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**Texas AFT Testimony to the Senate Education Committee Regarding Interim Charge #5,
Charter School Performance & Accountability**

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Patty Quinzi, Texas AFT legislative counsel

AFT—in Texas and across the nation—represents educators in all public schools, including charter schools. We have long supported the role that well-designed and well-run charter schools potentially can play as laboratories for innovation. However, we are very concerned about the proliferation of low-performing charter schools throughout Texas despite a wealth of research that shows many charter schools to be costly, low-quality, and ineffective substitutes for regular public schools.

Charter School Performance

The official 2011 report for TEA by the Texas Center for Educational Research on the latest generations of Texas charter schools found disturbing evidence of lagging performance. The TCER researchers found: significantly lower academic achievement of students in state-created open-enrollment charter schools versus similar students in the traditional public schools; and much lower levels of professional experience and much higher levels of turnover among teachers at charter schools versus teachers at traditional public schools. But this information is not news. In fact, charter school performance has been so consistently poor over the past dozen years, the Texas Education Agency has recommended in its self-evaluation report for the Sunset Commission that this report be discontinued. “The results from the 11 evaluations conducted since 1996-97 have been consistent, showing no significant change over time.”

Two national studies by the RAND Corporation and the Stanford Center for Research on Education Outcomes (CREDO) have examined charter schools in a number of states, including charter schools in Texas. Using statewide, student-level data, both studies concluded that students in charter schools have lower performance than students in non-charter schools, particularly in mathematics. Further, the CREDO study found that of the 16 states in the study, Texas charter schools had the largest negative effect on mathematics achievement and the second most negative effect in reading. Thus, Texas charter schools on the whole not only underperform their non-charter peers, but underperform more than most charter school systems in the country.

Some observers have made much of the seeming ability of a handful of highly touted charter schools to improve student learning faster or less expensively than traditional public schools. Such apparent advantages of select charter schools—or any educational model—invite further investigation rather than immediate conclusions. Some charter schools’ seeming cost advantages, for example, tend to disappear after consideration of those schools’ public and private grant funding—a point addressed further below.

More importantly, student sorting all but guarantees that these charter schools and neighborhood schools generally serve student populations that are subtly but significantly different. (Similar differences occur between neighborhood and magnet schools.) First is the effect of self-selection. Nearly all charter school students are from families that have chosen an alternative to the default public school for their children. Parents of such students are clearly far more likely to be involved actively in their children’s education—a well-known contributor to success in school. Even attempts to compare students granted and denied charter school admission by lottery cannot adequately control for the peer effects of these charter schools’ very high concentration of students with particularly motivated parents versus the spectrum of motivation among parents with students in neighborhood schools.

Further, over time sorting leads to relative concentration of higher achieving students at certain charter and magnet schools and to commensurate concentration of lower achieving students at apparently comparable neighborhood schools. In testimony before the House Committee on Public Education, Dr. Ed Fuller has outlined how charter and magnet schools effectively shed low-performing students, something that take-all-comer traditional public schools cannot do. (Shedding effects may be entirely systemic and are not dependent on any active effort to cast out certain students.) In six exemplary charter and magnet middle schools he studied, Fuller found that as many as 40 percent of students left between sixth and eighth grade, and that those who left were overwhelmingly lower-performing students. “What you see is a systematic pattern of lower-performing kids leaving charter schools and going back to district schools,” Fuller said, and because of this “sorting mechanism,” the well-regarded charter schools he studied are “exacerbating the concentration of low-performing kids” in the traditional public schools.

A new study by Dr. Fuller, “Examining High-Profile Charter Middle Schools in Texas,” further examines the characteristics of charter school entrants, student retention, and characteristics of leavers. As with most other studies of charter schools, Dr. Fuller’s study, commissioned by the Texas Business and Education Coalition, found that charter management organizations (CMOs) generally enrolled fewer ELL and special needs students than comparison schools, regardless of how comparison schools were defined. With respect to the percentage of students entering in

the 6th grade identified as having special needs, comparison schools often had percentages double the percentages for CMOs.

Dr. Fuller concluded:

“Contrary to the profile often portrayed in the media, by some policymakers, and by some charter school proponents (including some charter CEOs), the high-profile/high-enrollment CMOs in Texas enrolled groups of students that would arguably be easier to teach and would be more likely to exhibit high levels of achievement and greater growth on state achievement tests. Indeed...relative to comparison schools, CMOs had:

- Entering students with greater prior TAKS scores in both mathematics and reading;
- Entering economically disadvantaged students with substantially greater prior TAKS scores in both mathematics and reading;
- Lower percentages of incoming students designated as ELL;
- Lower percentages of incoming students identified as special needs; and,
- Only slightly greater percentages of incoming students identified as economically disadvantaged.

“In other words, rather than serving more disadvantaged students, the findings of this study suggest that the *high-profile/high-enrollment CMOs actually served a more advantaged clientele relative to comparison schools....*”

Charter Costs

Each time a charter is granted by the SBOE, the equivalent of an additional school district is created and, with it, an obligation for TEA to interact with that local education agency on multiple levels, ranging from state funding to textbooks, grants, accountability, and monitoring, resulting in certain “fixed costs” associated with each new school.

The new “charter district” of course incurs substantial administrative costs of its own. In fact, Dr. Fuller’s most recent study noted that charter schools tend to be top-heavy with administrators and administrative pay relative to non-charter schools. In a 2007 study, for example, Dr. Lori Taylor found that charter schools were more likely than non-charter schools to have “allocative inefficiency” and that such inefficiency stemmed from the over-hiring of administrators.

A recent study published by the National Education Policy Center (NEPC), “Spending by the Major Charter Management Organizations: Comparing Charter School & Local Public District Financial Resources in New York, Ohio and Texas,” further undermines the assumption that privately managed schools are cheaper to operate than traditional public schools. As the NEPC observed in releasing the report, “Schools operated by major charter management organizations

generally spend more than surrounding public schools.”

The study looked closely at the Texas operations of KIPP, one of the most well-regarded charter chains. It found “an additional \$1,837 expense in Houston for a KIPP charter school, where the average middle school operating expenditure per pupil is \$7,911....a 23 to 30 percent cost increase” over the cost in traditional public schools.

In fact, the study found that in Texas “some charter chains such as KIPP spend substantially more per pupil than district schools in the same city and serving similar populations, around 30 to 50% more in some cities (and at the middle school level) based on state reported current expenditures, and 50 to 100% more based on IRS filings.” The study compares per-pupil spending of charter schools operated by charter management organizations to the spending in nearby district schools, adjusted for differences in student populations.

Charter Governance and Charter Applications

In the past, questions have been raised about the transparency and accountability of charter governance—for example, about adherence to open-meetings notification requirements by the board that governs the holder of a charter. In response, TEA has made some recent changes to its charter school rules and has made additional recommendations in its self-evaluation report to the Sunset Advisory Commission to improve charter governance.

The agency changed the rules so that bylaws for nonprofit applicants will be required to commit to compliance with the Texas Open Meetings Act and the Texas Public Information Act. The agency would also like the authority to reconstitute or remove a charter holder governing board or transfer a charter to a different nonprofit corporation to provide for more effective governance. These changes cumulatively could improve transparency and accountability.

We were glad to learn yesterday that TEA has now made public all applications for charter schools awarded since 2001, including those from current applicants that are to be considered at an upcoming SBOE meeting. Without first having access to this information, which includes the charter schools’ operating procedures and curricular programs, it has been impossible for the public to scrutinize charter proposals adequately and comment in a timely fashion, before charter approval for these entities.

Better Ways to Increase Available Charters

Instead of increasing the cap on the number of charter entities authorized by the State Board of Education as some have proposed, a quicker and more efficient way to increase the number of high quality charter schools in Texas would be simply to shut down charter campuses with consistently low academic or administrative performance. There is no reason to continue charter school experiments that fail to provide a useful and informative alternative to other

educational models. Closing low-performers would allow significant room under the current cap to grant new state charters to promising programs and would free up resources to assist and expand better performing charter schools.

As matters stand now, another constraint on charter capacity in Texas has to be acknowledged: TEA staff is too overstretched to do an effective job of overseeing the state's hundreds of existing charter entities. If the state wishes to expand the number of charter schools in Texas, it must do so with significant additional resources to fund better TEA oversight.

Promoting other chartering methods—district and campus charters and university and college charters—would be another, better way to help fulfill demand for the charter model. Converting current state open-enrollment charters to those other types would also free additional state open-enrollment charters.

We would suggest that a more efficient and successful model than state-approved charters is that of the in-district charter created within a local school district. AFT has conducted a recent study that demonstrates in-district charter schools have higher and more consistent student achievement compared to state open-enrollment charter schools.

An excellent example of locally developed in-district charter initiatives can be seen in San Antonio. San Antonio Independent School District already has more than a dozen in-district charter schools. Last year, the San Antonio Alliance (a Texas AFT local) hosted an “Internal Charter Schools Conference” in San Antonio ISD. The two-day conference was supported by a grant from the national AFT Innovation Fund. Nineteen SAISD campuses ranging from elementary to high schools were represented at the conference by teams that included administrators, teachers, support staff, parent/community representatives, and students. The conference gave interested SAISD campuses a chance to explore potential curriculum ideas on which to base their in-district charters as well as professional development approaches that might be included. Sessions were also offered to help attendees learn about the nuts and bolts of the in-district charter process. The conference was so successful that the Alliance received letters of intent from nine schools to apply for a grant to pursue in-district chartering.

Each of San Antonio ISD's in-district charter campuses offers a unique opportunity for innovative instructional programs and school restructuring as spelled out in a charter contract between district and school, with full involvement and buy-in from both the parents and teachers at the school. The in-district charter option in San Antonio ISD has proven to be a very important way to preserve and strengthen neighborhood schools that are vital to the fabric of their community.



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Texas AFT Testimony to the Senate Education Committee Regarding Interim Charge #6, School Choice Programs

August 24, 2012

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Texas AFT opposes any diversion of public funds to private schools, whether through a private school voucher or a private school tax credit program. The state's scarce resources are needed to provide excellent neighborhood public schools for every child in the state, not private-school vouchers for a few. The legislature has made deep cuts in state aid to already cash-strapped public schools—including cuts in programs such as dropout prevention, elimination of full-day prekindergarten grants, and cuts in the Student Success Initiative—all programs that have provided vital services for low-income, high-need students. Costly and ineffective school vouchers are not the answer and should not be considered.

There is an overwhelming amount of research that has consistently demonstrated that vouchers do not improve student achievement. In addition, substantial research shows that vouchers provide no cost savings to state governments, and in fact results in greater government bureaucracy and inefficiency.

Student Achievement

A demonstrably false argument for vouchers is the claim that using public dollars to create school vouchers results in higher student achievement. Numerous studies, using a range of methodologies, have conclusively shown that vouchers do not improve student achievement. Improving student achievement, particularly for disadvantaged children, should be a primary goal of federal, state and local education policies. Diverting public funds to a voucher program—or to any scheme that does not advance that goal—is a mistake especially in light of the devastating cuts to the prekindergarten expansion grants and the Student Success Initiative.

As the following summary demonstrates, research conducted from 1990, when the nation's first publicly funded voucher program began in Milwaukee, to the present fails to support the claim that vouchers improve student achievement:

MILWAUKEE

A three-year academic study (2006-07 to 2009-10) shows that the Milwaukee voucher program did not raise student achievement. Voucher advocate Patrick J. Wolf from the University of Arkansas found in March 2011 that “there are no statistically significant differences in student achievement growth in either math or reading between [voucher] and [public school] students three years after they were carefully matched to each other.”

CLEVELAND

In 2010, third- and fourth-grade voucher students had lower scores in reading and math than public school students. In fact, the public school students significantly outperformed the voucher students, with 45.6 percent of the public school fourth-graders scoring proficient or above in math, compared with only 22.1 percent of the voucher students. Public school students in grades 5-8 outperformed the voucher students in math, with 45.6 percent of the public school fourth-graders scoring proficient or above in math, compared with only 22.1 percent of the voucher students. However, voucher students in those grades showed higher achievement in reading.³

DISTRICT OF COLUMBIA

After studying the program since its beginning and collecting data from 2004 to spring 2009, University of Arkansas researcher Patrick J. Wolf and his team found that “There is no conclusive evidence that the [voucher program] affected student achievement.”

OHIO

Test scores of voucher students generally lag behind those of students attending the public schools the voucher students would have attended. The pro-voucher group Black Alliance for Educational Options reports that math scores for Ohio voucher students in grades 3-8 were significantly lower than their public school counterparts, while voucher students showed a slight advantage in seventh- and eighth-grade reading over their peers in underperforming public schools.

Cost

Voucher supporters claim that enrolling students in voucher schools will result in a savings to the taxpayer, since the cost of the voucher is generally lower than the “average” per-pupil cost. However, just as there are no “average” children, there are no “average cost” pupils. Vouchers are most often used by students who are less costly than average to educate. According to data released by the state of Wisconsin in March 2011, just 1.5 percent of the 21,000 students enrolled in voucher schools were in need of special education, compared with 19 percent of public school students (*Journal Sentinel*, March 30, 2011). The result: Neighborhood public schools educate a disproportionately large percentage of the students who are the most costly to educate, including special education and English language learners, driving the overall costs of the district substantially higher, not lower, as voucher advocates promise.

When students leave public schools for private schools, they don’t do it in an orderly manner that allows public schools to reduce costs easily by laying off staff, closing buildings or cutting bus routes. Fixed costs like electricity or heating for a building don’t go down if five or even 10 students leave a school, and the cost of a teacher remains the same whether she has 30 students in her class or 27. A study by the accounting firm KPMG found that voucher students who left Cleveland public schools came from schools throughout the district, not from a small number of schools that the district could simply downsize or close. KPMG concluded that public schools were “losing [state aid] without a change in their overall operating costs.”

Voucher advocates appeal to the public with the notion that unleashing free-market forces in education using vouchers will spur improvement and efficiency at little or no cost simply through competition. When states have not invested in oversight and monitoring, the voucher programs have descended to the lowest common denominator. When states are forced to invest in responsible oversight and regulation, taxpayers end up paying for two parallel systems of education—one public and one private. Economist Clive Belfield's 2006 study of the Cleveland voucher program finds that promised taxpayer savings disappear when additional transport, assessment, special education and other administrative costs are factored in (Clive Belfield, "The Evidence on Education Vouchers: An Application to the Cleveland Scholarship and Tutoring Program," National Center for the Study of Privatization in Education, 2006). In fact, as Belfield notes, states with voucher programs have had to set up new bureaucratic systems to get voucher payments to the schools, hire additional staff to audit the enrollment figures of voucher schools, and monitor schools to ensure that they are financially and academically viable and that their facilities meet fire code and safety standards.

The extensive amount of research on vouchers and the current state of education funding in Texas should raise real questions among taxpayers and others about why Texas would establish a costly new taxpayer funded program, which is only accessible to certain individuals (people who already have financial means) and likely not to provide the voucher students with any substantial benefit.

We ask this committee to heed the research evidence on student achievement in voucher schools and to be mindful of the waste of taxpayer money involved in operating two school systems, one of public and one of private schools, simultaneously. We urge the members of this committee to reject this ill-advised policy direction and to turn your attention instead to the real task at hand: undoing the damage caused by unprecedented cuts last session in per-pupil funding for the five million students in our public schools.