and resolve potential misunderstandings.

The Texas Legislature's role in charter authorization is to provide a statutory framework to allow for charter schools to bring innovation and choice to Texas students. Given the shortcomings of the current charter authorization process, the Legislature should investigate other opportunities. Statute currently allows public universities to sponsor open-enrollment charter schools. The Legislature should extend eligibility to private universities. Furthermore, Texas has relatively few authorizers compared to

most states. An alternative authorizer could bring new perspectives and innovation to Texas' charter system.

KEY RECOMMENDATIONS

The Texas Legislature and the Texas Education Agency should take these steps to improve the charter authorization process:

TEA should take the following steps to shorten the time-cost of authorization:

- Revise [19 TAC 100.1005](#) so that TEA publicly posts notice about applicants to its website.
- Remove the pre-application meeting requirement and offer support in the form of strategic guidance to help authorized charter school leaders host public meetings during their Planning Year 0.
- Improve the application's format with a digital checklist.

TEA should take the following steps to improve the external review process:

- Modify the score adjustment to eliminate outlier scores for a single application.
- Track and disqualify the scores of external reviewers who repeatedly assign outlying scores.
- Continue to refine the application questions to reflect objective criteria on the capacity of the applicant to operate a charter school.

The Texas Legislature should make the following changes to statute:

- Repeal notification requirements in [TEC 12.1101](#)
- Repeal the criterion under [12.110\(d\)\(C\)](#) which allows the TEA commissioner to deny an application based on a statement from a school district on the charter's impact on the district's finance or enrollment.

- Increase the facilities funding for charter schools, especially for new charters.

INTRODUCTION

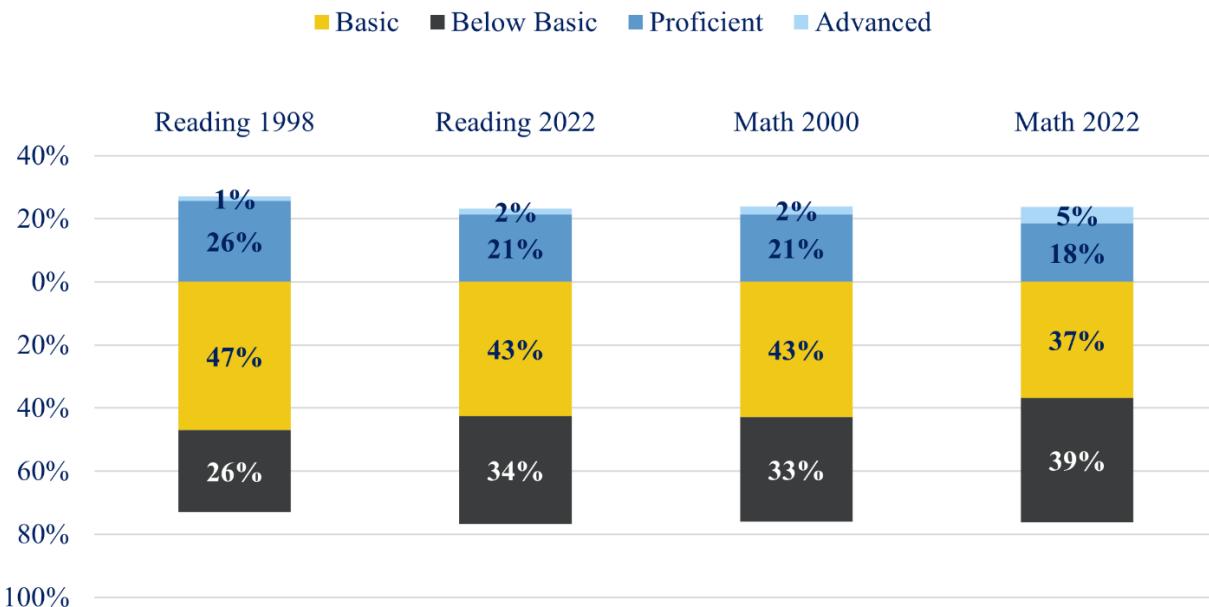
Why do families look to charter schools to provide their children with a high-quality education? Nationally, parents who choose charters cite a safe environment, academic quality, and location as the three primary reasons they chose their child's school ([EdChoice, 2023, p. 26](#)). In Texas, the data on the first two reasons confirms parents' reported motivation.

In national surveys, 35% of parents with students in public charter schools said that a safe environment was a top-three factor in choosing a school ([EdChoice, 2023, p. 26](#)). Testimonials collected in Texas from parents of charter school students corroborate that safety is top of mind for parents ([Texas Public Charter Schools Association, n.d.](#)). Discipline statistics for Texas schools bear out this reputation for a safe environment. In the 2018-19 school year, compared to public ISDs, Texas charter schools assigned 50% fewer in-school suspensions (ISS), and Black and Hispanic students were three to four times less likely to be assigned ISS ([Aguilar & Mattison, 2020](#)). Black students were also assigned out-of-school suspensions at a rate 2.9% less than Black students at ISDs.

Furthermore, most academic outcomes in Texas are below expectations. In 2023, 57% of Texas K-8th grade students were below grade level in mathematics and 47.1% were below grade level in reading ([TEA, 2023a](#)). Some criticize the STAAR, the state standardized assessment, but the National Assessment of Educational Progress (NAEP) paints a worse picture. As [Figure 1](#) shows, just over 75% of Texas children are not proficient in reading and math by 8th grade, and Texas' rank compared to other states has dropped 20 places in reading (23rd to 43rd) and six places in math (21st to 27th) over the last two decades ([National Center for Education Statistics, 2023](#)).

Figure 1

Texas: Proficiency of All 8th Grade Students, Reading and Math (20 Year Trend)



Note: Data from NAEP Data Explorer, by The Nation's Report Card, 2023 (<https://www.nationsreportcard.gov/nedcore/xplore/NDE>). First year data available depends on subject.

This lack of proficiency indicates that, when reading, three-quarters of our 8th graders cannot:

- use context to determine the definition of ambiguous words,
- identify one or both sides of an argument, or
- offer an opinion about an author's evidence to support a claim or argument (NCES, 2022a).

When doing math, three-quarters of our 8th graders cannot:

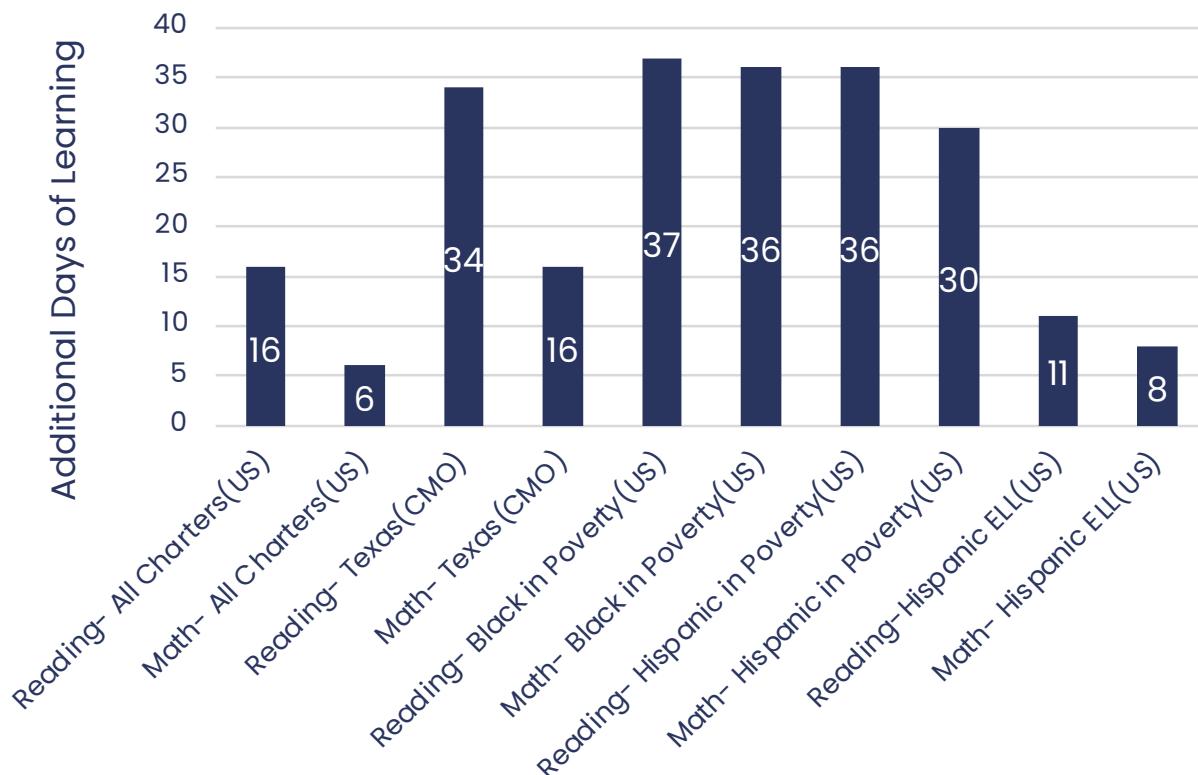
- perform basic operations (e.g., addition, subtraction, multiplication, division) with rational numbers using proper units (e.g., inches, feet),
- classify angle measurements using diagrams and protractors,
- understand concepts of parallel and perpendicular lines, or

- evaluate and extend sequential and recursive patterns (NCES, 2022b).

Meanwhile, charter school student outcomes are significantly better than those of independent school districts (ISDs). In June 2023, Stanford's Center for Research on Education Outcomes (Bachofner et al., 2023) released their third study on charter schools. Using data from 31 states and over 1.8 million charter students, CREDO compared the performance of charter students with matched peers in traditional public schools. Over this enormous sample, CREDO found clear evidence for the success of charter schools. Nationally, over a 180-day school year, charter school students gained the equivalent of 16 extra days of academic growth in reading and six extra days in math, as Figure 2 shows (Bachofner et al., 2023, p. 5). In other words, charter school students made more academic gains over a school year than students in the school they would have attended. Moreover, using longitudinal data from 15 years of studying charter schools, CREDO found evidence that students performed better the longer they attended charter schools (p. 7).

Figure 2

Annual Academic Growth for Charter School Students



Note: Data from *As a Matter of Fact: The National Charter School Study III*, by CREDO, 2023. (https://ncss3.stanford.edu/wp-content/uploads/2023/06/DECK_CREDO-Report-10-31-23.pdf)

CREDO's findings on Texas charter schools are also remarkable. Students at Texas charter schools run by charter management organizations—i.e., part of a larger network of schools, as opposed to single-standing schools—gained an extra 34 days in reading and 16 days in mathematics when compared to their ISD peers (Bachofner et al., p. 93). The study also found that charter school gains were even larger when educating students in many underprivileged groups, including Black and Hispanic students, English-language learners, and students in poverty (p. 7).

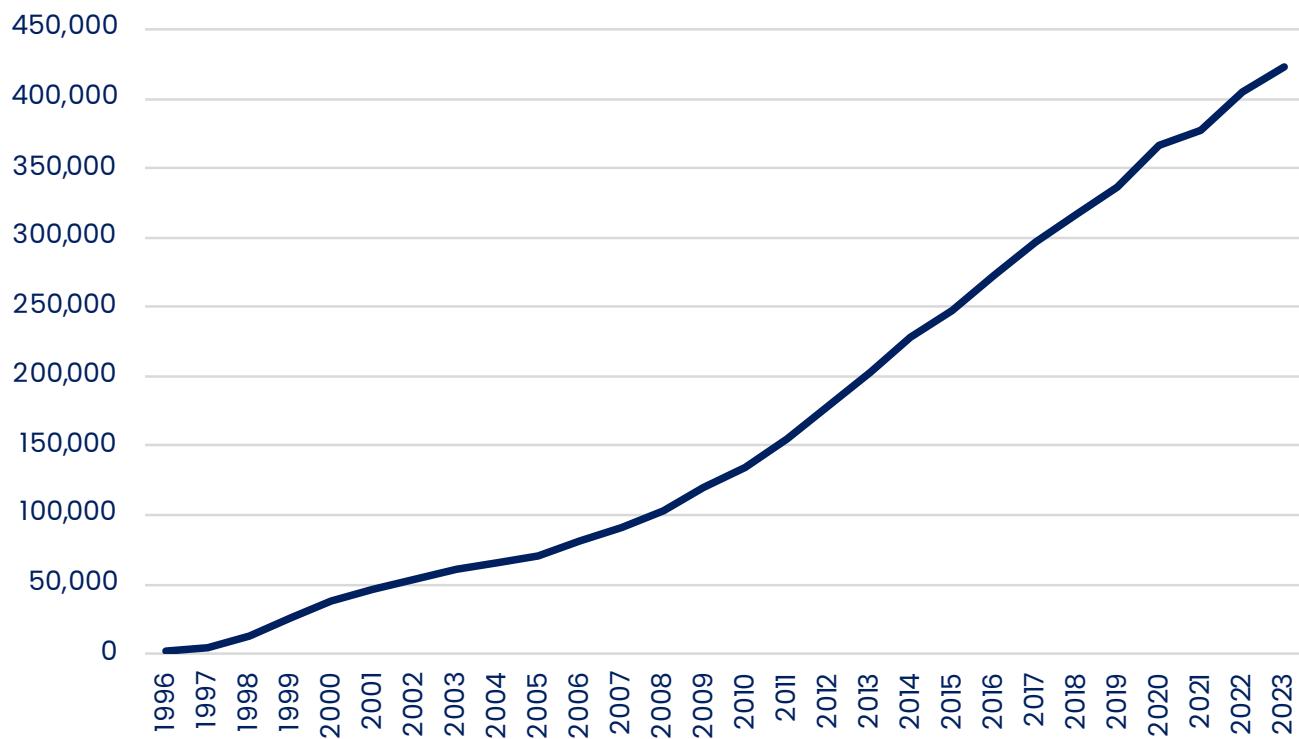
Consistent with these indicators that charter schools are putting their students on a path to success, the number of students enrolling in these schools is increasing. As **Figure 3** indicates, the number of students in charter schools has increased by an

average of 9.3% annually since the 2011-12 school year, compared to a rate of 0.5% in ISDs, 1.7% in private schools, and 13.5% in homeschool (Barba & Crusius, 2022).

Because of this great demand, there are many more family applications than available seats at charter schools. 75,996 children sit on charter school waitlists, a 20% increase compared to two years ago (TEA, 2024a, p. 5). There are currently 422,930 children in charter schools; if all waitlisted children received a seat, the charter sector would immediately grow by a remarkable 16.4%. In each of the last 10 years, however, five or less charter applicants received approval each year. In other words, only 28 of 217 applicants since 2016 (12.9%) have been awarded a charter.

Figure 3

Texas Charter School Enrollment by Year



Note: Data from *2023 Charter School Waitlist Report*, by Texas Education Agency, 2024. (<https://tea.texas.gov/texas-schools/texas-schools-charter-schools/2023-csw-report.pdf>)

Given the high family demand, limited seats, and few new schools, it is reasonable for policymakers to ask whether the state is offering entrepreneurial educators sufficient opportunity to serve Texas families. This question may be answered in part through a study of charter authorization, which is the process by which a team of entrepreneurial educators may be approved to operate a charter school ([Texas Education Code, 2013/2023, 12.101](#)). This paper will examine the history of charter authorization in Texas, the current charter authorization process, and make recommendations for both the Texas Education Agency and the Texas Legislature to improve access to educational opportunities for Texas children through charter schools.

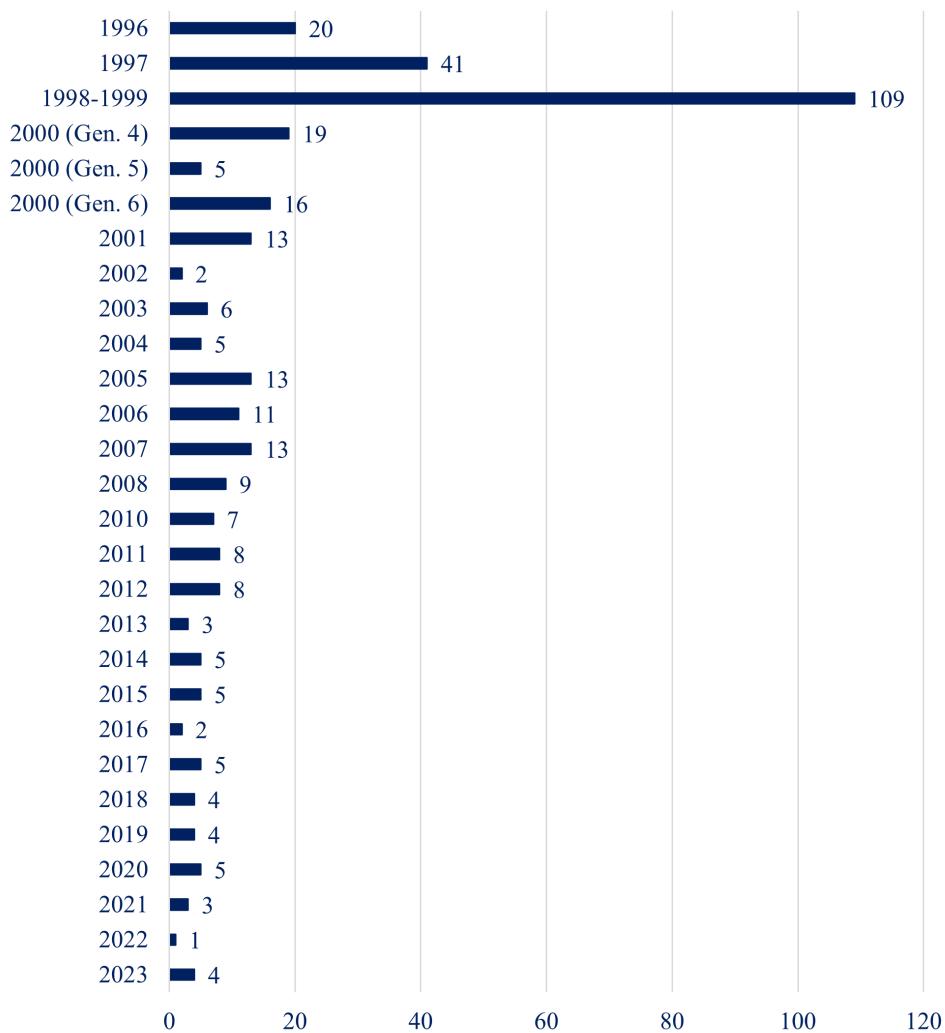
SECTION 1: CHARTER AUTHORIZATION LAW

1996: Creation

In 1994, the Joint Select Committee to Review the Central Education Agency published a report explaining the need for significant reform of Texas education ([Texas Legislative Council, 1994](#)). The report made the recommendation to expand choices for parents and students in educational settings, including intradistrict transfers, magnet schools, and charter schools. The following session, SB 1 was filed, a massive reform to Texas' public education system, which, among other things vested the power to appoint the commissioner of education in the governor. Although the bill did not include not all of the Committee's recommendations to promote school choice, SB 1 established a process

Figure 4

Charters Authorized in Texas by Year, 1996–2023



Note: Data from *Texas Charter School Portfolio*, by Texas Education Agency, 2023b. (http://castro.tea.state.tx.us/charter_apps/production/applications.html)

for the State Board of Education to grant a charter to operate an open-enrollment school (SB 1, 1995). With the passage of SB 1, charter schools were approved by legislators and signed into law by Governor George W. Bush.

At the inception of open-enrollment charter schools, the Legislature granted the sole power to authorize charter school applicants to the SBOE (SB 1, 1995), and the board did so with relative leniency. While SB 1 only allowed a maximum of 20 charter operators, the SBOE approved this number of schools in the first cycle of authorizations, known as Generation 1, in 1996. By the second of charter authorizations, known as Generation 2, the state had loosened the

statutory cap on charter operators, and the SBOE authorized another 41 applicants (TEA, 2023e). The State Board of Education received 132 applications for Generation 3 over three rounds in 1998 and 1999, and the SBOE authorized 109 of them (83%). **Figure 4** shows the number of charters authorized for each authorization cycle.

Most Generation 1 and 2 schools opened successfully, with only 3 closing before 2001. Generation 3, however, did not launch as smoothly, with 14 charters being returned within two years (TEA, 2023e). Thirty-five authorized applicants from Generation 3 are still operating, while the remaining 74 (68%) have closed. While this period of numerous charter closures

Table 1

Key Authorization Dates (2023-2024)

Activity	Dates
Application submission deadline	Nov. 3, 2023
Completeness check & remedy	Nov. 6 – Dec. 8, 2023
External review of applications	Jan. 12 – Apr. 12, 2024
Applicants notified of score	Apr. 15, 2024
TEA interviews	May 7-17, 2023
TEA Commissioner proposes authorizations	May 27, 2023
SBOE veto	June 2023
Planning Year 0	July 2023 – July 2024
School Opens	Aug. 2024

Note: From *Generation 28 Instructions and Guidance Document*, by Texas Education Agency, 2022b. (<https://tea.texas.gov/texas-schools/texas-schools-charter-schools/gen-28-application-instructions-and-guidance.pdf>)

is pointed to as a failure for the charter school authorization process, it also highlights the key principle of accountability that the charter system operates under. Dysfunctional charter schools often close, where similarly poorly performing independent school districts would remain open. Regardless, these closures generated media coverage that embarrassed state leaders into seeking a more risk-averse approach to charter authorization (Jones & List, 2018, pp. 7-8).

2001: Regulation

Citing concern over the rapid expansion of charter schools and several high-profile charter school closures the Texas Legislature passed HB 6 in 2001 ([HB 6 Bill Analysis, 2001](#)). The bill capped the number of Texas charter operators to 215 and allowed the SBOE to authorize an applicant only if they complied with “financial, governing, and operational standards,” as established by TEA’s Commissioner ([HB 6, 2001](#)). Under HB 6, the TEA commissioner was also given power to revoke a charter if the school operator failed to protect student health or safety or to maintain financial standards ([HB 6, 2001](#)). HB 6’s cap significantly slowed the expansion of new charters. As 193 charters were already operating at the time

of passage, the SBOE was only provided with 22 new charters to authorize unless a closure opened a new space.

2014: Centralization

The current era of charter regulation began in 2013 with SB 2, which transferred charter authorizing power from the SBOE to the TEA Commissioner ([SB 2, 2013](#)). With the power to create, monitor, and revoke a charter unified under TEA, the SBOE’s power diminished. Under SB 2, the SBOE’s role during the authorization process became merely advisory, but the SBOE retained a veto on the Commissioner’s selections ([SB 2, 2013](#)). While this transfer of power had the effect of codifying the charter authorization process under an executive agency, it shifted the responsibility of authorization away from the elected members of the SBOE.

SB 2 also included an annual increase in the cap on charters, from 215 created by HB 6 in 2001 to 305 in 2019, where the cap remains today ([SB 2, 2013](#)). Despite this cap increase, there are only 182 charter operators in Texas today, and the count of charter operators has never reached even the 215-cap created by HB 6 in 2001. Rather, the number

of charter school seats has increased primarily through the expansion of existing charter systems. The 186 charter-holders operate 916 campuses ([TEA, 2024a, p. 6](#)).

SECTION 2: AUTHORIZATION

A Summary

To be authorized to operate a charter school, school leaders must successfully pass through a multi-stage process that lasts for nearly a year ([TEA, 2022a](#); [TEA, 2022b](#)).

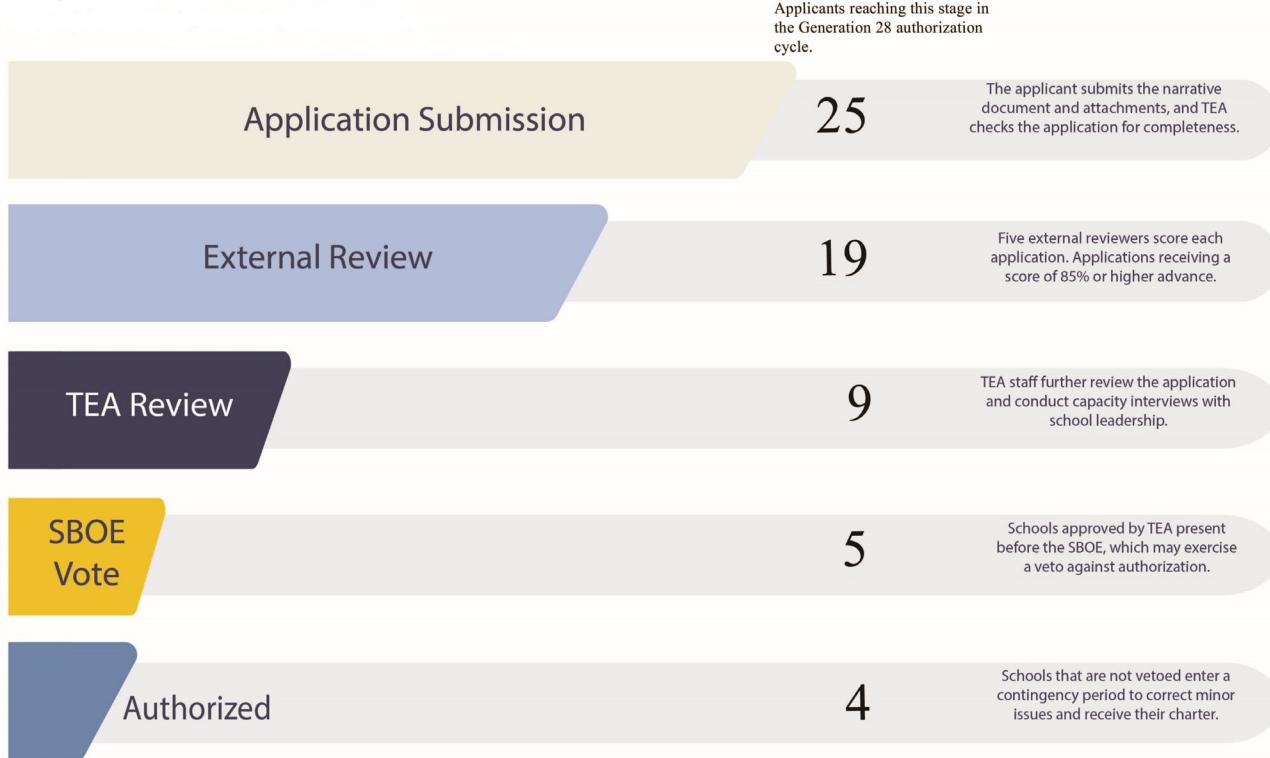
This section will first present a brief overview of the entire authorization. Then, each stage of the authorization process will be explained in greater detail with commentary on obstacles to an effective authorization process. Finally, the Generation 28 authorization cycle will be examined, with an analysis of the external review.

The complete process is as follows:

- 1. Applicant tasks before applying:** Before application submission, candidates must send out "Statement of Impact" forms to the school districts whose enrollment the charter school may affect and legislators in whose district they will operate. Applicants must hold at least one public meeting in the area the charter will serve, and advertise both the school and the public information meetings in a physical newspaper "widely circulated" ([TEA, 2022a, pp. 14-15](#)).
- 2. Applicant applies:** Candidates submit their application to TEA electronically ([TEA, 2022b, p. 7](#)). The application includes nine parts: (1) the applicant profile, (2) an executive summary, (3) landscape, (4) school design, (5) governance, (6) leadership, (7) talent management, (8) operations and finance, (9) and experienced operator (if applicable) ([TEA, 2022a, p. 6](#)). Applicants must also submit a "Letter of Special Assurances" and up to 35 attachments of exhibits, ranging from an organizational chart to a financial plan workbook.
- 3. TEA checks completeness:** Applications are non-substantively evaluated for completion, and applicants are notified of any incomplete sections. Notified applicants have one week to correct mistakes or provide additional information necessary ([TEA, 2022b, p. 8](#)). Complete applications move to external review. The number of applications passing this and subsequent steps in 2022-23 is illustrated in **Figure 5**.
- 4. External review of applications:** Complete applications are reviewed by five external reviewers who evaluate and score each section. The applicant receives a grade from each reviewer, calculated as points earned divided by points possible. The highest and lowest grades are dropped and the three remaining grades are averaged. If the applicant's average grade is 85% or higher, the applicant advances to a capacity interview ([TEA, 2022b, pp. 8-9](#)).
- 5. TEA interviews applicant:** TEA reviews applications and asks questions of the applicants in a capacity interview. SBOE members are invited to these interviews by TEA and may ask questions of the applicants ([p. 9](#)).
- 6. TEA proposes applicants for authorization:** The TEA's commissioner authorizes select charter applicants, based on recommendations from TEA staff ([p. 10](#)). Those who are proposed for authorization move on to SBOE consideration.
- 7. SBOE action and veto:** After the commissioner notifies the SBOE of his awards, the board has 90 days to veto the application ([p. 9](#)). If the SBOE votes to take no action, the applicant moves to the next step.
- 8. TEA authorizes applicants:** The commissioner authorizes applicants who have not been vetoed by the SBOE. TEA may place mandatory contingencies on the candidate to cure any deficiencies in the application; the newly authorized applicant has two months from receipt

Figure 5

Stages of the Texas Charter Authorization Process



Note: Information from *Generation 28 Instructions & Guidance*, by Texas Education Agency, 2022 (<https://tea.texas.gov/texas-schools/texas-schools-charter-schools/gen-28-application-instructions-and-guidance.pdf>)

of the required contingencies to satisfy any outstanding issues. If the charter applicant fails to do so, the charter will not be awarded (p. 10).

9. **New charter school opens:** Authorized charter school leaders may open within one year of authorization, although the charter holder may apply to the commissioner for an extension of a single year ([Texas Administrative Code, 2014/2019, Section 100.1002\(q\)](#)). If the charter school fails to operate within one year, the charter is voided. This timeline provides a full “Year 0” to prepare for a school opening, including acquiring facilities and hiring faculty and staff.

Step 1: Regulatory Compliance before Applying Impact Statements

The Legislature requires a notification process to inform ISDs and state legislators whose residents could be served by the charter school that would be proposed ([Texas Education Code, 2013/2019](#),

[Section 12.1101](#)). TEA has enforced this law by requiring applicants to send “Statements of Impact” to all applicable ISD superintendents, ISD school boards, charter superintendents, charter governing boards, legislators (senators and representatives), and SBOE members ([Texas Administrative Code, 2014, Section 100.1005](#)). The Statements of Impact sent to nearby schools include blank forms that superintendents may use to highlight how the prospective charter may have a negative financial impact on the ISD and forward to TEA. The legislature requires that TEA consider these when determining whether to authorize the charter applicant ([TEC, 1995/2013, Section 12.110\(d\)\(3\)\(C\); TAC, 2014/2019, Section 100.1002\(h\)\(4\)](#)).

As proof of satisfying this requirement, each charter applicant must provide in their application certified mail return receipt cards for their Statements of Impact and evidence of the local public meeting advertisement ([TEA, 2022a, pp. 14-15](#)).

Many ISDs respond with blanket objections to local charter schools. For example, in response to the notice of an application of a school in Houston's Fifth Ward submitted in Generation 28 (2022-23 school year), Houston ISD's (HISD) former superintendent wrote

The Houston community does not support the addition of more charter schools in the proposed area, nor has the community asked for additional educational opportunities. Specifically, the Up Excellence Academy charter application, the new campus is being proposed to serve students in grades PK through 6 located in the Houston area. Within this proposed area, HISD elementary and middle school campuses currently have space available for interested students in grades PK through 6; there is no need for an additional campus. (TEA, Public Information Request, 2023)

HISD sent verbatim opposition on a form letter against two other Houston charter applicants. In this letter, the superintendent highlighted the educational choice opportunities within Houston ISD and warned against the financial impact losing students would have on the district, especially citing the money that would leave the district due to recapture.

A more direct and salient example was offered by Spring Branch ISD's superintendent and school board president, shown in **Figure 6**, that only states "Could potentially affect ADA," referring to the per student allotment schools receive. While it is understandable that a local district would be concerned over the financial impact that competition from charter schools would bring, these Statements of Impact pose too broad of an objection to charter schools to inform the charter authorization process.

Public Meeting

Prospective applicants must also host at least one public meeting within the community they will potentially serve, for the purpose of discussing their application (TEA, 2022a, p. 15; TAC, 2014/2019, Section 100.1002(h)(5)). The potential applicant must advertise the meetings in a widely circulated physical

newspaper and notify via email the SBOE members, state senators, and state representatives—all who represent the area to be served. These meetings can occur 18 months before the application is due, up to the day before the application is due. For example, for a school that will open in August 2025, the public meeting could occur between May 2022 and November 2, 2023, the day before the application deadline (as seen in **Table 1**). Because these meetings occur between 21 and 39 months before a school opens its doors, former applicants have explained that the meeting may prematurely raise the community's hopes for a new school (Generation 28 Charter Applicant, personal communication, 2023).

Steps 2 & 3: Applicant Applies and TEA Checks Completeness

Application Content

The application consists of six sections (plus attachments) and includes requests for:

- demographic projections (TEA, 2023c, pp. 10-15)
- a financial workbook (p. 607)
- a code of ethics (p. 411)
- mission, vision, and design elements (p. 16)
- geographic boundaries (p. 9), and
- an operational start up plan (p. 576).

Each piece of information has its own detailed form attachment, and, while TEA provides an itemized checklist for applicants, the combination of extensive length and a high level of detail creates a high-risk system. Many school leaders choose to mitigate this risk by hiring authorization consultants and lobbyists to guide them through the process. In Generation 28, 12 out of 25 applicants used paid consultants (TEA, 2023b).

The charter applicant is responsible for presenting a case for the viability of the charter and to research any supporting information. For example, demographic projections for the first year must include racial, economic, and academic (meaning special ed., at-risk, etc.) information for the charter itself, alongside the ISD and grade-cluster schools with whom the charter will be competing (TEA, 2023c,

Figure 6

Houston ISD Statement of Impact Form

GENERATION TWENTY-EIGHT
OPEN-ENROLLMENT CHARTER APPLICATION
Statement of Impact Form

Purpose of this form: The sponsoring entity identified on the cover letter is submitting an application to the commissioner of education for approval to operate an open-enrollment charter school. The name and location, if known, of the proposed charter school are provided below. As required in Texas Administrative Code §100.1005, this notification must be sent to the superintendent and the board of trustees of each traditional district from which the proposed school intends to draw students, and to each member of the legislature that represents the geographic area to be served by the proposed school.

A school district may submit this form to provide the commissioner with information relating to any financial difficulty that a loss in enrollment may have on the district, and any other information that a district wishes to share with the commissioner. Responses may be sent later in the application process once advancing applicants are announced. For more information about the proposed charter, please contact the sponsoring entity.

Instructions: Should you choose to respond, return the completed form no later than Monday, May 15, 2023 to:
charterapplication@tea.texas.gov

Note: See Texas Education Code §12.106 for information about state funding.

Name of Proposed Charter School: Heritage Classical Academy

Physical Address or General Location of Proposed Charter School:

We are seeking a location within the zip code 77092 in Houston ISD.

Check the appropriate response below:

The proposed open-enrollment charter school is **not** expected to adversely impact the district to a significant degree.
 The proposed open-enrollment charter school is expected to adversely impact the district to a significant degree.

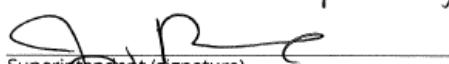
Describe the impact in the space below and/or attach any supporting documentation.

Could potentially affect ADA.

District Name: Spring Branch ISD

CDN: 101920

District Address: 955 Campbell Rd, Houston, TX 77024

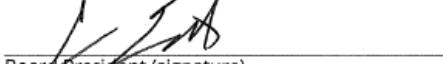

Superintendent (signature)

Jennifer Blaine

Superintendent (print)

11/15/22

Date:


Board President (signature)

Chris Earnest

Board President (print)

11/16/22

Date:

RFA 701-23-101
RFA 701-23-102

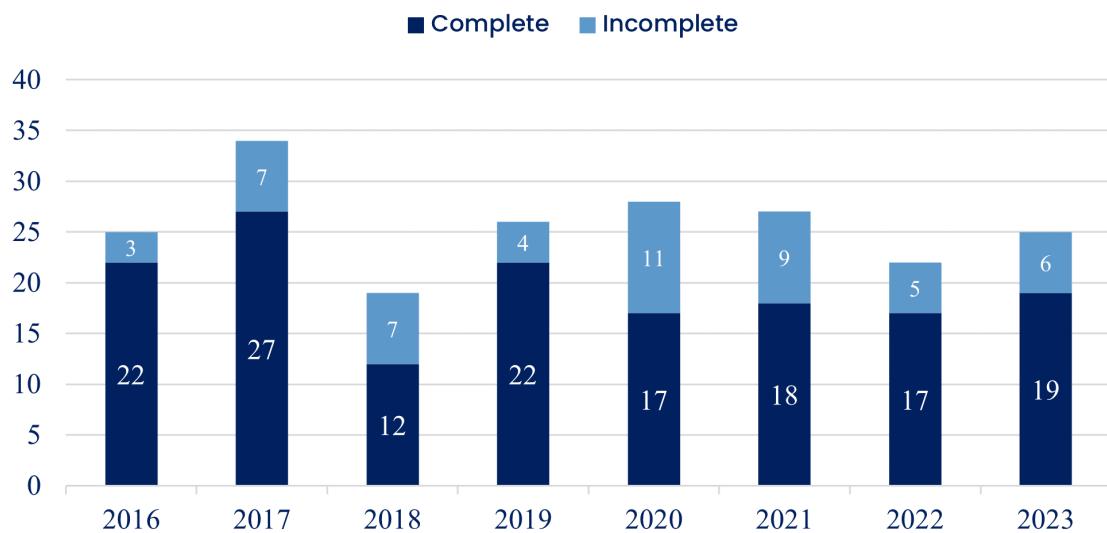
Note: From PIR, by Texas Education Agency, 2023.

p. 9). TEA already has access to this information, so this step may be to force applicants to study reports on the area's demographics. The charter candidate must also give a five-year projection for its population size, which includes how many students it anticipates will be in each grade (TEA, 2023c, p. 6). Applicants then connect this student enrollment projection to the Excel financial workbook, where they estimate the

financial contributions the school will receive from the state or from outside supporters and how this compares to their financial needs (TEA, 2023c, pp. 609-621). The financial workbook requires the charter candidate to budget for teacher and staff salaries, classroom materials, and operational costs such as electricity. The application also asks the charter school to account for potential shortcomings in

Figure 7

Charter Application Process: Complete and Incomplete Applications, 2016–2023



Note: Data from *Charter School Portfolios*, by Texas Education Agency, 2023b. (http://castro.tea.state.tx.us/charter_apps/production/applications.html)

this budget, lower enrollment projections or staffing shortages.

Recent history has seen substantial improvements to the application itself. Before Gen 27 (2022), TEA required multiple copies of the several-hundred-pages long application to be printed out by the charter applicant (TEA, 2020, p. 18). TEA has now implemented an electronic system where applicants upload their application to a cloud storage site without any paper submission (TEA, 2022a, p. 17). Another recent addition came in 2019, with a one-week remedy period. If an application is deemed incomplete due to missing or incorrect information, the applicant is given a week to correct and expand on portions of the application flagged by TEA staff as deficient (TEA, 2019, p. 7). These changes help ensure that charter applicants are not disqualified due to typographical errors or clerical oversights.

Unfortunately, the outcomes of application cycles before and after the remedy period was implemented do not suggest improvement. From 2016 to 2018, as seen in **Figure 7**, (the years before the addition of the remedy period), 23% of total applicants were found incomplete and prevented from continuing in their

year's authorization process (TEA, 2023b). Since the addition of a remedy period, 27% of applications have met the same end. While neither evidence nor intuition suggests the remedy period somehow harmed candidates' chances, the adjustment clearly failed to reduce incomplete references.

One potential reason for the ineffectiveness of the remedy period is the application's unwieldy format. While most federal grant applications are online and cut into user-friendly sections (Jones & List, 2018, p. 10), Texas' charter application is a large PDF document that the user must download and submit through a web interface specially designed for the transfer of large documents (TEA, 2022b, p. 7). In practice, the application's multitude of additional links and easy-to-miss sections increase the likelihood that an applicant will overlook a section. One tell-tale sign of the unwieldiness of the application is that, even among the high-quality applications, the application sections and numerous appendices are not laid out in a uniform manner (TEA, 2023b).

Step 4: External Review of Applications

After the completion check and before the TEA's evaluation, TEA sends the applications to external

Figure 8

Charter Application Process: External Review Results, 2016–2023



Note: Data from *Charter School Portfolios*, by Texas Education Agency, 2023b.

reviewers selected in a Request for Qualifications process (TEA, 2022, p. 8). Through external review, independent experts in various fields of education receive charter applications and grade them to determine whether a charter applicant may move on to TEA's capacity interview. **Figure 8** shows the number of applications that passed the external review each application year.

According to TEA's 2022 Charter Application overview, the external process of scoring an application follows these five steps (TEA, 2022a, p. 20):

1. The charter application is given to five reviewers, who then evaluate the application in its entirety and provide a final score.
2. The five different scores provided to TEA are averaged, which produces the unadjusted score.
3. To produce an "adjusted score," both the highest and lowest grades are dropped.
4. If either of these two final average grades—unadjusted or adjusted—are above 85%, the application moves on to the next stage.
5. If either of these two grades are between 80% and 84.9%, one additional sixth reviewer receives the application. If this sixth grade moves the applicant above the 85% cut off score, the applicant moves on to the next stage.

When TEA gives the charter applications to their reviewers, the reviewers are provided with a scoring rubric. This rubric is about 30 pages long and reviewers input their scores onto this review sheet before returning it to TEA (TEA, Public Information Request, June 2, 2023).

The rubric is organized into seven sections, corresponding to the six sections of the application's narrative, plus an additional section for organizations that have previously opened a school, known as "experienced operators." These sections are as follows: 1) Landscape, 2) School Design, 3) Governance, 4) Leadership, 5) Talent Management and Development, 6) Finance and Operations, and 7) Experienced Operators (TEA, 2023c, pp. 2-3).

1. The Landscape section evaluates how successful a charter school will be at addressing the specific needs of its community. This section depends on

the location of the school in attendance zones of unacceptably rated schools and in federally designated Opportunity Zones. It also asks if the proposed demographics align with those of the surrounding area.

2. The School Design section details all the various pieces of the charter's educational model and assesses its likelihood of success. It analyzes abstract ideas like mission, vision, and school culture, while also requiring detailed explanations of curriculum, data-collection for instruction, and security measures.
3. The Governance section examines the capacity, structure, and policies of any sponsoring partner organization or charter management organization.
4. The Leadership section scrutinizes the qualifications and compensation of the school superintendent.
5. The Talent Management and Development (TM&D) section looks at the charter's plans to grow capable staff and improve those staff through training programs. Compensation packages, bonuses, and professional training programs are evaluated in this section.
6. The Operations and Finance section concerns the non-instructional aspects of the school. Operations lays out important school policies, such as community engagement, student recruitment, school schedule, and transportation services. Finance asks the applicant to present the school's financial plan and budget for both the start-up year and subsequent years.
7. The Experienced Operator Portfolio Overview section asks the applicant about the previous performance of the charter management organization that will operate the school.

Each rubric section is divided into subsections. These subsections are aligned with the subsections of the application narrative. The Governance section of

the application contains the Structure, Formation, and Community and Goal Setting subsections, and the rubric mirrors this organization (TEA, Public Information Request, 2023). Under each subsection, the rubric presents the external reviewer with criteria by which to judge the application. For example, inside the School Design section, under the subsection High-Quality Instructional Materials and Instruction is the criterion "Identifies high-quality instructional materials (or plans to adopt materials) that are grade level appropriate, aligned with the TEKS, and compliant with state law." The Generation 28 application and rubric divided the six required sections into 20 subsections. The typical application of a non-experienced operator contains 89 criteria for a total of 178 points. There are a few criteria, however, that may not be included in an applicant's score, depending on whether the applicant has already selected a superintendent or intends to require a school uniform. Additionally, two of the Landscape criteria are optional and only provide extra points for charter applicants proposing to locate in high-need areas.

The external reviewer then awards the application between zero and two points based on how well the application met the standard, with zero points meaning the application did not satisfy the criterion at all, and two points meaning it completely satisfied the criterion. Reviewers may provide a rationale for the score. The scores from every criterion are summed and a percentage score is calculated to create a final score (TEA, 2022b, p. 9).

All five evaluators score every section of the application. This poses a problem for the quality of the evaluation because each reviewer will not have equal expertise in every section. Potentially, a school finance expert would judge the school narrative sections pertaining to discipline, school safety, and educational philosophy, while an expert in curriculum and learning models would also evaluate the financial plan. Mismatched experts and fields could explain inconsistent scoring results, where applications receive high variance grades depending on the attitude and knowledge of the evaluator.

TEA has recently experimented with changes to the external review process to address this deficiency in scoring and evaluation. In Generation 24 of 2018, TEA split the review into two separate phases, an Education Plan section and a Finance/Operations/Governance (FOG) section, that were evaluated by two different groups of reviewers (TEA, 2018, pp. 4-5). Recognizing that an expert in instruction may not be an expert in school finance, this split allowed TEA to select reviewers whose expertise matched the two broad categories. This practice, however, did not return in Generation 25 or since (TEA, 2019, p. 9).

Before Generation 25, if an application received a score between 80% and 84.9%, the applicant could appeal to request a 6th reviewer. In Generation 25, TEA made this process automatic, eliminating the need for an appeal (TEA, 2019, p. 50). One year later, in Generation 26, TEA implemented a score adjustment to lessen the impact of outlying scores. After the five reviewers submit their scores, the highest and lowest total scores are dropped (TEA, 2020, p. 11). The three remaining total scores are then averaged to determine if the application achieved a score at or above the cut score of 85%. The unadjusted score will be used if it is higher than the adjusted score. The score adjustment has an important interaction with the 6th reviewer because, previously, the 6th score would simply be averaged with the other five scores. With the score adjustment, the 6th reviewer can potentially be the highest or lowest score that is discarded in the adjustment, allowing one of the previously discarded scores to be used

Despite TEA's improvements to the process, the external review stage continues to have the highest attrition rate by a significant margin. From 2016 to 2022, missing the cut score in external review eliminated 56% of complete charter applications (TEA, 2023b).

Steps 5 & 6: TEA Review and the SBOE Veto

After the external review, applications who attained a score of at least 85% on the external review will receive an internal review from the TEA. As part of this review, TEA staff conduct capacity interviews over Zoom with members of the school leadership

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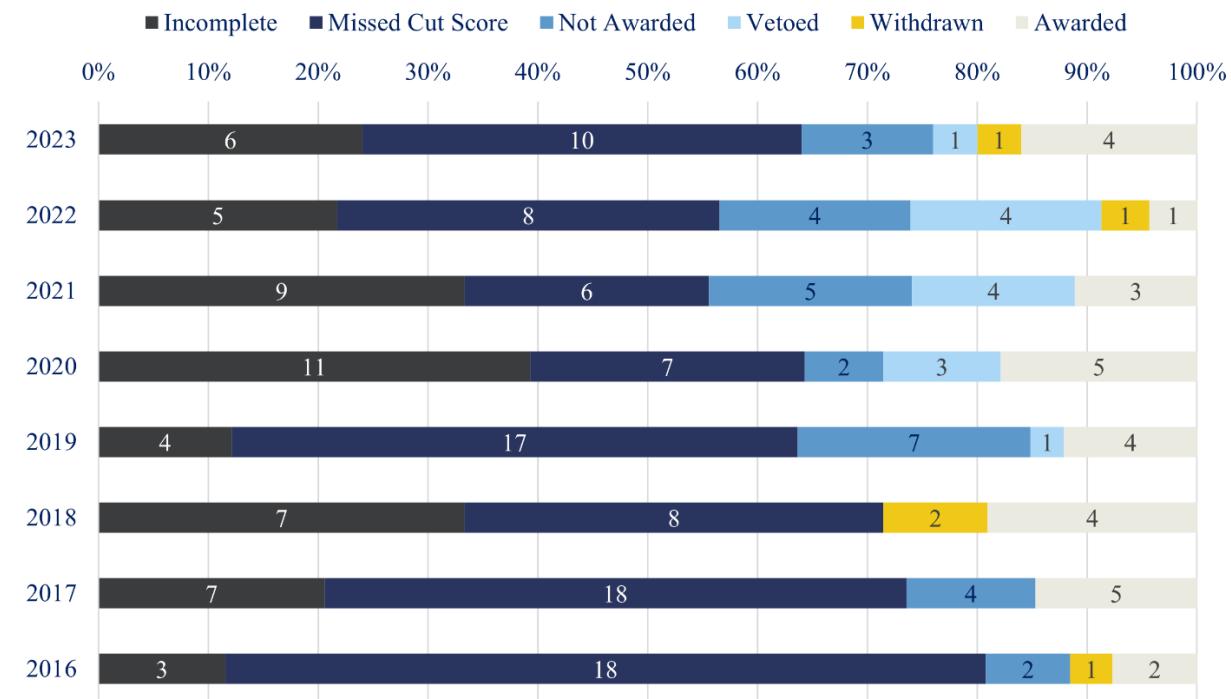
team. The president of the governing board and the superintendent, if one has been selected, are required to attend (TEA, 2022b, p. 9). Typically, most of the leadership team, including the board of trustees, attends the capacity interview. From this review, the TEA commissioner determines who will be awarded a charter. In the previous five authorization cycles from 2019 to 2023, at this stage of the process, 83 out of 136 (61%) applications have been eliminated (TEA, 2023b). Of the remaining 53 applicants who received qualifying scores in the external review, 21 (40%) were not awarded a charter grant by the commissioner. Overall, 15% of total applicants in the last five years have been denied at the TEA review and capacity interview stage (TEA, 2023b).

The commissioner's selections are presented to the SBOE. During the board meeting, school leaders present their school proposal to the SBOE, and the Board members can ask any final questions. The public is also invited to give testimony. Finally, the Board votes on whether to veto the charter application or to take no action and allow the charter authorization to proceed.

For most of the time it has held the veto power, the SBOE has employed it sparingly, rejecting a TEA-recommended charter school only three times from 2014 to 2019 (TEA, 2023b). From 2020 on, however, the SBOE exercised this power much more liberally, rejecting 11 of 20 TEA recommendations in the charter authorization cycles from 2020 to 2022.

Figure 9

Charter Application Process: Charter Application Outcomes, 2016–2023



Note: Data from *Charter School Portfolios*, from Texas Education Agency, 2023b. (http://castro.tea.state.tx.us/charter_apps/production/applications.html)

If the SBOE does not veto a charter award, the applicant enters a contingency period where the school operator resolves any lingering issues with the assistance of TEA staff and receives a contract. **Figure 9** shows the results of the charter authorization process from 2016–2023.

SECTION 3: GENERATION 28 CASE STUDY AND EXTERNAL REVIEW ANALYSIS

Case Study: Generation 28

This analysis will primarily consider the external review portion of the Generation 28 charter authorization process, while the application itself will be examined more generally as it pertains to the charter school application submission and how it is assessed by the external reviewers. As seen in **Figure 10**, of the 25 schools that applied for a charter school grant, 16 (64%) were eliminated at either the completion check or the external review.

The Generation 28 open-enrollment charter application was an enormous undertaking that required months of effort and, in some cases, tens of thousands of dollars to produce a document hundreds of pages long. The 25 applicant schools of Generation 28 averaged 374 pages in their application submissions (TEA, 2023b).

Applications deemed complete averaged 413 pages long. The applications which missed the cut score in the external review averaged 369 pages, and those who advanced averaged 461.9 pages long, almost 100 pages and over 20% longer (TEA, 2023b). This trend, as seen in **Figure 11**, continued to the very end of the process, with three of the four schools granted a charter in the top five in page length. Based on this trend, it appears that for an applicant to increase their likelihood of being granted a charter, their application should be at least 400 pages long, with higher page counts ostensibly increasing said likelihood.

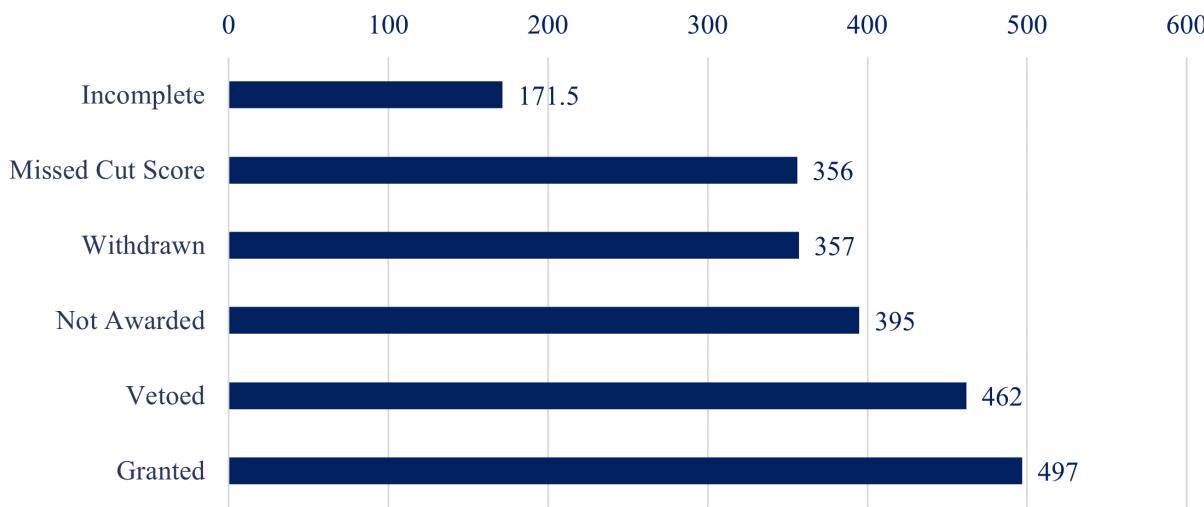
Figure 10*Generation 28 Charter School Application Outcomes*

Note: Data from *Charter School Portfolios*, from Texas Education Agency, 2023. (http://castro.tea.state.tx.us/charter_apps/production/applications.html)

Six applications were deemed incomplete by TEA staff after the remedy period. While most of these incomplete applications were missing significant sections, every application still represented a significant investment of time and effort on the applicant's part. It is worth noting that of the 12 applicants in the cycle who did not use paid consultants, five (41.7%) were eliminated for incompleteness, while only one of the 13 (7.7%) applicants who used a consultant

was eliminated for incompleteness (TEA, 2023b). This disparity in success indicates that consulting services are extremely valuable in creating the application.

As Section 2 describes, the application is comprised of an applicant profile, an executive summary, six sections describing the school plan, and numerous attachments (TEA, 2023b). The two applications

Figure 11*Median Page Length of Generation 28 Applications by Stage*

Note: Data from *Charter School Portfolios*, by Texas Education Agency, 2023b. (http://castro.tea.state.tx.us/charter_apps/production/applications.html)

from Generation 28 that scored the highest in the external review were both 497 pages long. In both applications, 101 pages, or about 20% of the application, were devoted to the six sections of the school plan. The remaining 400 pages (80%) were dedicated to documentation of public notice, letters of support, organizational policy, and other supplemental materials such as curriculum and the financial workbook.

At best, one-third of the application contributed substantively to the external review score. Much of the rest of the application served as an affirmation of various facts. For instance, the model application attached copies of 30 emails sent to elected officials, including SBOE members. Several other applications had over 10 pages of photographs of certified mail receipts. This creates an asymmetry between the submission and the external review because relatively little of the application is relevant to the external review and the subsequent score that was used to eliminate 40% of this cycle's applicants. This asymmetry hinders the authorization process by directing the applicants' efforts away from the crucial school plan sections to documentation that may be helpful or even necessary but will not prevent an application from being eliminated for incompleteness or a low external review score.

Regardless of the weight of each portion of the application, the length and requirements of the application create an enormous burden for applicants that disfavor smaller operators. Out of six Generation 28 applicants surveyed, all reported that the application took on average four and a half months to complete by teams of five to ten staff members (Gen 28 Charter Applicant, personal communication, 2023). No respondent reported spending less than \$10,000 on the application, with several spending \$50,000 to more than \$100,000 on the process. Much of this cost comes from contracting with outside consultants, which, unfortunately, seem to be essential to a successful application. Five of the six applications disqualified for incompleteness did not employ consultants. While five of the ten applications that missed the cut score used consultants, all eight applicants that met the cut

score employed them. Two of the five proposals that were recommended by TEA to the SBOE participated in a TEA incubator program and received assistance from Bellwether Education Partners, indicating that even TEA acknowledges the necessity of outside consultants in the charter authorization process.

TEA and the Texas Legislature should consider the mission and purpose of the charter authorization process. The mission of the Texas charter school system should be to provide innovation and choice to public school students in Texas through charter schools. The purpose of the charter school authorization process should be to identify what charter school organizations can meet the state-set standards. With these principles in mind, the application should be designed to strictly demonstrate that the applicant could feasibly operate a school and educate students well. In that, the charter authorization process falls short, and the impact of money, consultants, institutional knowledge, and persistence (e.g., institutional backing) to create a best-in-show application. The application and its requirements are onerous to even large, experienced charter districts, and the weight of the process is evident in the proliferation of educational consultants that are necessary for success.

To create a more fair and reliable review system, TEA and the state legislature should review how each part of the application contributes to understanding the qualifications of an applicant and define these qualifications in objective terms. We offer the following recommendations to improve the charter application:

Providing notification to various stakeholders has been particularly burdensome to charter applicants. The commissioner is required by statute to establish a procedure to notify local school district superintendents and boards of trustees, local legislators, and SBOE members of a charter school, but, until this point, this responsibility has been assigned to the charter applicant (TEC, 2013, Sec. 12.110(d)(3)(C)). Based on feedback from charter stakeholders, TEA has proposed rule changes to the application and notification process to go into

effect on June 25, 2024 ([Notification of Charter Application, 2024](#); [Authorization for High-Performing Entities, 2024](#)). These rules include designating TEA as the notifier of charter applications and codify an expedited charter application process for high-performing entities.

While this shift in administrative burden from the applicant to TEA is a welcome reprieve for charter school applicants, this change in responsibility does not change the paucity of information provided by many of these actions. School district statements are particularly unhelpful as determinants. A review of this year's impact statements showed them to be almost universally boilerplate condemnations of charter schools generally. Moreover, TEA is better equipped to analyze and create reports on how enrollment trends could impact school districts than either the charter applicant or individual school districts if this information is relevant to charter authorization.

Some portions, such as the disciplinary policy, admissions policy, and non-discrimination policies, are highly redundant and largely uniform or mandated by law. The admissions policies of open-enrollment charter schools are almost entirely a matter of statute with only a few variations. A review of the discipline policies the four schools awarded charters found largely similar responses, with tiered systems of interventions. All four had mandatory suspension or expulsion for weapons or drug infractions. Two of the applicants even used identical language from the same law firm. While explanations of such policies may show a level of strategic planning, this and similar sections do not seem to provide much useful information for determining the operator's competency. An attestation form where applicants affirm their understanding of and promise to follow state and federal law would accomplish the same objectives in a shorter space.

Finally, and perhaps most importantly, the current school narrative portion of the application suffers from too much subjectivity for fair or reliable scoring. Even the Landscape section, which is composed of three completely objective questions about the

area where the school is located, has variation in scoring (TEA, [Public Information Request, 2023](#)). A streamlined application based around objective criteria will reduce the burden of both the applicants and the external reviewers while creating a more fair and transparent process.

The School Design section of the application exemplifies the issues of subjectivity and a lack of clarity. Despite applicant schools using out-of-the-box curriculum from established providers, both external reviewers and the SBOE questioned the applicants' choices and their desire to follow TEKS. External reviewers disagreed about whether applicants had indicated High-Quality Instructional Materials in their application. For instance, on the A.D. Rison Academie, the external reviewers were very split. On the first criterion of the subsection, which asks if the application "Identifies high-quality instructional materials...", two external reviewers scored the criterion at Meets (2 points), one at Partially Meets (1 point), and two at Does Not Meet (0 points). During the June 2023 SBOE hearings, considerable antipathy was displayed towards a particular curriculum provider ([TEA, 2023g](#)). It is reasonable to assume that external reviewers also have their own preferences with regards to curricula and instructional models. Applicants should not have to guess the correct curricula and rationales that will earn them favor with external reviewers and TEA. Questions of instructional philosophy should be left to objective criteria, such as an indication of instructional models and applicants can supply a brief explanation of why they chose that particular curriculum. Not only will a more objective application strip away unnecessary burdens from applicants, but it will also provide a clear road map for prospective charter schools to assess their capacity and deficiencies without the help of expensive consultants.

[Analysis: External Review](#)

Score Analysis

Several months before the external review, TEA releases a public Request for Qualifications that acts as an application for those who wish to serve as external reviewers for the charter school applications ([TCSA, 2017](#)). After reviewing the responses to its

Table 2

Difference in Raw and Adjusted External Review Scores, Generation 28

School Name	Raw Score	Adjusted Score	Change in Score
21st Century Global Leadership Academy	23.26%	22.47%	-0.79%
A.D. Rison Academy	54.16%	54.66%	0.51%
Harmony ECCA	56.63%	56.57%	-0.06%
A.R.T.S. Academy Scoring	65.06%	61.07%	-3.99%
LEEP Dual Language Academy	67.42%	81.18%	13.76%
B.E.A.M. Academy	72.92%	74.72%	1.80%
Titus Academy	75.06%	77.36%	2.30%
Silicon Hill Academy	76.40%	78.09%	1.69%
Springs Public Schools	77.67%	77.00%	-0.67%
Friendship Aspire Leadership Academy	76.60%	77.50%	-0.90%
Champions Global Academy	83.03%	85.00%	1.97%
ONE Collegiate Charter School	84.83%	84.69%	-0.14%
Entrepreneur High School	88.20%	89.89%	1.69%
UP Excellence Academy	88.88%	89.49%	0.62%
Creative Arts Studio Academy	89.55%	91.57%	2.02%
The Village Speech and Debate Academy	93.48%	94.78%	1.29%
Celebrate Dyslexia School	93.48%	93.43%	-0.06%
NextGen Innovation Academy	94.83%	95.11%	0.28%
Heritage Classical Academy	95.73%	97.19%	1.46%

Note: Data from PIR 61131, Scoring Rubrics, Generation 28, by Texas Education Agency, June 2, 2023.

Request for Qualifications, TEA selects 20 external reviewers with knowledge and experience in the charter school sector. Each charter school is assigned five reviewers to score the application. TEA initially calculates a raw score that is the average of all five reviewers' total score. TEA then removes the highest and lowest reviewer scores and averages the remaining three scores to create an adjusted score. If the adjusted or unadjusted score is between 80% and 84.9%, a sixth reviewer scores the application. The new adjusted score takes all six scores into account, so if the sixth score is the highest or lowest, it will be removed (TEA, 2022a, p. 20).

The score adjustment, as seen in **Table 2**, had a negligible effect overall in this cycle. Of the 19

applicants that were reviewed, 17 of the adjusted scores were within $+/-2\%$ of the raw score and another school lost 4% of its score. Only one school's adjusted score differed significantly, gaining nearly 14% to its score. While these results are reassuring that the final averages are reasonable, with the high and low outliers canceling each other out, this method of adjusting scores cannot identify which scores are unacceptable outliers. The high score may be more reasonable than the low score. The limitations of this approach are evident in the one school that was strongly impacted by the score adjustment, LEEP Dual Language Academy. LEEP received a 6th review score, and three of their scores differed considerably from the median. Two of these scores were significantly higher than the median

Table 3

Average External Review Score by Section for Generation 28

	School Design	Governance	Leadership	Talent Management & Development	Operations	Finance
Average Score of All Schools	77%	74%	75%	77%	80%	75%
Average Score of Passers	90%	89%	88%	91%	93%	89%
Average Score of Cut Schools	66%	62%	65%	65%	70%	64%

Note: Data from Public information Request 61131, Scoring Rubrics, Generation 28, by Texas Education Agency, June 2, 2023.

score and one was significantly lower. The score adjustment (after the 6th review) removed the low score and one of the high scores, leaving LEEP with an adjusted score 14% higher than their raw average.

The charter applicants' performance in each school plan section correlated strongly with overall performance. In other words, applicants tended to receive about the same average score for each section. Of note, the eight schools that passed the external review ranked highly in each of the six sections of the school plan with only a few exceptions. Champions Global Academy scored highly in Talent Management," but only scored 71% in Finance and 78% in Operations, which may have contributed to their not being awarded a charter grant by TEA, despite achieving a passing score. Up Excellence Academy and Champions Global Academy also scored slightly below average in Leadership, each receiving a 78%. One notable exception in overperformance is that ONE Collegiate Charter School and LEEP Dual Language Academy, neither of whom passed the external review, scored above average—88%—in School Design, beating out four of the passing schools.

The average section scores for Generation 28 applicants, as seen in **Table 3**, were also fairly tightly grouped across applications for both passing and cut schools, with a range of 5% for passers and a range of 8% for cut schools. These results are significant when taken together because they indicate that, at

least in external review scoring, there was no specific area of the application that posed more difficulty for applicants than other sections. An applicant that does well in Finance is also competent in developing talent. This suggests that the ability to create a quality application is generalized. This general ability could be the result of expertise, but it could also be the result of the ability to leverage institutional knowledge only available to well-resourced applicants.

Individual External Reviewer Scores

The effectiveness of the charter authorization process depends on the ability of the external reviewers recruited by TEA to make accurate assessments on the quality of charter applications. Unfortunately, there is no objective way to measure grader accuracy because the evaluator's judgement is based on their own expertise. What can be measured, though, is how much the readers agree with each other, a metric known as reliability. If the readers agree with each other, it indicates that the rating system is confident in the accuracy of its rating. If the readers have lower reliability, it suggests a lower degree of confidence in the rating.

A simple measure of reliability is to measure the range of scores that each application received. If the scores assigned by the reviewers cover a large range, that shows disagreement among the raters about the quality of the application. The variation of the readers' scores for each test correlated with performance, as seen in Table 5, with higher scoring

applications generally varying less and lower scores tending towards a higher variance. This correlation indicates that graders were more certain about higher quality applications and were less certain about lower quality applications. In other words, graders were all in agreement about what schools should be rated highly but were less in agreement about the quality of the also-rans.

Several of the applications with lower average scores received great variance in their scoring. Three schools that missed the cut—LEEP Dual Language Academy, Silicon Hill Academy, and Springs Public Schools—had a range of at least 60 points between their highest and lowest scores, or more than one-third of the total points possible (see **Table 6**). All three of these schools also received passing scores by at least two raters. Score variance also has a greater likelihood of producing a negative result for the applicants because the score ceiling is much closer to the passing score than the floor. Applications must achieve a passing score of 85% to advance, so an average passing score must land within those top 15 percentage points in order to positively contribute to a passing average. An unfavorable reviewer, however, has 84.9 percentage points to express their displeasure. This results in a scoring system in which an application must pass the high bar of achieving four high scores (assuming the adjusted average score is used) because the best score will be discarded in the adjustment and the 4th score can nullify the 2nd and 3rd scores on its own. Conceivably, an application could receive three scores of 90% and two scores of 59% and the application would be eliminated without even a 6th reviewer. While this may sound like a far-fetched scenario, six applications in Generation 28 received scores with a range of 28% or more, with the widest range topping in at 41.58%. The substantial disagreements among raters suggest that a mechanism to reconcile disparate scores would improve the external review process.

Another important measure of reliability is the performance of each reader across all of the applications they graded, by comparing the scores a grader assigned to each application with the

other graders for that application. This comparison is achieved by finding what percentage of the median score the scorer awarded the application. For instance, if the median score an application received was 80% and a particular rater scored it at 70%, then that rater scored it at 87.5% of the median score. This percentage is averaged across all the tests the rater scored. This average percentage of the median describes how much the rater disagreed with the other raters. As **Table 4** shows, 16 of the 20 graders awarded their applications within 10% of the median points scored, meaning that their average rating was less than 10% from the median score for the application. One grader was 14.75% points above the median. Three graders, however, were over 15% of the points below the median, with two of those grading an average of 17.8% and 20.93% points below the median score. These three graders significantly impacted the inter-rater reliability of the scores and the final scores of the applications. Two of these graders, Readers 3 and 8, rated both Silicon Hill Academy and LEEP Dual Language Academy, effectively dooming their applications. The metric also shows that this deviation from the median cannot be explained by the scorer simply receiving many low scoring applications. Readers 10 (57.75%) and 1 (56.85%) issued the two lowest average scores, but Reader 10 scored only 8.00% below the median score and Reader 1 scored 3.32% above the median score.

These two observations show that outliers in both individual application scores and in certain raters strongly impact the external review process and external review score reliability should be improved. One solution would be to examine the scores on an application-by-application basis and remove scores too far from the median. Another solution would be to track the graders themselves and disqualify the scores of raters that have proven themselves habitual outliers.

It should be noted, however, that this difference from median metric is not necessarily a reflection of the skills of the rater, only that their judgement or frame of reference differed from that of the median grader. Ambiguities in the external review questions or in

Table 4

Variation in Scoring Among Raters in the External Review (Generation 28)

Reader	Average Score	Average Percentage of Median	Average Difference from Median
3	60.53%	79.07%	-29.88
8	67.20%	82.20%	-27.50
20	72.61%	83.98%	-23.88
10	57.75%	92.00%	-9.20
21	86.52%	95.26%	-7.70
1	56.85%	103.32%	-6.60
5	77.05%	95.78%	-6.50
12	67.42%	96.02%	-3.50
2	83.28%	96.54%	-2.00
16	85.25%	101.91%	-0.50
17	61.52%	95.12%	0.38
13	77.80%	102.34%	3.60
15	90.73%	102.40%	3.42
9	79.40%	106.29%	4.10
6	66.40%	107.34%	5.40
4	95.73%	104.49%	7.20
18	81.88%	106.96%	9.63
11	88.20%	109.12%	10.40
14	95.62%	108.52%	12.70
19	91.07%	114.75%	18.20

Note: Data from *Public Information Request 61131, Scoring Rubrics, Generation 28*, by Texas Education Agency, June 2, 2023.

different organizational philosophies could contribute to a different assessment than the consensus. Inter-rater reliability could be improved by more training and an orientation that aligns the expectations of the raters. Several external reviewer applications mentioned inter-rater reliability training provided by the TEA, but this training has not been successful in eliminating high levels of disagreement. Changes to the application and external review rubric, making them more objective and less ambiguous, should also help.

External Reviewer Backgrounds

With such a prominent function in the charter authorization process, the experience and background of the external reviewers will play a key role in determining what charter applicants will advance and, by extension, the landscape of Texas' charter system. Some stakeholders complained that in previous generations, external reviewers had been

drawn from the ranks of public school partisans, the same superintendents that sent form letters opposing any and all charter schools. In Generation 28, this appears to be no longer the case. Only one external reviewer did not have significant experience as a charter system stakeholder (TEA, Public Information Request, January 13, 2023). Nevertheless, the external reviewer pool shows a high level of uniformity, which could impact the ability of innovative charters to receive authorization.

The external reviewers possess remarkably similar backgrounds. Almost all of them could be described generally as "school administrators" (TEA, Public Information Request, January 13, 2023). Twenty of the 22 reviewers have a professional background in education. The other two have law backgrounds. This lack of career diversity poses a problem from an innovation standpoint because these reviewers will judge charter school applicants by the standards

Table 5

Range in External Reviewer Scores for a Single Charter Application Generation 28

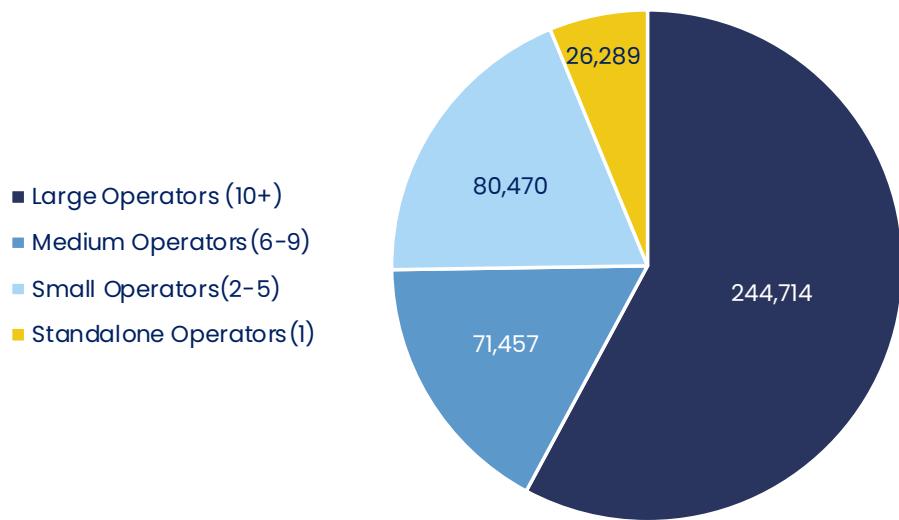
School Name	Low Score	High Score	Score Range
21st Century Global Leadership Academy	14.61%	34.27%	19.66%
A.D. Rison Académie	32.58%	74.16%	41.58%
A.R.T.S. Academy	53.93%	88.20%	34.27%
B.E.A.M. Academy	54.49%	85.96%	31.47%
Celebrate Dyslexia School	86.52%	100.56%	14.04%
Champions Global Academy	68.54%	91.57%	23.03%
Creative Arts Studio Academy	74.72%	98.31%	23.59%
Entrepreneur High School	70.79%	100.56%	29.77%
Friendship Aspire Leadership Academy	68.50%	82.00%	13.50%
Harmony ECCA	50.56%	62.92%	12.36%
Heritage Classical Academy	88.20%	98.88%	10.68%
LEEP Dual Language Academy	61.80%	95.51%	33.71%
NextGen Innovation Academy	91.01%	97.75%	6.74%
ONE Collegiate Charter School	78.65%	88.76%	10.11%
Silicon Hill Academy	54.49%	93.26%	38.77%
Springs Public Schools	65.00%	93.00%	28.00%
The Village Speech and Debate Academy	87.08%	96.07%	8.99%
Titus Academy	59.55%	83.71%	24.16%
Up Excellence Academy	76.97%	98.88%	21.91%

Note: Data from Public Information Request 61131, Scoring Rubrics, Generation 28, by Texas Education Agency, June 2, 2023.

they have observed in public schools, current charter schools, and schools of education, and the main qualification for becoming an authorized charter school in Texas will be that it looks like a currently existing school. The narrowness of the reviewers' backgrounds could prevent them from seeing the value in certain school models. For instance, despite the abundance of science and technology charter schools in Texas, including one applicant in this cycle, none of the external reviewers had a background in science or technology. Many advisory bodies in the Texas government, including the curriculum review workgroups, involve stakeholders from a range of fields and even non-expert participants, and TEA should examine what other backgrounds could lend their expertise to the process.

One area where the external reviewer pool strikes the right balance is in including reviewers from outside of Texas (TEA, Public Information Request, January 13, 2023). Out of state reviewers are vital to preventing the charter school system from becoming an echo chamber where only schools modeled after currently existing Texas schools are approved. Nine of the external reviewers were from out of state, compared to 13 reviewers who were from Texas, with only one other state represented twice. TEA could increase this proportion of out-of-state reviewers to guard against a non-Texan bias and gain a wider viewpoint, but the current numbers at least balance the reviewers between Texas and out of state.

Figure 12
Texas Charter Student Population by Charter District Size



Note: Data from 2023 Charter School Waitlist Report, by Texas Education Agency, 2024a. (<https://tea.texas.gov/texas-schools/texas-schools-charter-schools/2023-csw-report.pdf>)

SECTION 4: THE TEXAS CHARTER ECO-SYSTEM

Current State of the Texas Charter School System

The charter authorization process has failed to produce a robust charter school system in Texas. The figure of 75,996 students on a charter waitlist is often cited, but this statistic fails to capture how underserved Texas is in terms of education options.

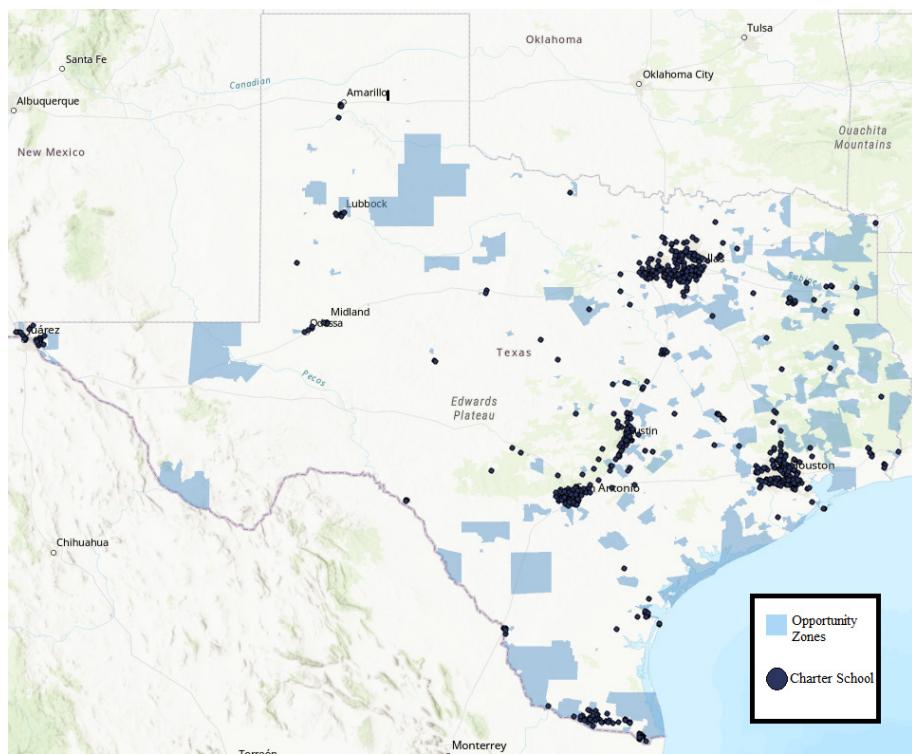
Despite a statutory purpose of “encourage(ing) different and innovative learning methods” (TEC, 2001, Section 12.001(5)), there are few alternatives for most Texas students within the charter school system. As **Figure 12** shows, 57.8% of all charter students attend a large operator, which is a charter school district with ten or more campuses (TEA, 2024a, p. 6). This means that out of 186 current charter grants operating, just 14 charter districts educate over half of the students in charter schools. These large districts operate a proportional number of the campuses, 471 out of 916 (51.4%) total charter campuses. That means that

for many students, their choice (if they have one) is between their assigned public school district and one charter school.

It is typical that a small number of organizations would control a large market share, but it would also be typical for there to be many more smaller operators. At the lower end of the charter operator size, the barrier to entry is significant compared to the ability to expand. There are just as many charter districts operating two to five campuses (76) as there are operating one campus, with each Small Operator running an average of 2.89 campuses (TEA, 2024a, p. 6). Through the first six months of 2024, TEA has approved 35 additional site/campus requests from existing charter districts, denying ten, and approved 41 other increases to maximum enrollment or grades served (TEA, 2024h). This suggests that the regulatory philosophy for TEA is permissive for expansion of current charter school districts—which stands in contrast with the difficulty of securing a new charter school grant.

Figure 13

Location of Charter Schools and Opportunity Zones in Texas



Note: Data from *Charter School Map Locator*, by Texas Education Agency (<https://tea-texas.maps.arcgis.com/apps/webappviewer/index.html?id=ab29386790364799a01878b73e746006>) and *Texas Opportunity Zones Map*, by Office of the Texas Governor, 2023. (<https://oog-edt.maps.arcgis.com/apps/webappviewer/index.html?id=4189ccd8c71b4217b6e3601637fc30e>)

Apart from the regulatory attitude of TEA and the SBOE, the charter authorization process itself creates an environment that aggravates this centralization. The previous section detailed the resources necessary to assemble a successful charter application, with a buy in of tens of thousands of dollars on the low end. This cost disfavors small schools with limited potential for expansion. Apart from two schools that serve special populations, of the seven schools that were approved for new charter grants in Generations 28, 27, and 26, all had an enrollment capacity of 950 or more (TEA, 2023b). In this way, school size becomes another way that innovation is constrained in the Texas charter market.

Requiring a large student population to draw upon, charter schools must cluster around major metropolitan areas. These factors have created a charter desert in rural Texas. Despite the usage of federally defined Opportunity Zones as a criterion for authorization that awards up to two bonus points in

the external review, many of these areas have little hope of receiving educational choice through the current charter authorization process.

As **Table 6** shows, there are over 3.4 million economically disadvantaged students in Texas, and the current charter school enrollment of 422,930 students in the 2023-24 school year is only 12.4% of this number (TEA, 2023f, p. 4). Although Texas charter schools are composed of 71.8% economically disadvantaged students, these schools simply do not have the capacity to bring educational choice to all of the most underserved students in the state (TEA, 2023f, p. 61).

Texas should take steps to eliminate these barriers so that charter schools can locate in underserved communities and not just major population centers. Simplifying the charter application would greatly reduce the burdensomeness of the process, especially for smaller prospective schools. TEA

Table 6

Charter School Access in Texas

Ethnicity	Total Public School Enrollment	Percentage of Total Enrollment	Charter School Enrollment	Charter Percentage of Enrollment	Economically Disadvantaged Students in Public Schools	Economically Disadvantaged (%)
African American	706,775	12.8%	69,197	17.1%	533,981	75.6%
American Indian	17,976	0.3%	1,068	0.3%	11,027	61.3%
Asian	280,742	5.1%	20,982	5.2%	80,375	28.6%
Hispanic	2,921,416	52.9%	254,842	63.1%	2,249,397	77.0%
White	1,416,240	25.7%	49,068	12.1%	461,423	32.6%
Pacific Islander	8,718	0.2%	388	0.1%	5,388	61.8%
Multiracial	166,565	3.0%	8,544	2.1%	79,626	47.8%
Total	5,518,432		404,089		3,421,323	

Note: Data from *Enrollment in Texas Public Schools 2022-23*, by Texas Education Agency, 2023f. (<https://tea.texas.gov/reports-and-data/school-performance/accountability-research/enroll-2022-23.pdf>)

should also consider how inflexible standards gatekeep innovative applicants that could provide communities with educational choice. A more flexible charter system can fill in the gaps that larger charter operators cannot.

Challenges to Innovation

In any given field, organizations tend to resemble each other as they respond to the same forces within that field (Burke, 2018, pp. 217-218). The charter authorization process can powerfully contribute to this tendency because of its position as a bottleneck in the charter sector. Any rule, norm, or trend involved in the authorization process will touch every applicant and thus every school. Some of these forces are unavoidable or even beneficial, such as requiring schools to conform to certain safety or financial standards, but because one of the stated purposes of the Texas charter school system is to encourage innovation in education, Texas should be cognizant of how charter authorization contributes to

homogenization among charters and the resultant danger to charter quality and capacity.

The preceding section detailed how most Texas charter schools are large, belong to a large charter system, and are in major metropolitan areas. This similarity poses a danger to the charter system because when most charter schools resemble each other and traditional public schools, parents and students have choice in name only.

The most direct forces on organizations in a field are the rules and regulations imposed upon them by a governing authority, and organizations will adapt their processes in a similar manner in response to these rules. This is the force most directly related to the state of Texas regarding charter schools because TEA has been given responsibility for ensuring that schools follow certain standards for safety and educational quality. Many such standards are vital, such as requiring background checks for all

employees that interact with children. One notable restriction that charter schools have been freed from is that teachers need only possess a bachelor's degree in order to teach at a charter school and not obtain certification ([TEC, 2001/2013/2017, Section 12.129](#)). This restriction has been lifted to allow charters to innovate in who provides direct instruction to students. When standards and requirements in the charter authorization process and in later oversight mount, however, the ability of charters to innovate becomes constrained.

Many of the most profound regulations that contribute to similarities in Texas charter schools are not directly related to the charter school authorization process. For instance, one of the key elements of Texas charter schools is that they are "open-enrollment" and must fill available positions by lottery ([TAC, 1995/2011/2019, Section 12.117\(a\)\(2\)\(A\)](#)). Likewise, despite their mandate for different and innovative learning methods, all charter school curricula must align with the Texas Essential Knowledge and Skills (TEKS), the statewide curriculum standards. Applicants are also "strongly encouraged" to use the Effective Schools Framework model as a guide for best practices ([TEA, 2022b, p. 11](#)). Perhaps the most impactful law that shapes the behavior of charter schools, though, is the "three strikes" rule. Texas law requires the TEA commissioner to deny a charter school a renewal if the charter received the lowest performance rating for any three of the five previous years ([TAC, 2014, Section 100.1031\(c\)\(1\)](#)). This rule forces prospective charter applicants to carefully consider the location of their school and discourages them from taking on the challenge of educating Texas' most disadvantaged students.

The requirements related to open-enrollment, TEKS, and the "three strikes" rule are statutes in the hands of the Texas Legislature, but TEA and the Legislature should consider that these rules narrow the window of possibility for charter schools looking to serve the state's most challenging areas. These rules will already constrict where charters build and how they will operate. For instance, many charter school locations straddle the borders of Opportunity Zones,

and some Zones, even in well-populated areas like northeast Houston, are empty of charters. This could be a direct consequence of the fear of the "three strikes" rule. When TEA and the external reviewers add in their own preferences and conditions to a school's location, population, and curriculum, it further constrains its options and potential for innovation.

The charter application process imposes requirements all charter applicants must respond to. As this paper shows, the application process demands a tremendous expenditure of time, effort, and money. This acts as a barrier to less established and less resourced educators and organizations who may want to open a school. Schools that are part of existing systems or that can gather enough support by locating in a dense population center stand a better chance at accruing the resources and expertise to manage the application process and its requirements. Consequently, the Texas charter sector has tended towards larger schools and larger charter districts. By streamlining the charter authorization process and especially by reducing burdensome requirements, the charter school system could be opened to more educators who could respond more flexibly to the needs of different population areas, such as far-flung towns, rural areas, and Texas suburbs.

Powerful norms may exist outside of enforceable statutes, as well. Different instructional models, service providers, and curricula, among other things, are favored and disfavored. One charter applicant reported being asked to change a service provider related to their operations at great inconvenience—only to find out that a charter school in the same area as their proposed location used that same service provider (Gen 28 Charter Applicant, personal communication, 2023). These biases were on full display during the public June 2023 SBOE hearings ([TEA, 2023g](#)). Several board members questioned the need for certain types of charter schools, including those focusing on speech and debate, biotechnology, and classical models. During the applicants' testimony and questioning by the Board, several applicants promised to the SBOE to not use

certain service providers or curriculum types, despite the inability of the SBOE to impose contingencies themselves. Occurrences like this caused one stakeholder to remark that it seemed like there were different rules for different charters (Gen 28 Charter Applicant, personal communication, 2023). While the SBOE's determination to veto based on these issues reflects a political question that is their prerogative, TEA should take care to ensure that it is not exerting a similar influence on the prior review stages.

The external review process is also a powerful barrier to innovation because those applicants who run afoul of the normative preferences of the external reviewers will be disqualified from the charter process. The external review process, which is outside of TEA's control after the external reviewers have been selected, eliminated 40% of all charter applicants in the Generation 28 application cycle. Charter applicants understand this and will tailor their applications to please the external reviewers. When asked, most charter school applicants considered the external review the most daunting part of the application process (Gen 28 Charter Applicant, personal communication, 2023). One respondent said, "my job when creating the application was to create an application that would not offend any of the external reviewers or give them a reason to remove points" (Gen 28 Charter Applicant, personal communication, 2023). One example of this application-tailoring in Gen 28 comes in the term "social emotional learning," which appeared in some form in all five of the applications that went before the SBOE (TEA, 2023b). While this term may be used generically, it has taken on political overtones that some reviewers may interpret negatively or positively. Regardless of what sense an applicant may use a term, the result is that the need to please the external reviewers influences charter applications and may even proliferate a particular educational practice or school design. Another common example of this deference lies in curriculum rationale, where applicants must effectively argue for their choice. While many experienced educators could likely create their own custom instructional models and curricula, it is far less risky to choose an established model that will not raise red flags with the

reviewers. In an already stringent process, applicants are encouraged to take the safe route in creating a school model and application to the detriment of the Legislature's explicit goal of innovation.

When reviewing the charter school authorization process, it seems easy to describe what a qualified charter school should look like: other schools. Specifically, it should look like a successful traditional public school or a successful large charter school. The ideal charter school has (as evidenced by application scoring rubric itself) a mission and vision statement; curriculum that aligns with TEKS; differentiated instruction for targeted groups; formative and summative assessments; and policies on everything from discipline to instructional materials adoption. Moreover, the school should be run by school administrators who have formerly run other schools. One scoring rubric awarded only two of eight points for school leadership largely because the proposed principal had not served as a teacher or school leader, despite that candidate having experience opening a similar school in another state (TEA, Public Information Request, 2023). Other reviewers gave this application between four and the full eight points for this section, showing how views can substantially impact a grader even on relatively straightforward questions, while highlighting the need for objective standards.

One controversial instructional model in Generation 28 that centered around speech and debate split the reviewers (TEA, 2023h). While the school received high overall marks for the Mission, Vision, Design Elements section, two of the scorers questioned the school design, with one scorer calling it "not compelling" (TEA, Public Information Request, 2023). The other scorer even wondered if the requirement for teachers to participate in Toastmasters would be an "insulting" burden. Three other scorers, however, differed and praised it for its "great potential" and called it "an ideal way to reengage scholars." The reviewers may consider it their responsibility to prevent unproven instructional models and poor school designs from advancing through the process, but the downside to this risk-aversion is that the charter school system

By paring down the application to the essentials, charter schools will have greater freedom to innovate instead of driving their application straight down the narrow fairway of raters' tastes.

becomes genericized. Any charter school that strays too far from the middle may be looked upon poorly by some external reviewers, by TEA, and by the SBOE. This school made it before the SBOE before being vetoed.

The rules and norms of TEA and the external reviewers can consciously or unconsciously select which schools will be granted charters. These forces, however, also have the secondary effect of signaling to prospective applicants what a successful charter school application will look like. This causes copycats to mimic the appearance and behavior of these successes, reinforcing homogenization in the charter sector. Even if this is only a perception, it will influence how organizations design their schools, contributing to preponderance of large, urban charter schools. This is not, however, the most damaging mimetic effect. Charter organizations, both local and interstate, seeing the failure of Texas charter applicants may simply stop applying, damaging the pipeline of qualified, innovative operators.

SECTION 5: RECOMMENDATIONS

Streamlined Application

One of the simplest and most powerful changes TEA could make is to pare down and streamline the application. The extreme cost and onerousness of the application is gatekeeping all but the most well-resourced outfits from Texas' charter school system, and the intensive school narrative sections are ripe for subjective and arbitrary scoring.

TEA should consider how applicants can more constructively engage with the community. Applicants are required to hold public meetings, but it is not clear how these meetings impact the application. One stakeholder lamented that these public meetings raise hopes in the area for

a new school, only for those hopes to be dashed as the charter application stumbles (TEA, personal communication, 2023). At the very least, the public outreach stage of the application could be moved to after the external review or internal review, lowering the initial cost for applicants.

TEA should set an ambitious goal to trim the length of the application. The sheer length and expense incurred by the application submission alone is a major barrier to entry. The simplest way to reduce the application length and complexity is to focus on objective and operational questions, such as factual elements of the proposed school. The external reviewers' focus should be on whether the applicant can run a school and deliver an effective educational experience, and this assessment can be achieved without requiring the applicant to write winding descriptions of educational philosophy.

Several sections could also be replaced with simple attestations or be moved to the capacity interviews or contingency process. Policies, such as discipline policy, enrollment policy, and non-discrimination notices, are often extremely formulaic or even statutorily mandated. It is important that the applicant understands these policies, but it serves little purpose in the application itself when applicants use the exact same verbiage in some cases.

TEA should also aim to reduce the number of attachments, which make up over half of the application in many cases. The need for voluminous supplemental materials, such as examples from curriculum that has already been vetted by TEA, further suggests that the narrative sections are overly vague and thus encourage the applicants to take an "everything but the kitchen sink" approach instead of honing in on specifics. Objective questions will also prevent rater bias by removing extraneous information for the grader to quibble over. By paring down the application to the essentials, charter schools will have greater freedom to innovate instead of driving their application straight down the narrow fairway of raters' tastes. The Arizona charter application offers a model that TEA could look to

for a more streamlined application ([Arizona SBCS, 2023](#)). The paper submission of the new charter application in Arizona (an electronic submission is also available) is 23 sections, totaling 44 pages. Only five of these sections are substantially free response. The application contains four instructional analysis templates for various grade levels, so a school serving only middle and high school grades would fill out only two of these sections. By adopting this model of application, TEA would reduce the administrative burden on charter applicants and shift the focus of the authorization process to the most important criteria for effective schools.

External Review Improvements

The analysis of external review scores presented here found that, while raters generally agreed on what the best applications were, the current system does a poor job at mediating disagreements between raters. Considering the impact disagreements between raters had on the external review, TEA should apply more sophisticated statistical methods to the scores. For instance, TEA could create a standard that eliminates scores outside of a certain range from the median. This would protect scores on the high and low end but close to the median while removing only the aberrant scores. TEA should also track the external reviewer scores over all the applications. Raters with low inter-rater reliability (i.e., those with scores consistently distant from the median) should have their scores discarded and not be invited back as an external reviewer.

Among individual raters, the external review scores lack precision because of the low number of available possible scores. The rating scale used in the grading rubric has three options ("Meets," "Partially Meets," and "Does Not Meet") for which applicants are awarded between zero and two points per criterion. Raters, however, will always have slightly different understandings of what each standard entails. A narrow range of scoring options exacerbates this issue because there are no "in between" options to accurately reflect to what extent the application satisfied the question. The application can only receive 0%, 50%, or 100% of the possible points

for each criterion. For instance, two graders may have substantially similar opinions on whether an applicant fulfilled a criterion, but one rater decides to score the criterion as Meets while the other scores it a Partially Meets. This small difference in opinion results in a 50% difference in the number of points received. By adding one or two more points to this scale, external reviewers will be able convey their evaluations more precisely and improve inter-rater reliability.

The external review scores also suffer from inter-rater disagreement unnecessarily because averaging individual scores is not a best practice across many public procurement processes ([University of Oregon, n.d., p. 6](#)). To ameliorate this disagreement among raters, TEA should incorporate principles of consensus building into the scoring process. After scoring the applications individually, external reviewers should meet to discuss, with TEA moderation, their perspective on the applications. After these meetings, the reviewers should have the opportunity to amend their scores. This process would allow the raters to align their understandings of the strengths and weaknesses of the application.

Finally, diversifying the pool of external reviewers can limit the effects of institutional isomorphism. While all the external reviewers appeared eminently qualified to assess charter schools, they shared an overall uniform perspective. TEA should include additional varied perspectives such as administrators from less traditional school designs and non-administrators. Considering that many charter applicant schools have a unique theme, such as STEM, speech, or classical education, the viewpoint of experts in fields outside of educational administration would be valuable.

These changes will make the external review process fairer and minimize inconsistent results, but they would only provide additional leeway for the charter applicants in the face of the judgement of the external reviewers.

The Role of the Texas Education Agency

In the early years of the Texas charter school system, when authorizing standards were relatively lax, TEA's passive stance was warranted. As TEA assumed responsibility for authorizing, it also assumed a greater responsibility to support prospective charters, but, while TEA has taken several steps to foster new entrants, the focus remains largely on compliance. One stakeholder likened authorization to a competitive grant process when it should be a collaboration between operators and TEA to increase charter capacity in Texas. In order to realize the promise of charter schools, TEA should reevaluate its authorization processes to find untapped potential in the educational market.

The Charter Division, the State Board of Education, and TEA should all be commended for implementing several improvements in the last few years, such as bringing the application online, shortening the communication blackout period, and providing feedback to schools after the application process. Additionally, in the last authorization cycle, TEA provided two applicants with a consultant, Bellwether Education Partners, to improve their applications (TEA, 2023b). The forthcoming changes to the notification process will greatly reduce the burden on applicants. TEA should continue to expand its ownership of the mission of growing Texas' charter capacity.

Many improvements to the charter school process can begin internally within TEA. As one stakeholder said, "they need to ask what the standard for success is for TEA," (Gen 28 charter applicant, personal communication, 2023). As the National Association of Charter School Authorizers notes, a danger for state education agencies acting as authorizers is the emphasis on compliance rather than innovation (NACSA, n.d.-a). TEA should consider whether their role is to act as a gatekeeper for all but the best charter schools or to expand charter access and innovation.

TEA should continue to examine the application format and external review process to maximize the validity of authorization. One notable feature of the external review was the rating scale used in the grading rubric, which has only three options

("Meets," "Partially Meets," and "Does Not Meet") for which applicants are awarded between zero and two points per criterion. Raters, however, will always have slightly different understandings of what each standard entails. A narrow range of scoring options exacerbates this issue because there are no "in between" options to accurately reflect to what extent the application satisfied the question. The application can only receive 0%, 50%, or 100% of the possible points for each criterion. By adding one or two more points to this scale, external reviewers will be able convey their evaluations more precisely and improve inter-rater reliability.

One area the Charter Division can leverage the resources of TEA is in determining need across the state of Texas. A brief glance at a charter school heat map (**Figure 13**) confirms that there are few charter schools in many of the areas of most need, including areas with failing schools and rural regions. A simple survey of parent satisfaction of local public schools would provide a powerful blueprint for future areas of charter expansion. Charter school applicants may have their own vision for a high-need area, but if this vision does not match that of TEA or the external reviewers, the application will be sidelined.

One solution to this mismatch of priorities is for TEA to take the lead in filling the need for quality educational choice. By identifying gaps in charter capacity in Texas, TEA can craft "Requests for Proposals" for areas with the greatest need. Charter operators can submit their applications knowing that their vision is aligned with TEA, not against it. While it is not guaranteed that external reviewers will share TEA's perspective on need, they will be able to see how the applicant responded to TEA's request. With this approach, TEA can open the door to schools outside of that golden window of high population and low-performing (but not too low-performing) students where most Texas charter schools are currently found.

The Role of the Texas Legislature

The Texas Legislature has empowered TEA to regulate much of the charter authorization process, but still has control over several levers in statute. Two simple changes to statute the Legislature could implement

relate to the notification and public comment process. Although TEA has recently assumed responsibility for issuing notifications to local schools and legislators, the Legislature should specify in statute that the onus for notifications is on TEA, instead of leaving it open ([TEC, 2013/2019, Sec. 12.1101](#)). The Legislature should also remove the ability of TEA to deny a charter grant because of input from local school districts. Under Texas Education Code 12.110(d)(3)(C), the TEA commissioner can turn down an application based on “a statement from any school district whose enrollment is likely to be affected by the open-enrollment charter school”. The primary concern of legislators and TEA should be to provide the best educational opportunities to students, and while there is no evidence that TEA has denied an application based on a school district’s statement of impact in recent history, but that just underscores the irrelevance of the criterion in statute. These two changes would not substantially affect the authorization process, but they would safeguard the process in the future, align statute with TEA’s current process, and send a clear message regarding the Legislature’s intent.

This report has focused on the authorization of open-enrollment charter schools under subchapter D of the Texas Education Code ([TEC, 2013/2023, Sec. 12.101](#)). There are, however, other forms of charter schools that may be formed under Texas law. Subchapter E schools are open-enrollment charter schools sponsored by public universities. The University of Texas, UT-Tyler, and Sam Houston State University apply their considerable institutional knowledge and resources to bring quality education to secondary students. There are, however, currently only five such charter schools ([TEA, 2023c](#)). The Legislature could expand the potential for such partnerships by expanding eligibility to private universities. The 38 private universities in Texas represent an untapped source of experience in education, industry connections, and institutional knowledge ([THECB, n.d.](#)).

Finally, the Texas Legislature should consider and investigate alternative authorizers. As mentioned earlier, the National Association of Charter School

Authorizers recognizes an over emphasis on compliance as a risk of state authorizers ([NACSA, n.d.-a](#)). NACSA recommends multiple authorizers and reports that 19 of 45 states employ multiple authorizers ([NACSA, n.d.-b](#)). Multiple authorizers provide checks and balances to institutional biases that single authorizers may develop over time. The Texas Legislature should investigate how independent chartering boards (ICB), and nonprofit organizations (NPO) can bring fresh authorizing practices and innovation to the charter school authorization process.

CONCLUSION

This analysis began with the goal of making recommendations to improve the charter authorization process. This analysis, however, has revealed the fundamental flaws of the charter authorization process that have resulted in a homogeneous charter system that is failing to meet the demand of Texas students for educational choice. These flaws have arisen out of the constraints inherent in a process designed to minimize risk and enforce high standards but that come at the cost of innovation and access. While the recommendations provided here will ameliorate these issues, genuine reform lies outside the hands of TEA given their charge to minimize new charter failures. For this reason, the Texas Legislature should consider alternative charter authorizers, such as the independent authorizers present in other states.

Texas’ charter school system was created to give families a choice in their education and promote innovation. Unfortunately, it has so far not fulfilled its mission to provide meaningful choice to many of Texas’ students. This analysis has shown how the costly, burdensome, and narrow constraints of the charter authorization process has contributed to a charter system that closes the door to so many neighborhoods and school models. The recommendations proposed here will broaden the opportunities for promising new schools, but the vision of a robust charter system will remain unfulfilled until Texas adopts a model of charter authorization that truly embraces innovation. ■

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ABOUT THE AUTHORS



Matthew McCormick is a K-12 Education Policy Analyst for the Next Generation Texas initiative at the Texas Public Policy Foundation.

Matthew recently served as a policy analyst in the Texas Senate, focusing on education legislation. He has also worked at the Texas Health and Human Services Commission in the Early Childhood Intervention Program. Before entering the public service sector, Matthew taught high school English where he saw the potential of Texas students and the need for reform.

Matthew holds a Master of Public Service and Administration from the Bush School of Government at Texas A&M University and a B.A. in Government from the University of Texas.



Nathaniel Privitt is a native-born Central Texan from the rolling hill country and pastures near Salado. He went to Grace Academy for K-12 education, a small Christian school in Georgetown. He is a student at Hillsdale College, studying Latin, Greek, and Classical Education. Nathaniel has found interest and value in the study of 2nd Language Acquisition, fluency in Classical Languages, and the benefit of skilled language instructors. He hopes to use his studies to better the educational landscape in Texas, and Nathaniel is considering law, policy, or teaching to do so.

Nathaniel worked as an intern for the Texas Public Policy Foundation in the summer and fall of 2022, where he researched and wrote for the Next Generation Texas team.

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