

The State is Rewarding Privately Managed Charter Schools with \$3.6 Billion of Taxpayer Funding for Recruiting Families to Enroll at Many of the Lowest Rated Schools in Local Communities

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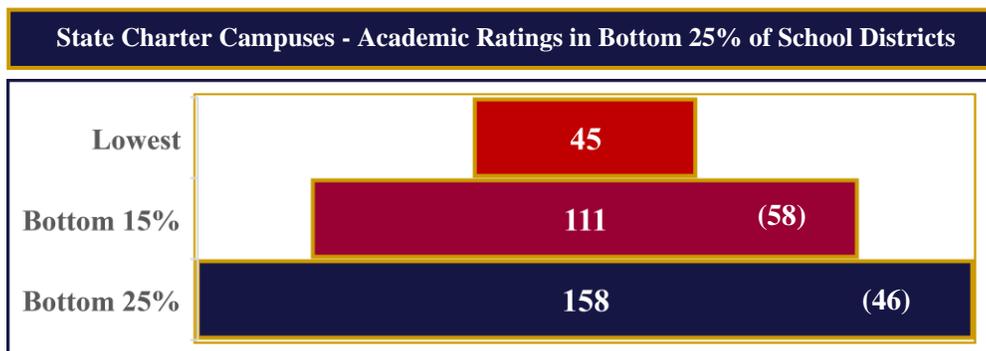
Imagine a locally governed school district that awarded \$3.6 billion of taxpayer funded contracts for private corporations to manage various campuses that became among the lowest-rated schools in the school district. Imagine if such contracts were based solely upon a promise that student outcomes would improve and without penalties for lack of performance. In these circumstances, the State would likely publicly chastise the school district for mismanagement, replace the existing school board, terminate the school district's administration, and pass a law prohibiting school districts from contracting with private corporations to manage campuses. The filing of criminal charges for the "misappropriation of public funds" could also be a realistic consequence.

As professional educators and public servants, these circumstances do not exist in any Texas school district. However, these are the exact circumstances associated with the State's separate system of privately managed charter schools ("State Charters"). Without disclosure to local communities, the State provides "contracts" for private corporations to simultaneously operate schools to compete with school districts for students and tax revenues. The stated purpose of State Charters is to improve student outcomes and in 2020/21, the State provides \$3.6 billion of taxpayer funding to State Charters for recruiting school district students to attend the State's separate system of privately managed schools. However, an alarming number of State Charter campuses are among the lowest rated schools in local communities and many State Charter campuses are the lowest rated schools in local communities.

The prevalence of low-performing State Charter campuses occurs because the State does not require State Charters to produce the student outcomes included within their applications to obtain a State "contract." The State also does not require State Charters to achieve higher academic ratings than school districts in which they operate. Additionally, there are no financial or personal repercussions imposed on privately managed State Charters for lack of performance. As a result, the consequences of low-performing State Charter campuses are borne by the families that entrusted State Charters, school district students who receive fewer resources, and local taxpayers unilaterally required to fund State Charters.

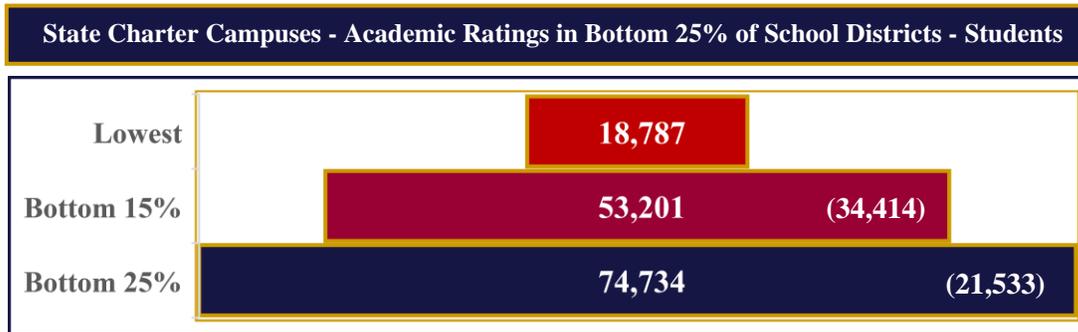
With limited information available to parents, taxpayers, and community stakeholders regarding the State's separate system of State Charters, the material below summarizes the magnitude of low-performing State Charters recruiting students in local communities.

State Charter Campuses with Academic Ratings in the Bottom 25% of School Districts: There are over 550 State Charter campuses with academic ratings based upon the standard accountability rating criteria used to assign school districts' campus ratings. For fairness of comparisons, only State Charter campuses evaluated by the State's "standard accountability" provisions are included within this material. That said, and contrary to State Charters' promotions and advertisements, 158 State Charter campuses have academic ratings among the lowest 25% of the school districts in which they operate. As summarized in the graph below, 45 State Charter campuses have the lowest academic rating, 111 State Charter campuses are rated in the bottom 15%, and 158 State Charter campuses are ranked in the bottom 25% of the school districts in which they operate.



The volume of students impacted by lower-performing State Charters in school districts is as follows:

- 18,787 students attend State Charter campuses with the lowest academic ratings in a school district,
- 53,201 students attend State Charter campuses with ratings in the bottom 15%, and
- 74,734 students attend State Charter campuses with ratings in the bottom 25%.



State Charter Campuses: Academic Ratings in the Bottom 25% of School Districts – By Region: While the purpose of State Charters is to improve student outcomes and State Charters routinely promote, they are ensuring that all students can attend a high-quality school, the number of State Charter campuses with academic ratings ranking in the bottom 25% of school districts is widespread throughout Texas. As summarized below, each Region has at least 14 State Charter campuses rated in the bottom 25% of school districts. In Dallas-Fort Worth, Houston, and San Antonio, a disturbing 34 State Charter campuses are the lowest rated in a school district. These highly populated regions also include 82 State Charter campuses with academic ratings in the bottom 1%-25% of school districts' campuses.

| State Charter Campuses: Academic Ratings in Bottom 25% - By Region | | | |
|---|---|---|--|
| Region | State Charter Campuses with Lowest Rating | State Charter Campuses Rated in Bottom 1% - 25% | State Charter Campuses Rated in Bottom 25% - Total |
| Central Texas | 4 | 14 | 18 |
| Dallas-Fort Worth | 18 | 43 | 61 |
| Houston | 9 | 28 | 37 |
| Rio Grande Valley | 3 | 11 | 14 |
| San Antonio | 7 | 11 | 18 |
| Other | 4 | 6 | 10 |
| Total | 45 | 113 | 158 |

Examples of Low-Performing State Charter Campuses Operating in School Districts: In total, 61 separate school districts have State Charter campuses operating within their boundaries ranking in the bottom 25% of all campuses as summarized on the following page. With most school districts operating numerous campuses, the number of school district campuses with higher ratings than a State Charter campus provides insight into the depth of low performance of State Charters. For example:

- Dallas ISD has **167** campuses with higher ratings than **22** State Charter campuses recruiting students,
- Houston ISD has **203** campuses with higher ratings than **17** State Charter campuses recruiting students,
- Austin ISD has **90** campuses with higher ratings than **9** State Charter campuses recruiting students,
- **Every** Lancaster ISD campus has higher ratings than **4** State Charter campuses recruiting students,
- **Every** Coppell ISD campus has higher ratings than **3** State Charter campuses recruiting students, and
- Brownsville ISD and Edinburg CISD have **37** campuses with higher ratings than **6** State Charter campuses.

Examples: State Charter Campuses - Academic Ratings in Bottom 25% of School Districts

| School District | State Charter Campuses with Lowest Rating | Number of School District Campuses with Higher Ratings than State Charter Campus | State Charter Campuses with Rating in Bottom 1% - 25% | Number of School District Campuses with Higher Ratings than State Charter Campus | Total: State Charter Campuses Rated in Bottom 25% |
|--------------------|---|--|---|--|---|
| Aldine ISD | 2 | 74 | 1 | 55 | 3 |
| Austin ISD | 1 | 119 | 8 | 90 | 9 |
| Brownsville ISD | 1 | 51 | 2 | 38 | 3 |
| Coppell ISD | 3 | 15 | -- | -- | 3 |
| Corpus Christi ISD | -- | -- | 3 | 43 | 3 |
| Dallas ISD | 2 | 223 | 20 | 167 | 22 |
| Edinburg CISD | -- | -- | 3 | 37 | 3 |
| Fort Worth ISD | -- | -- | 5 | 98 | 5 |
| Garland ISD | -- | -- | 4 | 51 | 4 |
| Houston ISD | 4 | 271 | 13 | 203 | 17 |
| Katy ISD | -- | -- | 4 | 48 | 4 |
| Lancaster ISD | 4 | 9 | -- | -- | 4 |
| Mesquite ISD | 2 | 47 | -- | 35 | 2 |
| North East ISD | 2 | 69 | 3 | 52 | 5 |
| Northside ISD | 3 | 112 | 1 | 84 | 4 |
| Pasadena ISD | -- | -- | 3 | 48 | 3 |
| San Antonio ISD | 1 | 89 | 3 | 67 | 4 |

Overview of State Charters with Campuses Rated in Bottom 25% of School Districts: The magnitude of State Charters with multiple campuses rated in the bottom 25% of school districts includes each of Texas's largest State Charters. As summarized below, the 9 largest State Charters receive \$2.1 Billion of taxpayer funding per year to produce higher student outcomes in school districts. Nevertheless, 72 State Charter campuses have academic ratings in the bottom 25% of the school districts in which they operate. As a percent of all campuses managed by the 9 largest State Charters, 24% of campuses have academic ratings in the bottom 25% of school districts. In particular,

- International Leadership of Texas receives \$200 million of taxpayer funding per year to have 47% of campuses with ratings in the bottom 25% of the school districts in which they operate,
- Jubilee Academies and Life School collectively receive \$117 million of taxpayer funding per year to have 50% of campuses with ratings in the bottom 25%,
- ResponsiveEd – TCPA Charter receives \$137 million of taxpayer funding to have 29% of campuses with ratings in the bottom 25%, and
- IDEA Public Schools, Harmony Public Schools, and KIPP Texas Public Schools collectively receive \$1.25 billion per year, and 15%-20% of campuses have ratings in the bottom 25% of the school districts in which they operate.

Largest State Charters: Campuses with Academic Ratings in Bottom 25% of School Districts

| State Charter | Campuses Rated in Bottom 25% of School Districts | Total Rated State Charter Campuses | Percentage of Campuses Rated in Bottom 25% of School Districts | Taxpayer Funding – 2020/21 |
|-----------------------------------|--|------------------------------------|--|----------------------------|
| Harmony Public Schools | 10 | 55 | 18% | \$ 374 Million |
| IDEA Public Schools | 10 | 65 | 15% | \$ 573 Million |
| International Leadership of Texas | 15 | 32 | 47% | \$ 200 Million |
| Jubilee Academies | 5 | 10 | 50% | \$ 62 Million |
| KIPP Texas Public Schools | 10 | 49 | 20% | \$ 303 Million |
| Life School | 4 | 7 | 57% | \$ 55 Million |
| ResponsiveEd – TCPA Charter | 10 | 34 | 29% | \$ 137 Million |
| Uplift Education | 6 | 37 | 16% | \$ 214 Million |
| YES Prep | 2 | 14 | 14% | \$ 140 Million |
| Total | 72 | 303 | 24% | \$ 2.1 BILLION |

In addition to the larger State Charters, there are 28 State Charters with every campus having academic ratings in the bottom 25% of the school districts in which they operate. In total, the State annually provides these State Charters \$189.5 million of taxpayer funding to recruit students from school districts to attend 48 State Charter campuses with ratings in the bottom 25% of school districts.

State Charters: Every Campus with Academic Ratings in Bottom 25% of School Districts

| Description | Total Rated Campuses | Campuses Rated in Bottom 25% of School Districts | Percentage of Campuses Rated in Bottom 25% of School Districts | Taxpayer Funding 2020/21 |
|-------------------|----------------------|--|--|--------------------------|
| 28 State Charters | 48 | 48 | 100% | \$ 189.5 Million |

Conclusion: The Texas Legislature is responsible for enacting laws to ensure that every child has access to a high-quality public education. The State's separate system of privately managed State Charters is not improving student outcomes relative to school districts. The State's Academic Accountability Rating System clearly demonstrates that State Charters are recruiting students from higher-rated school district campuses to enroll at lower-rated State Charter campuses. In 45 separate cases, State Charters are recruiting students to enroll at schools with the lowest academic ratings in urban and suburban school districts. In 158 separate cases, State Charters are recruiting students to enroll at campuses with ratings in the bottom 25% of urban and suburban school districts.

It is time for the State to allow experienced professional educators at school districts, local taxpayers, and community stakeholders to control the public education system in local communities. Private corporations have had 25 years to prove otherwise, and it is time to end the charade. It is your children, grandchildren, schools, tax dollars, and communities.

DISCLOSURES: This material solely reflects the author's opinions, and the author is not receiving compensation to prepare this material. The author is a volunteer advocate for public education. The material herein is based upon various sources, including but not limited to the Texas Education Agency, Texas Academic Performance Reports, Public Education Information Management System, txschools.gov., and other publicly available information. While the author believes these sources to be reliable, the author has not independently verified the information. All readers are encouraged to complete their own review of the State's separate system of privately managed charter schools in Texas, including the material referenced herein, and make their own independent conclusions.