Charter Schools in Texas: An Overview*

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Abstract

In this article we analyzed the literature regarding charter schools in the State of Texas. We specifically examined the evolution of the charter school movement in Texas. Moreover, data regarding the effectiveness/ineffectiveness of charter schools in Texas were discussed. Our overview of Texas charter schools, given their widespread presence in Texas, may be helpful to policy makers and stakeholders in other states.

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1 Sumario en espanol

En este artículo nosotros analizamos la literatura con respecto a escuelas de fletamento en el Estado de Tejas. Revisamos específicamente la evolución del movimiento chárter de la escuela en Tejas. Además, los datos con respecto a la eficacia/ineficacia de escuelas chárter en Tejas fueron discutidos. Nuestra vista general de Tejas las escuelas chárter, dar su presencia esparcida en Tejas, pueden ser útil a fabricantes de política y tenedores de apuestas en otros estados.

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2 The Overview

The publication *A Nation at Risk: The Imperative for Educational Reform* ignited educational reform all over the country, and Texas was no exception (Texas Education Agency [TEA], 2009; United States Department of Education [USDE], 2010). During the late 1980s and early 1990s, many would-be reformers were frustrated by what they saw as impediments to successfully educating students in Texas (TEA, 2009). These obstacles included state laws, TEA, school district policies, and school boards (Stevens, 1999). In 1995, the Texas Legislature established state charter schools. In that session, the Texas Legislature provided for the creation of 20 open-enrollment charter schools to begin the 1996-1997 academic school year (TEA, 2009).

Open-enrollment charter schools in Texas are sponsored by institutions of higher education (private or public); non-profit organizations as set out in the Internal Revenue Code; or government entities (TEA, 2009). In 1997, the Texas Legislature provided for an additional 100 open-enrollment charter schools as well as an unlimited number of 75 Percent Rule charter schools, which serve students at risk of failure or dropping out of school. To qualify as a 75 Percent Rule charter school, enrollment must include 75% or more at-risk students. Further provisions by the Texas Legislature in 2001 allowed for an unlimited number of specialized charter schools sponsored by public senior colleges and universities. As a result of all the reforms in the educational system of Texas, the number of charter schools has increased dramatically. As of August, 2008, 207 open-enrollment charter schools were in operation and 45 home-rule charter schools (Center for Education Reform [CER], 2010; TEA, 2009). During the 1996-97 school year, 16 open-enrollment charter schools operated in Texas. That number increased to 19 for the 1997-98 school year and to 89 in the 1998-99 school year, 45 of which were under the 75 Percent Rule. In the 1999-2000 school year, 146 charter schools operated, with 46 being under the 75 Percent Rule. In 2000-2001, 160 charter schools operated, of which 51 held 75 Percent Rule charters. As of 2008, of the 252 charter schools in Texas, 101 of those schools served 70% or more at-risk students, as the 75 Percent Rule was eliminated (TEA, 2009). As of January of 2009, charter schools in Texas served a total of 106,368 students (TEA, 2009).

In terms of home-rule charter schools, seven school districts currently have their own charter schools. The number of this type of charter school was 47 at the beginning of the 2008-2009 school year. These districts are: Houston Independent School District, Spring Branch Independent School District, San Antonio Independent School District, Dallas Independent School District, Corpus Christi Independent School District, Colorado Independent School District, and Clear Creek Independent School District. Home-rule charter schools are under the governance of local school boards and the district superintendents (TEA, 2009).

Charter schools in Texas serve a high number of minority students. When comparing total percentages of minorities in charter schools with traditional public schools, charter schools' figures stand out. Approximately 48% of charter school students are Hispanic and 42% Black, compared to 44% Hispanic and 14% Black in traditional public schools (TEA, 2009). The percentage of White students enrolled in charter schools is about 18%, compared to 40% in traditional public schools. More than 70% of students enrolled in charter schools statewide are at-risk of dropping out, compared to only 41% in traditional public schools for 2008 (TEA, 2009). Additionally, charter schools in Texas serve higher numbers of special education students than public schools (TEA, 2009). For instance, 12.5% of students in charter schools are enrolled in special education, as compared to a state average in Texas of 11.9% for 2008 of students in traditional public schools. In regard to English Language Learners (ELL), only 9.2% of students are classified as ELL in charter schools, as compared to the state average of 14.3% (TEA, 2009). Presented in Table 1 are the demographics of charter schools as compared to traditional public schools with and without charter schools.

Table 1

Comparison of Student Demographics, 2007-2008

Category	Charter Schools (190)	Traditional Public School Districts (1,037)	Traditional Public Schools Districts with Charter Schools (70)
% Anglo	18.4	39.0	26.4
% Black	41.5	13.9	17.7
% Hispanic	48.2	43.8	52.9
% Asian	1.9	3.0	2.7
% Native American	0.4	0.3	0.3
% Economically Disadvantaged	72.1	52.7	61.5
% English Language Learner	9.2	14.3	20.1
% Special Education	12.5	11.9	11.2
% At-Risk	71.3	41.3	51.1

[2]

In regard to how charter schools in Texas are funded, they are all public schools with more than 82% of funds coming from the state of Texas. In Texas, 15% of funds come from federal grants, and the remainder from donations. The percentage of funding from the state to charter schools is higher than the 32% of funding that traditional public schools receive. However, because charter schools are not permitted to impose local taxes or issue bonds to help the increase of revenues, the total revenue is less than their traditional counterparts, ranging anywhere from 3.6% to 26.7% less (Haas Policy Consulting, Inc., 2003; Smith, 2005; Texas Center for Educational Research [TCER], 2009; TEA, 2009; Thomas B. Fordham Institute, 2005). Presented in Table 2 are the types of revenues that charter schools and traditional public schools receive, as well as total operating expenditures per pupil (Gronberg & Jansen, 2005).

Table 2

Revenue and Expenditures per Pupil

Revenue and Expenditures	Charter Schools (168)	Traditional Public School Districts (1047)	Traditional Public School Districts with Charter Schools (70)
Local Tax Revenue	$0	$3,637	$3,811
Other Local Revenue	$222	$314	$262
State Revenue	$6,307	$3,131	$2,880
Federal Revenue	$1,086	$696	$808
Total Revenue	$7,615	$7,778	$7,761
Total Operating Expenditures	*$5,976*	$6,910	$6,988

[3]

After examining the data presented in Table 2, it is evident that operating expenditures per pupil in charter schools are on average $1,000 lower than at geographically-matched traditional public districts. Furthermore, for charter schools, state and local revenues per pupil are about $461 less than the average at

[2] http://cnx.org/content/m38631/latest/table1.png/image
[3] http://cnx.org/content/m38631/latest/table2.png/image

traditional public schools, and about $380 less than the average at geographically-matched public schools. This discrepancy means that charter schools receive less money than traditional public schools from state and local sources (Gronberg & Jansen, 2005). Also important, in addition to being unable to capitalize on the 43% of local revenues that traditional district schools collect on property taxes, charter schools do not receive facilities funding from the state, nor are they eligible to receive the small school adjustment given to many similarly sizes public schools (TEA, 2009). This difference, in turn, places charter schools at a financial disadvantage compared to traditional public schools (Gronberg & Jansen, 2005).

In reference to the academic performance of charter schools in Texas, it is important to focus not only on levels of scores, but also upon changes in scores. Both approaches have merit in the sense that "score levels reveal something about where we are and the changes reveal something about where we are going" (Gronberg & Jansen, 2005, p. 16). By taking into account the changes of scores, it can be observed whether or not charter schools are making a difference with low performing students who are withdrawing from traditional public schools and enrolling in charter schools. "Thus looking at changes in test scores gives an indication of improvement, or lack thereof, and arguably a preferred method of looking at the contribution of a particular school to student performance" (Gronberg & Jansen, 2005, p. 17). In their study of academic performance of charter schools in Texas compared to traditional charter schools, Gronberg and Jansen (2005) analyzed how student achievement changed over time. They did this analysis by taking into account the first eight years of charter school academic data. They concluded that at risk students have larger achievement gains than their matched counterparts in traditional public schools. Presented in Table 3 is the comparison of achievement gain for charter schools and traditional public schools based on the mandatory state assessment, the Texas Assessment of Academic Skills, for all students in grades 5-8.

Table 3

2003-2004 TAKS Score Levels, Grades 5-8 (At Risk Students Only)

Score Level	Charter	Traditional Publics	Traditional Publics Containing Charters
Average Math Scale Score	2,055	2,048	2,043
Average Reading Scale Score	2,130	2,102	2,093
Percent Passing Math	49.5	48.4	46.5
Percent Passing Reading	69.1	66.2	63.8
Percent Both	44.5	40.1	38.2
Number of Students Observed	3,242	358,033	165,873

[4]

It must also be noted that when comparing all students, students enrolled in charter schools, on average, perform lower than students enrolled in traditional public schools when based on absolute, level test scores, rather than achievement gains as presented in Table 4 for all students in grades 5-8 (TEA, 2009). Scores in Table 4 are reported for the Texas Assessment of Knowledge and Skills (TAKS) because this test replaced the previously-mentioned TAAS.

Table 4

2003-2004 TAKS Score Levels, Grades 5-8 (All Students)

[4] http://cnx.org/content/m38631/latest/table3.png/image

Score Level	Charter	Traditional Publics	Traditional Publics Containing Charters
Average Math Scale Score	2,107	2,179	2,160
Average Reading Scale Score	2,186	2,234	2,214
Percent Passing Math	61.8	74.1	70.3
Percent Passing Reading	78.5	84.6	81.7
Percent Both	58.1	70.0	65.7
Number of Students Observed	8,088	1,095,302	462,419

[5]

When it came to analyzing academic performance of high school students (grades 9-12), Gronberg and Jansen concluded that "the achievement of high school students in charter schools, on the whole, is significantly lower than their matched counterparts in traditional public schools" (2005, p. 6). A comparison of academic data for high school students in charter schools and traditional charter schools is presented in Table 5.

Table 5

2003-2004 TAKS Score Levels, Grades 9-12 (All Students)

Score Level	Charter	Traditional Publics	Traditional Publics Containing Charters
Average Math Scale Score	1,980	2,144	323
Average Reading Scale Score	2,115	2,195	2,182
Percent Passing Math	28.9	68.3	64.3
Percent Passing Reading	63.2	82.6	79.7
Percent Both	27.7	64.1	59.9
Number of Students Observed	10,452	752,659	311,153

[6]

The findings of Table 5 should be expected considering these five points stated by Gronberg and Jansen (2005):

1. The vast majority of students may never have passed state assessments while attending traditional public schools.
2. The strongest influence on student achievement is past achievement—Charter schools generally serve a higher population of disadvantaged students than traditional public schools.
3. Changing schools has a temporary, adverse impact on student achievement—Charter schools generally have a higher proportion of new students than traditional public schools.
4. Educational outcomes of high school students generally fall further below expectations than outcomes of students in elementary and middle schools—Charter schools generally serve a higher proportion of high school students than school districts; and
5. A large number of charter schools are expressly designed to provide alternative education programs for students at-risk—Alternative education schools have different, lower academic standards than traditional public schools. (Gronberg & Jansen, 2005, p. 6)

[5] http://cnx.org/content/m38631/latest/table4.png/image
[6] http://cnx.org/content/m38631/latest/table5.png/image

In analyzing academic growth, Gronberg and Jansen (2005) also documented that TAKS Math scores improved considerably more among traditional public high school students than among charter school high school students, but reading scores increased more among the charter high school students (Gronberg & Jansen, 2005). Presented in Table 6 is the comparison of high school students in charter schools and traditional public schools (TEA, 2009).

Table 6

2003-2004 TAKS Score Growth, Grades 9-11 (All Students)

Type of Growth	Charter	Traditional Publics	Traditional Publics Containing Charters
Average Math Scale Score	-6.1	24.8	23.8
Average Reading Scale Score	18.8	4.1	6.6
Average Math *z*-score	-0.16	-0.04	-0.04
Average Reading z-score	-0.11	-0.03	-0.04
Number of Students Observed	6,464	679,655	277,509

[7]

In their eight year study, Gronberg and Jansen (2005) also concluded that the gains for the charter schools with students who have enrolled from traditional public schools and who have stayed in those charter schools for at least three years were significantly higher than for their matched traditional counterparts. Both researchers suggested that "the disruption effect of moving to a charter is a temporary phenomenon" (Gronberg & Jansen, 2005, p. 25).

The effect of charters on students at traditional public schools is another area that Gronberg and Jansen (2005) analyzed in their eight year study. They determined that students enrolled in traditional public schools facing charter competition achieved significantly higher gains in reading and math than students enrolled in schools that did not compete with charters. Additionally, these gains were achieved without any increase in traditional public school spending (Gronberg & Jansen, 2005). Both researchers suggested that a reason for a positive charter impact on traditional public school students is that most traditional public schools are not cost efficient when providing educational services. In other words, they spend too much per student. Other researchers (e.g., Hess, 2004; Marrifield, 2001) suggested that the lack of competition in the education market is the root cause of cost inefficiency. Furthermore, one researcher suggested that "if the option of attending a charter school increases the level of competition facing traditional public schools, this could move the traditional public schools toward greater efficiency and lead to across-the-board improvements in student outcomes" (Marrifield, 2001, p. 56). Demonstrated in Table 7 is how traditional public schools have fared in math when facing charter school competition (TEA, 2009).

Table 7

Average Student Math Score Growth for Public School Students at Campuses Facing Charter Competition Compared With Students at Campuses Not Facing Charter Competition

[7] http://cnx.org/content/m38631/latest/table6.png/image

Academic Year	Public Schools Facing Charter Competition (Mean Test Score Increase)	Public Schools Not Facing Charter Competition (Mean Test Score Increase)	Difference in Means	Statistically Significant?
1996-1997	3.03	2.25	0.78	No
1997-1998	1.74	1.68	0.05	No
1998-1999	2.64	2.26	0.38	Yes
1999-2000	3.22	2.09	1.12	Yes
2000-2001	3.10	1.82	1.28	Yes
2001-2002	3.11	2.06	1.04	Yes
2002-2003	NA	NA	NA	NA
2003-2004	18.01	10.57	7.43	Yes
2004-2005	3.11	2.15	1.14	Yes
2005-2006	2.42	2.23	1.42	Yes
2006-2007	2.50	2.24	1.43	Yes
2007-2008	3.00	2.11	1.23	Yes

[8]

Presented in Table 8 is a comparison of reading scores for traditional public school students with and without charter school competition (TEA, 2009).

Table 8

Average Student Reading Score Growth for Public School Students at Campuses Facing Charter Competition Compared With Students at Campuses Not Facing Charter Competition

[8] http://cnx.org/content/m38631/latest/table7.png/image

Academic Year	Public Schools Facing Charter Competition (Mean Test Score Increase)	Public Schools Not Facing Charter Competition (Mean Test Score Increase)	Difference in Means	Statistically Significant?
1996-1997	3.38	2.54	0.64	No
1997-1998	3.06	2.88	0.17	No
1998-1999	1.49	1.65	-0.16	No
1999-2000	2.19	1.68	0.50	Yes
2000-2001	2.12	1.93	0.19	Yes
2001-2002	3.26	2.67	0.59	Yes
2002-2003	NA	NA	NA	NA
2003-2004	30.16	28.66	1.49	No
2004-2005	2.40	1.76	0.41	Yes
2005-2006	2.27	1.47	0.29	Yes
2006-2007	2.28	1.01	0.31	Yes
2007-2008	2.57	1.78	0.87	Yes

[9]

Gronberg and Jansen (2005) stated that seven conclusions can be drawn in regard to the effect of charter schools on traditional public schools:

1. For each year from 1996-1997 through 2001-2002, the average of student TAAS math score growth in traditional public schools that face charter competition is above the average of student math score growth in traditional public schools that do not face charter competition.
2. In four of these six years, the growth in math scores at traditional public schools facing charter competition was statistically significantly greater than the growth in math scores at traditional public schools not facing charter competition.
3. For 2003-2004, the TAKS math test score growth at traditional public schools facing charter competition was statistically significantly higher than the growth in those test scores at traditional public schools not facing charter competition.
4. For five of the six years from 1996-1997 through 2001-2002, the average of student TAAS reading score growth in traditional public schools that face charter competition is above the average of student reading score growth in traditional public schools that do not face charter competition.
5. In three of these six years, the growth in reading scores at traditional public schools facing charter competition was statistically significantly greater than the growth in reading scores at traditional schools not facing charter competition.
6. In the single year in which the growth of reading scores at traditional public schools facing competition was less than the growth in reading scores at traditional public schools not facing charter competition, the difference was not statistically significant.
7. For 2003-2004, the TAKS reading test score growth at traditional public schools facing charter competition was higher, but not statistically significantly higher, than the growth in these test scores at traditional public schools not facing charter competition. (Gronberg & Jansen, 2005, pp. 40-41)

[9] http://cnx.org/content/m38631/latest/table8.png/image

3 Summary

In this review of literature, the emergence of charter schools in Texas with comparisons to traditional schools was discussed. The intent of charter schools was to be an alternative to traditional schools. Important components that set charter schools apart from traditional schools are that they offer smaller teacher to student ratios, more emphasis is placed on parental involvement, and more flexibility exists with the implementation of innovative instructional approaches. Our analysis of charter schools in Texas included demographics, funding, academics, and effects on traditional public schools. Noticeable findings included that charter schools in Texas serve a much higher number of minority students as compared to traditional public schools. Furthermore, it was also documented that charter schools receive less funding per student as compared to traditional public schools. Charter schools also do not receive government funding for facilities, and they are unable to collect funds from property taxes. In regard to academics, charter schools in Texas were reported to be performing not significantly better than traditional public schools, but demonstrated greater academic growth as compared to traditional public schools.

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