

## Charter Expansion Grants – Funding Some of the Lowest Performing Schools in Texas

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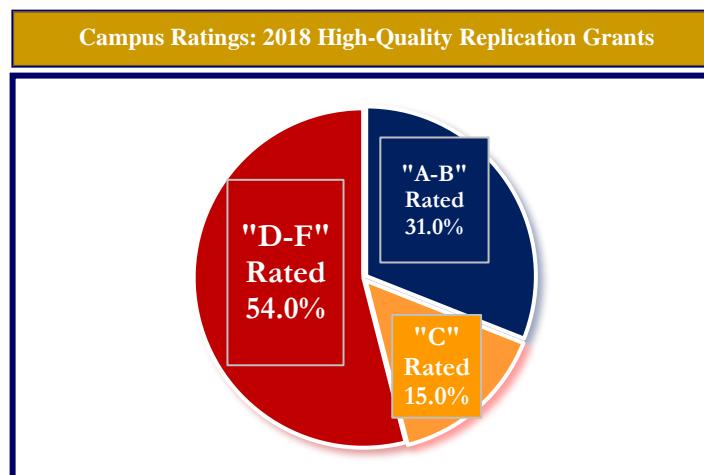
Disguised as an education reform to improve the outcomes of primarily economically disadvantaged students, privately managed charters (“charters”) have garnered the political patronage of Federal and State officials for the last 25 years. In Texas, State approved charters have been provided over \$24 billion of public funding to directly compete with locally governed school districts. But despite the hype and taxpayer funding, charters have consistently failed to outperform locally governed school districts. According to the Texas Education Agency (“TEA”), 41.4% of charters currently have a “C” or lower academic rating and 111 charters have previously been revoked or surrendered. For comparison purposes, 86.2% of locally governed school districts currently have an academic rating of “A” or “B”.

To support the charter school movement, the U.S. Department of Education’s Charter Schools Program provides grants to participating states to fund the expansion of charters. The TEA administers the charter grant program in Texas. TEA awards so-called High-Quality Charter Replication Grants to charter management organizations for the replication of charter campuses in other locations and Charter Start-Up Grants to financially support the opening of new charters. However, the grants are awarded without any ramifications to the charter grantees that subsequently fail students, families, and taxpayers. As a result, charter expansion grants are funding some of the lowest performing schools in Texas and millions of dollars that were intended to improve the lives of low-socio economic students have been wasted due to poor education policies and procedures.

**High-Quality Charter Replication Grants:** TEA administers approximately \$30 million of grants for charters to replicate so-called “High Quality” charter campuses throughout Texas. In 2018, TEA awarded 13 separate grants to expand the number of charters. However, most of the grants have produced charter campuses that are rated as “low performing” by the State’s Academic Accountability Rating System. As summarized in the table below, 7 of the 13 grants awarded in 2018 have resulted in a charter campus with an academic rating of “D” or “F”. In fact, 3 of these charter campuses, with ratings of 45 – 52, are among the worst performing schools in Texas.

Academic Ratings: Certain Recipients of High-Quality Charter Replication Grants		
Charter	Campus	2019 State Academic Rating
International Leadership of Texas	Orem Elementary	F - 45
International Leadership of Texas	Orem Middle	F - 48
School of Science and Technology	Houston	F - 52
Great Hearts Texas	Western Hills	F - 56
International Leadership of Texas	Windmill Lakes H.S.	D - 65
Inspired Vision Academy	Inspired Vision Elem.	D - 66
Austin Achieve Public Schools	Northeast Campus	D - 69

Although each charter grant application included a promise to produce above average student outcomes by implementing a unique and innovative approach, only 31% of the charter grantees have produced a campus with an “A” or “B” rating.



**Charter School Start Up Grants:** TEA also administers grants to subsidize the initial costs of planning and opening new privately managed campuses to increase the number of students attending charters. With grants totaling up to \$800,000 per award, TEA awarded 27 start-up grants for 20 different charter operators to open new campuses in 2016/17 – 2018/19. As summarized in the table below, the charter start-up grants are producing lower quality school options for many Texas children. In total, 9 of the 20 privately managed charters awarded start-up grants have produced a charter campus that has been rated “D” or “F” in the last 2 years. This includes Kauffman Leadership Academy that recently had their charter revoked for producing an “F” rating during all 3 years of operation and other grant recipients that are currently operating some of the lowest performing schools in Texas, with academic ratings of 51-55. Despite these documented failures, the State continues to allow charters to recruit students from local school districts to attend these campuses.

Academic Ratings: Certain Recipients of Charter Start-Up Grants		
Charter or Campus	2018 State Academic Rating	2019 State Academic Rating
<b>Yellowstone College Preparatory</b>	--	<b>F - 50</b>
<b>Kauffman Leadership Academy</b>	<b>F - 48</b>	<b>F - 51</b>
<b>Legacy School of Sport Sciences</b>	--	<b>F - 51</b>
<b>Ogden Residency – Relay Lab School</b>	--	<b>F - 55</b>
<b>Democracy Prep – Stewart Elementary</b>	--	<b>D - 61</b>
<b>School of Science and Technology - Houston</b>	<b>C - 76</b>	<b>D - 68</b>
<b>Promesa College Prep – West Corpus Christi</b>	--	<b>D - 69</b>
<b>A+ Unlimited Potential</b>	<b>F - 45</b>	<b>C - 71</b>
<b>Goodwater Montessori School</b>	<b>F - 48</b>	<b>C - 71</b>
<b>Harmony School of Innovation – Grand Prairie</b>	--	<b>C - 74</b>
<b>Valor Public Schools</b>	--	<b>C - 78</b>

**Conclusion:** The State has rewarded privately managed charters with over \$24 billion of taxpayer funding. But thousands of students are currently enrolled at low performing State approved charter campuses. Thousands of students have been recruited to attend charters that have subsequently failed and closed their doors. As noted herein, millions of dollars in publicly funded charter expansion grants have been awarded to open some of the lowest performing schools in Texas.

It is ironic that the Texas Legislature supports the expansion of privately managed charters to impose “private sector business principles and procedures” into the public education system, but the Texas Legislature does not rely upon “private sector business principles and procedures” to manage its separate system of taxpayer funded, privately managed charters. Unlike the private sector, elected officials are not required to report the “return on investment” on the funds it has allocated to privately managed charters. Unlike the private sector, elected officials are not accountable for the losses associated with the multi-million-dollar State contracts that have been awarded to charters to produce lower student outcomes or that have closed. Unlike the private sector, elected officials are not liable to the trusting students, families and stakeholders that enroll in the State’s lower performing charters based upon advertisements and the contracted services of third-party student recruiters.

In the private sector, a series of corporate approvals are required to expend resources on growth initiatives and a system of “checks and balances” is imposed to ensure that corporate resources are achieving the promised outcomes. However, elected officials have solely designated the Commissioner of Education, who is appointed by the Governor, to unilaterally approve the expansion of charters in local communities. As a result, billions of taxpayer dollars are directed to the privately managed charters approved by the Commissioner, without any “checks and balances”.

With the cost and limited success of charters, most private sector corporations would view the continued expansion of charters to be putting “good money after bad”. Most in senior corporate management would desire to “cut the losses” associated with the charter experiment to serve the best interests of shareholders. It is time for the Texas Legislature to incorporate “common sense business principles and procedures” into its public education policies. Students, families, taxpayers, and communities are counting on it and it is your students, your schools, your tax dollars, and your communities.

**DISCLOSURES:** *The author is a voluntary advocate for public education and this material solely reflects the opinions of the author. The author has not been compensated in any manner for the preparation of this material. The material is based upon information provided by the Texas Education Agency, Txschools.gov and other publicly available information. While the author believes these sources to be reliable, the author has not independently verified the information. For purposes of the article, the author has only included the charter expansion grants that resulted in a 2019 State Academic Accountability Rating. All readers are encouraged to complete their own review and make their own independent conclusions.*