## **BROKEN PROMISES II:**

THE TEXAS CHARTER SCHOOL SYSTEM AT FIVE YEARS

**MAY 2001** 

## **EXECUTIVE SUMMARY**

I'm not sure that the big picture was ever looked at. You know, what place do you really want charter schools to fill? What do you want them to accomplish? Why do we want to have charter schools? What [are] the long-term consequences? There are a lot of those kind of questions [to which] I've never heard the answers... I really think that you're going to have to think about where you're going, and what are you going to try to accomplish, and what is the philosophy behind the whole thing, what is the philosophy of public schools, where do we want to go, what do we want to do?<sup>1</sup>

-- Grace Shore, Chairwoman of the State Board of Education

The state board of education did us a disservice in issuing all those charters. How we fix the problem is the question.<sup>2</sup>

-- Teel Bivins, Chair of the Texas Senate Education Committee

Charter schools are publicly-funded, public enrollment schools approved by the State Board of Education (SBOE), and operated by an institution of higher education, tax-exempt 501(c)(3) organization, or governmental entity. In 1995, the legislature established charters as a class of school, and exempted them from certain regulations which they believed kept traditional public schools from reaching their maximum potential. In particular, charter schools are exempted from regulations for class sizes, minimum teacher qualifications, pay scales, curriculum requirements, governance training, and competitive bidding procedures. Legislators theorized that freeing charter schools from these regulations would not only afford them the flexibility to provide an alternative education for students who had been unsuccessful in the traditional classroom, but also foster academic excellence, efficiency and educational choice in the public school system overall. The five-year track record of charter schools in Texas, however, shows that they have not made good on these promises.

To date, the Texas State Board of Education has approved a total of 209 charters: 132 openenrollment, and 77 "at risk" schools. Fourteen of these charters have been returned, three have been revoked, two are active but have no students enrolled, and twenty-five have been awarded but do not yet have any operational schools. The remaining 165 operational charter schools in Texas serve 34,044 students.

The original five-year state contracts with First Generation schools – the first 20 charter schools approved by the SBOE - will expire at the end of the 2000-2001 school year. In the midst of the renewal process for these schools, Texas' charter school system came under more scrutiny than ever. Through a careful examination of 1999-2000 school year data for Texas charter schools, this report allows educators, parents, students, and taxpayers to take a good look at the current state of Texas charter schools. This report finds:

• The average TAAS passage rate for charter schools in the 1999-2000 school year was 37.04% - less than *half* the state average of 80.0% at public schools.

- The state has irrevocably lost over \$4.4 million dollars due to charter school closures and revocations. Additionally, the state has made overpayments of at least \$3.3 million to charter schools inflating their enrollment figures.
- Of the 98 charter schools rated by the Texas Education Agency in the 1999-2000 school year, only 5 received the highest possible rating, while more than *half* received the lowest possible rating.
- The charter school "franchise" movement is gaining momentum, as TFNEF has compiled evidence that at least 10 for-profit management companies are operating charter schools in Texas. Evidence shows that these for-profit companies produce large revenues but provide a less than acceptable education.
- Charter school teachers, on average, have *half* as much experience, are *half* as likely to be certified, are ten times *more* likely to have no college degree at all, and get paid less than their counterparts at other public schools. Charter schools have a higher average student-to-teacher ratio than traditional public schools and a teacher turnover rate that is more than *three times* that of public schools.
- Most charter schools have not established a Limited English Proficient (LEP) program or Language Proficiency Assessment Committee (LPAC), as required by state and federal law. This is particularly disturbing given that fully one-third (38.8%) of charter school students are Hispanic.
- Religion pervades many charter school boards and classrooms, with these public schools failing to maintain the constitutionally-mandated separation between church and state.
- The un-elected charter school boards are wrought with nepotism and conflicts of interest, and are unaccountable to the students, teachers and communities they are meant to serve.

Contrary to the promises of better academic performance, improved efficiency and more educational choices, the overloaded and unregulated charter school system has actually *eroded* the quality of public education in Texas.

Charter schools promised academic excellence, but instead delivered less qualified, less experienced teachers, larger class sizes, lower performing schools, and abysmal TAAS scores. Charter school advocates promised that with relaxed regulations would come increased efficiency and innovation, but the result has been only a lack of financial and procedural accountability. Charter schools also held out the promise of more educational choices for Texas students and teachers, but have in fact failed to provide innovative curriculum, actually restricted religious choice by allowing the influx of organized religion into these public schools, and produced a trend of "cookie-cutter" charter schools that are spreading across the state. This is not the picture painted by charter school advocates when the system was created five years ago.

How did charter schools get to such a dismal state?

Texas' charter school system was allowed to reach its current state through both the direct and indirect actions of the state. Without evidence regarding the success of charter schools - just two years after the system was created, the Texas Legislature expanded the charter school system from 20 schools to an additional 100 open-enrollment schools and an *unlimited* number of "at-risk" charter schools. The Legislature has ensured that the system will continue to grow unchecked by giving carte blanche to the SBOE without first putting basic safeguards and accountability measures in place. In turn, the State Board of Education has disregarded the downward progress of charter schools, and instead allowed the charter school system to expand at breakneck speed by approving the vast majority of charter applications and renewals that come before the board.

In five years, the charter school system has grown exponentially, although there has been no corresponding increase in funding and staff dedicated to overseeing this system. Legislative appropriations that would allow TEA to regulate charter schools have not grown nearly as fast as new charters have been approved. The state's inability to conduct proper oversight has allowed academic, financial and administrative problems to persist at charter schools.

The next and only sensible step in Texas' charter school education experiment is to implement reform. The State of Texas must fix the system that it began with good intentions.

Based on the findings outlined in this report, the Texas Freedom Network Education Fund has identified seven key areas of the Texas charter school system that need immediate attention:

- 1. **Moratorium** Texas must stop the proliferation of potentially unsuccessful charters by instating a moratorium on the issuance of new charters, and by establishing more stringent standards for SBOE approval of charter applications, renewals and amendments.
- 2. **Commissioner Authority** The Legislature must provide the commissioner of education with ample discretionary authority to shut down bad charter schools immediately if necessary.
- 3. **TEA Oversight** The state must arm the Texas Education Agency with the staff and funding necessary to effectively oversee every school in the charter system, in order to avoid the lack of organization and oversight that currently exists. Additional charters should not be granted without ensuring that the state has enough funds and staff to provide proper oversight.
- 4. **School Board Ethics** Charter school boards must be made to abide by the same nepotism, conflict of interest and open government laws as traditional public school districts
- 5. *For-Profit Management Companies* The state must regulate for-profit management by requiring for-profit companies to register with the state if they operate schools in Texas and by providing the commissioner of education with the authority to approve and disapprove all contracts with for-profit management.

- 6. **Teacher Qualifications** The state must establish minimum teacher qualifications for charter school instructors teaching core classes, and must require criminal background checks of all employees at charter schools.
- 7. **Religion in Public Schools** The state must enforce strict adherence to the constitutionally-mandated separation between church and state at charter schools, as it does at all other public schools.

These reforms would bring greater financial accountability and academic quality to charter schools, and help ensure that we build a quality public education system in Texas.

This report would not have been possible without the in-depth research of Shilpa Chheda. The hard-working and always patient staff members at the Divisions of Charter Schools, Performance Reporting, and Accountability at the Texas Education Agency were also an invaluable source of information for this report.

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### **OVERVIEW OF CHARTERS**

Charter schools are publicly-funded, public enrollment schools that receive a contract – or "charter" – from the State Board of Education to be operated independently from the local school district by either an institution of higher education, a tax-exempt 501(c)(3) organization, or another

governmental entity. Charter schools cannot charge tuition and may not discriminate in their admissions.

In recent years, charter schools have garnered attention as a school choice option within the public school system. Minnesota was the first state to pass charter legislation in 1991. By 1999, 36 states, Puerto Rico and the District of Columbia had passed charter laws.

In 1995, the Texas Legislature created Texas' charter school system, giving the State Board of Education authority to approve 20 charter schools. In 1997, the program was expanded to allow creation of an additional 100 open-enrollment schools, plus an unlimited number of schools to serve at-risk student populations. To qualify as a school serving at-risk students, school enrollment had to include at least 75% "at-risk" students. "At-risk" students are designated by the Texas Education Agency (TEA) according to the following criteria: if the student has not advanced a grade level for two or more years, has math and reading skills that are two or more years below grade level, is failing two or more courses, failed one or more sections of the TAAS test, and/or is pregnant or is a parent.<sup>3</sup>

To date, the Texas State Board of Education has approved a total of 209 charters: 132 open-enrollment, and 77 "at risk" schools. Fourteen charters have been returned, three have been revoked, two are active but have no students enrolled, and twenty-five additional charters have been awarded but do not yet have any operational schools. The remaining 165 operational charter schools in Texas serve 34,044 students.<sup>4</sup> Below is a chart outlining the number of charter schools approved since the system was created in 1995.

**Open Enrollment Total # of Charters** Generation At-Risk First 20 N/A 20 Second 41 N/A 41 Third 58 51 109 10 9 19 Fourth Fifth 3 5 Sixth 1 14 15 Total 132 77 209 Revoked and Returned 12 5 17 **Active Status** 120 72 192 Active Status but

Figure 1. Charter School Approvals, 1996-2001<sup>4</sup>

The following table is information comparing student characteristics at charter schools and traditional public schools during the 1999-2000 school year.

1

7

112

Figure 2. Charter School Student Characteristics<sup>5</sup>

| CHARACTERISTICS | <b>CHARTERS</b> | TRADITIONAL SCHOOLS |
|-----------------|-----------------|---------------------|
|-----------------|-----------------|---------------------|

1

18

53

no students enrolled Awarded but not yet

operational

**Operational Status** 

2

25

165

| African-American                        | 39%   | 14%   |
|---|-------|-------|
| Hispanic                                | 38.8% | 40%   |
| White                                   | 22%   | 43%   |
| Economically Disadvantaged              | 52.6% | 49%   |
| Special Education Students              | 7%    | 12%   |
| Bilingual/ESL English Students          | 3%    | 13%   |
| Attendance Rate (97-98)                 | 90.1% | 95.4% |
| Annual Dropout Rate (97-98)             | 7.5%  | 1.4%  |
| Percent Taking College Admissions Tests | 16.8% | 61.8% |
| Sat I: Mean Total Score                 | 894   | 989   |
| ACT: Mean Composite Score               | 17.2  | 20.2  |

#### **Relaxing Regulations over Charter Schools**

Legislators exempted charter schools from certain regulations they theorized kept traditional public schools from reaching their maximum potential. Charter schools were exempted from everything from class size and curriculum standards to minimum teacher qualifications and board training.

*Class Sizes* - The state mandated student-per-teacher ratio for elementary school classes is 22:1 in traditional public schools, but there is no such requirement for charter schools.<sup>6</sup>

*Teacher Training* - State law currently does not require charter school teaching staff to hold a high school or college degree, or any form of teaching certification. On the other hand, Texas state law mandates that all instructors in traditional public schools be certified or pursuing certification.<sup>7</sup>

*Background Checks* - State law does not require charter schools to conduct criminal background checks on their prospective teachers, whereas all instructors at public schools are required by state law to have a criminal background check as part of their certification process.<sup>8</sup>

*Curriculum Requirements* - Charter schools are required to follow the same course guidelines as traditional public schools (as outlined in the Texas Administrative Code, Chapter 74, Subchapter A), but they are allowed to deviate from this curriculum if the school's charter - or a subsequent amendment to that charter - specifically states a different curriculum.

Graduation Requirements - Charter schools must technically follow the same graduation requirements as traditional public schools (as outlined in the Texas Education Code) for the number of credits a student must receive in order to graduate. However, whereas public schools must follow strict regulations on the number of hours that earn a course credit, charter schools are not required to follow any regulations regarding how to assign credits. Charter schools can use any criteria they deem necessary in determining the exact number of class hours that equal one course credit. Upon trying to return to public school, some charter school students find that they will be held back a year or more in public school, even after earning the same number of "credits" as public school students.<sup>9</sup>

Governance Training - Traditional public school administrators and board members are required to receive governance and financial training in order to hold their post. State law requires a first-year board member for traditional public schools to go through at least 16 hours of training on financial and legal issues when they join the board, and experienced board members are required to take at least 8 additional hours of continuing education. Although training is available for charter

school trustees and administrators in governance issues and in the state's PEIMS school accounting system, Texas law does not require them to complete this training.

Competitive Bidding – Like all public entities, traditional public schools are required to go through a competitive bidding process when purchasing any goods or services in order to ensure that public funds are spent in a fair and cost-effective manner. Charter schools receive public funds, but are not required to take competitive bids when making their purchases.

# BROKEN PROMISE #1: ACADEMIC EXCELLENCE OVER STUDENT UNDERACHIEVEMENT

Heralded as a solution to student underachievement, charter schools promised to foster academic excellence among students who would otherwise fall through the cracks. This has not proven to be the case. Rather than reversing the tide of student underachievement, many charter schools are exacerbating it. Evidence shows that charter schools, on average, have student TAAS passage rates that are less than half that of public schools, receive consistently low performance ratings from TEA, and have less qualified, less experienced teachers than traditional public schools. The data presented in this chapter shows that the charter school system overall has simply failed to deliver academic excellence.

#### SUMMARY OF FINDINGS ON THE PROMISE OF ACADEMIC EXCELLENCE:

- The average TAAS passage rate for charter schools in the 1999-2000 academic year was 37.04% less than *half* of the state average of 80.0% at public schools.
- The average TAAS passage rate for "at-risk" charter school students is 27.81% less than half the 70.1% TAAS passage rate for "economically disadvantaged" public school students a comparable at-risk designation for public school students.
- Of the 98 charter schools rated for the year 2000, only five schools received the highest possible rating, while almost *half* received the lowest possible rating.
- During the 1998-1999 school year, 53% of charter school teachers were not certified, compared to 3.9% in traditional public schools. This means that some of Texas' neediest students are being taught by uncertified instructors who lack the expertise required to prepare these students for success.
- At 49.3%, the charter school teacher turnover rate is more than 3 times higher than that of traditional public schools.
- Charter school teachers are ten times more likely not to have a college degree, and have, on average, only half as much experience as teachers at traditional public schools.
- Exempt from requirements regarding student teacher ratios, one charter school allowed up to 42 students per teacher.
- Charter school teachers are paid, on average, 73% of what public school teachers earn.

#### **TAAS Passage Rates at Charter Schools**

The Texas Assessment of Academic Skills (TAAS) is a standardized test measuring grade-specific skills that is used to compare student achievement between schools within a district, districts within a region, and regions within the state. This report has used TAAS scores to compare student achievement between charter schools and traditional public schools.

Data gathered on TAAS passage rates at individual charter schools show that the average TAAS passage rate for charter schools across Texas was 37.04% in the 1999-2000 school year. 12

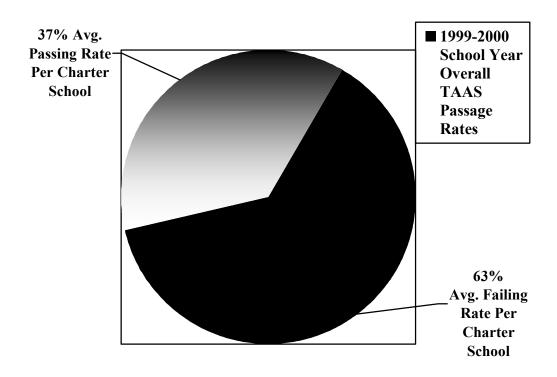


Figure 3. Average TAAS Passage Rates at Charter Schools<sup>12</sup>

This means that charter schools, on average, had only 37.04% of their students pass the TAAS.

The average TAAS passage rate at public schools – excluding charter schools - for the 1999-2000 school year was 80.0% (for all grades combined).<sup>5</sup> This means that 80% of public school students who took the TAAS test passed every section of the test (math, reading and writing).

In contrast, barely half (53.2%) of charter school students passed the TAAS test (for all grades combined).<sup>5</sup> This means that just over 50% of charter school students who took the TAAS test passed every section of the test (math, reading and writing).

The graph below shows that the greater likelihood of failing the TAAS at a charter school holds across racial lines. This is especially troubling given that charter schools promised to address the unique educational needs of students of color.

Figure 4. Average TAAS Passage Rates of Charter School Students, 1999-2000<sup>5</sup>

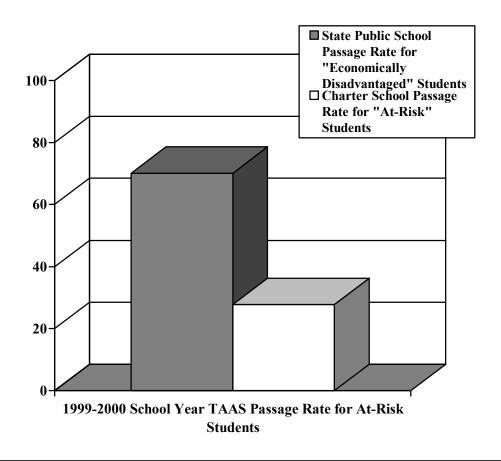
|                  | Charter School<br>Students | Public School<br>Students<br>(excluding<br>charter schools) |
|------------------|----------------------------|---|
| All tests taken  | 53.2%                      | 80.0%   |
| Reading          | 70.9%                      | 87.4%   |
| Writing          | 62.6%                      | 88.3%   |
| Mathematics      | 61.9%                      | 87.5%   |
| African American | 41.2%                      | 68.3%   |
| Hispanic         | 54.3%                      | 71.9%   |
| Anglo            | 66.7%                      | 89.3%   |

[Note: Appendix A lists the TAAS passage rates and other information for individual charter schools.]

Supporters of charter schools have said that simply comparing the overall TAAS scores at charter schools and traditional public schools is not comparing apples to apples because many charter schools cater to "at-risk" students. But in a comparison between only the "at-risk" charter school students and the "economically disadvantaged" students at traditional public schools (a comparable "at-risk" designation for public school students), the charter school students have less than half the TAAS passage rate of public school students.

"Economically disadvantaged" students at public schools have a 70.1% average TAAS passage rate, 5 while the "at-risk" charter school students have only a 27.81% TAAS passage rate. 12

Figure 5. Apples to Apples-Comparison of TAAS Passage Rates for At-Risk Students Only<sup>5,12</sup>



Many charter schools have a majority of "at-risk" students, which is comparable to the "economically disadvantaged" designation for students at traditional public schools. Comparing only the "at-risk" charter school students to the "economically disadvantaged" students at traditional public schools, the charter school students have a 27.8% TAAS passage rate - less than half the 70.1% passage rate of public school students.

#### **Performance Ratings at Charter Schools**

The Department of Accountability and School Accreditation at the Texas Education Agency (TEA) rates all public schools, from best to worst. The standard categories they use are: "Exemplary," "Recognized," "Acceptable," or "Low Performing." These ratings are used to rate all public schools - including charter schools - based on their TAAS scores, drop out rates, daily attendance records, and college entrance exam results.

Charter schools teaching "at-risk" students can apply with TEA to be classified as "Alternative Education" campuses, which allows them to receive ratings based on adjusted state standards for TAAS, attendance, drop out rate, and additional subjective indicators chosen by each Alternative Education campus to directly reflect the students served. Alternative Education campuses receive ratings - from best to worst - of "Commended," "Acceptable" or "Needs Peer Review." <sup>13</sup>

Schools that cater only to grades Pre-K and Kindergarten, and schools in their first year of operation, are not rated so many existing charter schools are not included in the following data.

Of the 98 charter schools rated for the year 2000, only five schools received the highest possible rating, while almost half received the lowest possible rating. <sup>14</sup> Below are graphs showing the year 2000 performance ratings for both standard and Alternative Education charter school campuses. [Note: Appendix A lists accountability ratings for individual schools.]

Only 5 schools - Alief Montessori Community School, North Hills Charter School, KIPP Academy, Project YES, and Rapoport Academy - received a rating of "Exemplary" out of all the charter schools rated by the Texas Education Agency last year. Seven schools received "Recognized" ratings, 33 were deemed "Acceptable," and 20 were rated "Low Performing." <sup>14</sup> Of the 65 standard rated schools, fully 85% rank in the lowest two categories.

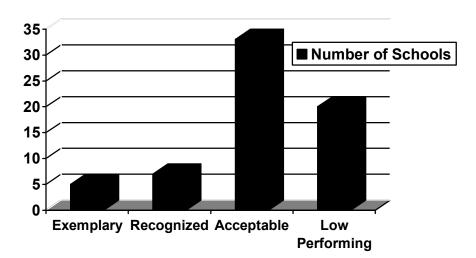
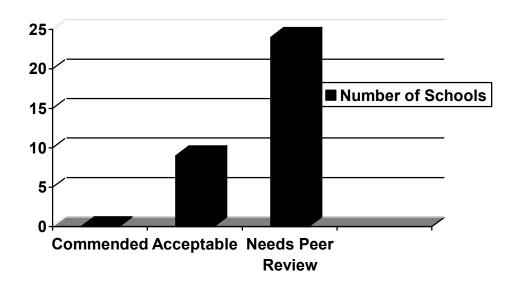


Figure 6. 2000 Accountability Ratings for Charter Schools, Standard Campuses<sup>14</sup>

Of the 33 Alternative Education campuses rated by TEA last year, *none* received the highest rating of "Commended," 9 were rated "Acceptable," and 24 received the lowest rating, with TEA saying that they "Need Peer Review." <sup>14</sup> Of all the Alternative Education charter school campuses rated, more than two-thirds – fully 72.7% - were ranked in the lowest possible category.

Figure 7. 2000 Accountability Ratings for Charter Schools, Alternative Education Campuses<sup>14</sup>



#### **Teacher Characteristics at Charter Schools**

Charter school advocates held out the promise that, if charter schools were exempted from public school regulations like teacher certification, qualifications, and pay scales, charter schools would attract more diverse "citizen teachers" to their classrooms - instructors who might not be certified, but would bring years of experience in business and higher education degrees to bear in the classroom. In reality, the evidence shows that charter schools have filled their classrooms with less qualified, less experienced instructors.

State law does not require charter school teachers to have any form of teacher certification, experience, high school or college degree. The chart below outlines teacher characteristics at traditional public and charter schools.

Figure 8. Teacher Characteristics in Traditional Public and Charter Schools, (data for most recent years available)

| Teacher Characteristic                   | Texas<br>Public<br>Schools | Texas<br>Charter<br>Schools |
|--|----------------------------|-----------------------------|
| Uncertified Teachers <sup>15</sup>       | 3.9%                       | 53.9%                       |
| Non-Degreed <sup>15</sup>                | 0.9%                       | 11.0%                       |
| Baccalaureate Degree <sup>15</sup>       | 72.1%                      | 69.2%                       |
| Advanced Degree <sup>5</sup>             | 24.8%                      | 16.7%                       |
| Student-to-Teacher Ratio <sup>5</sup>    | 14.9                       | 16.8                        |
| Average Experience in years <sup>5</sup> | 11.9                       | 5.2                         |
| Average full-time salary <sup>5</sup>    | \$37,624                   | \$27,608                    |

Certified Teachers - More than half (53.9%) of those teaching at charter schools have no form of certification. The percentage is even higher for at-risk teachers (62.3%), who are serving the students that need the most help. Only 3.9% of teachers in traditional public schools are not certified.<sup>15</sup>

*Degreed Teachers* - In addition to having fewer certified teachers, charter schools actually have fewer teachers with baccalaureate or advanced degrees than public schools. A startling 11% of charter school instructors have no degree at all. S

The lack of certified and degreed teachers at charter schools poses problems for special education students, "at-risk" students, gifted and talented students, or other students with special needs, because instructors who lack training and experience often find it difficult to prepare the unique instructional techniques and curricula of special needs students.

Experienced Teachers - Charter school teachers also have less than half as much experience as teachers at traditional public schools. In the 1999-2000 school year, teachers at traditional public schools had an average of 11.9 years of teaching experience, while charter school teachers had only 5.2 years experience.<sup>5</sup>

Student-to-Teacher Ratio - Texas public schools, excluding charter schools, reported the number of students per teacher in the 1999-2000 school year to be approximately 15:1, compared to almost 17:1 in charter schools. Alphonso Crutch's Life Charter and Gateway Charter had the two highest student-to-teacher ratios, with 42.1:1 and 40:1, respectively. Among the lower student-to-teacher ratios, North Hills School in Dallas reported 12:1 students per teacher.<sup>5</sup>

*Teacher Turnover Rate* - The teacher turnover rate at charter schools is more than three times higher than that of traditional public schools. The Texas Education Agency reports a teacher turnover rate of 49.3% in charter schools, while the state average is 14.9% for public schools (excluding charter schools).<sup>5</sup>

Background Checks – Charter schools are not required to conduct criminal background checks on their prospective teachers, unlike public schools where background checks are required by state law as part of teacher certification. While there is no data on how many charter schools have instructors who would otherwise fail background checks at traditional public schools, evidence shows that people with criminal records *are* working in the classrooms at charter schools. In May of 2001, it was revealed that nearly one in eight employees who worked last fall at Prepared Table Charter School in Houston had criminal records. 20 of 169 of Prepared Table's employees had convictions, including 32 misdemeanors and eight felonies - one of which was for manslaughter and one for involuntary manslaughter. One employee had been convicted of three felonies -- two thefts and one robbery -- and five misdemeanors.<sup>2</sup>

#### CASE STUDY: ONE STOP MULTI-SERVICE CHARTER HIGH SCHOOL

The case of One Stop Multi-Service Charter High School illustrates many of the academic shortcomings found at practicing charter schools.

One Stop Multi-Service Charter High School is a First Generation charter school that has been open for the past four years. In the 1999-2000 school year, only 31 students received a high school diploma and 4 received their GED, out of the 393 students attending One Stop Multi-Service.

| School Year | # of Students<br>Served <sup>17</sup> | # Receiving<br>High School<br>Diplomas <sup>17</sup> | # Receiving<br>GED <sup>17</sup> | TAAS Passing<br>Percentage<br>Rate | Accountability<br>Rating               |
|-------------|---------------------------------------|--|----------------------------------|------------------------------------|--|
| 1996-1997   | 148                                   | 5  | 6                                | 14.3% <sup>18</sup>                | N/A <sup>19</sup>                      |
| 1997-1998   | 268                                   | 17   | 4                                | $12.5\%^{20}$                      | AE: Needs Peer<br>Review <sup>21</sup> |
| 1998-1999   | 336                                   | 49   | 1                                | N/A <sup>22</sup>                  | Low Performing <sup>23</sup>           |
| 1999-2000   | 393                                   | 31   | 4                                | 50.0% <sup>24</sup>                | AE: Needs Peer<br>Review <sup>25</sup> |

Figure 9. Student Performance at One-Stop Multi Service Charter HS

According to complaints filed with TEA by the Director of Technology at One Stop, the high school "was in terrible shape... there wasn't any procedures, staff, paperwork done for TEA, files were... missing.... Sadly the only people who are really suffering from all this are the students who just want a fair chance in life."

In testimony before the Texas House Committee on Public Education, the parent of a student who attended One Stop reports of:<sup>27</sup>

- denial of teacher-parent phone communication and conferences;
- no formal attendance procedure;
- unprofessional conduct of administration regarding grades;
- unaccountable administration regarding answering parent questions; and
- non-existent innovative practices.

The on-site evaluation conducted by TEA in July of 2000 revealed additional information about how administrative and procedural problems at One Stop were tied to the school's academic failure. The evaluation cited one particular instance where, because the One Stop administration had misclassified students and violated TAAS administrative policies, only 3 of 24 students who took the TAAS test were actually accounted for. Other failures include misappropriation of federal funds and "an instability of staff." One Stop provides a specific example of a widespread problem among charter schools, whereby procedural and administrative problems affect students' academic performance.

## BROKEN PROMISE #2: IMPROVED EFFICIENCY THROUGH DEREGULATION

In an effort to overcome what charter school advocates call bureaucratic stagnation in public schools, they have called for a loosening of the regulations they say hamper the ability of traditional public schools to meet the needs of students. They held out the promise that deregulation would foster increased efficiency and innovation in public education. In reality, however, exempting charter schools from competitive bidding, governance training, nepotism and conflict of interest laws has resulted only in severe fiscal mismanagement, nepotism in hiring practices, incompetent school boards, and unresponsive school administrations.

In the name of efficiency, the state has in effect created a class of publicly-funded schools that are unaccountable to students, parents and taxpayers.

#### SUMMARY OF FINDINGS ON PROMISE OF IMPROVED EFFICIENCY:

#### Fiscal mismanagement:

- The state has lost over \$4.4 million dollars due to charter school closures and revocations. Additionally, the state has made at least \$3.3 million in overpayments to charter schools that inflated enrollment figures.
- At least 10 for-profit management companies run charter schools in Texas. Roughly 1 in 5 charter schools (18%) are currently, or have been, operated or supported by for-profit management companies.
- Charter schools are not required to go through a competitive bidding process when purchasing goods and services, resulting in an unknown amount of state revenues that could have been spent in a more fair and cost-effective manner.
- Members of charter school governance structures are exempt from attending any financial training or orientation required of their public school counterparts.

#### **Administrative Mismanagement:**

- Charter school boards are appointed instead of publicly elected. Students, parents, teachers and taxpayers have no voice in who runs their school.
- This un-elected school governance structure opens the door to nepotism and conflicts of interest among those serving on the board and those benefiting financially from the charter.
- The State Board of Education has approved far more charter schools than TEA is able to monitor. Though the number of charter schools has increased by more than eight times since its first year, TEA's oversight capacity has only tripled.

Loosening regulations over charter schools has resulted in schools that are simply lacking financial and procedural accountability. Last school year, \$126,000,000 in public funds was spent to finance charter schools in Texas.<sup>29</sup> These funds are now in the hands of unregulated, out-of-state for-profit management companies and non-elected charter school boards – neither of which is held accountable to the public for the taxpayer funds they receive.

#### Accountability to Taxpayers: State Funds Lost due to Inflated Enrollment Figures

Charter schools are funded according to the number of students they count in their Average Daily Attendance (ADA). Schools estimate their expected enrollment figures and are paid accordingly, beginning the first month of operation. Evidence shows that some schools have inflated enrollment figures to obtain state funding for more children than they actually educate, resulting in at least \$3.3 million in overpayments made by the state to these schools.

In their first year of operation, the First Generation charter schools overcharged the state by an estimated \$2.6 million. These overpayments included: Renaissance, \$382,000; Building Alternative, \$219,686; Girls and Boys Preparatory, \$207,526; West Houston Charter, \$201,253; Dallas Can! \$143,000; Medical Center Charter Schools, \$64,523; Raul Yzaguirre School for Success \$35,649. Even after three years of corrective efforts, as of May 2000, 7 charter schools owed the state over \$730,000 due to overpayments made to those schools. Today, more than 200 charter schools have been approved, without proper state oversight on funding.

#### Accountability to Taxpayers: State Funds Lost to Charter Revocations & School Closures

To date, 17 Texas charter schools have closed, and the amount of revenue lost stands at \$4.4 million—and counting. The state loses this money because, under current law, it is unable to recover funds once they are transferred into charter holders' accounts. Nor can the state recover funds for property or other capital purchased by the school with those public funds because this money is technically no longer considered state property. When a charter is revoked or returned, the state may only confiscate the textbooks and official records. Computers, supplies, desks, and any other property purchased by the school remains the property of the charter holder or for-profit management company running the school.

Below is a chart of known taxpayer funds that have been lost by the state as a result of charter school closures. To date, the state has been unsuccessful in recovering any money from the charter schools that have closed.<sup>33</sup>

**SBOE** Charter Status<sup>4</sup> Funds owed to the Charter School Action on State Closure<sup>11</sup>  $$0^{34}$ Academy of Austin 1/14/00 Returned \$6,000 34 9/15/00 Austin Interactive Returned Learning Academy

Returned

Figure 10. Closed/Inactive Charter Schools

9/15/00

**Bolding Academy** 

| Cypress Youth Lodge           | 1/16/98  | Revoked   | \$240,519 <sup>35</sup>   |
|-------------------------------|----------|---|---------------------------|
| El Paso Community             | 11/12/98 | Returned  | *                         |
| Emma L. Harrison              | 7/99     | Revoked   | \$1,150,000 <sup>36</sup> |
| FAITH                         | 11/5/99  | Returned  | \$200,000 37              |
| Freedom                       | 5/12/00  | Returned  | \$120,000 34              |
| Gateway West Texas            | 7/7/00   | Returned  | *                         |
| Heritage                      | 11/3/00  | Returned  | *                         |
| НОРЕ                          | 11/5/99  | Returned  | \$200,000 37              |
| LOVE                          | 11/5/99  | Returned  | \$200,000 37              |
| Neighborhood Pride<br>Academy | 5/12/00  | Returned  | \$0 <sup>34</sup>         |
| POWER                         | 11/5/99  | Returned  | \$200,000 37              |
| Rameses                       | 1/00     | Revoked   | \$95,000 36               |
| Renaissance                   | 11/3/00  | Charter suspended for remainder of term, no longer up for renewal | \$2,000,000 38            |
| Sky's the Limit               | 5/12/00  | Returned  | \$0 <sup>34</sup>         |
| Space Center Houston          | 7/7/00   | Returned  | *                         |
|                               |          |   |                           |
| TOTAL                         |          |   | \$4,411,419               |

<sup>\*</sup> Data on amount owed to the state by these schools is not yet available.

Cypress Youth Lodge in East Texas received approximately \$21,000 per month from September 1996 through June 1997, for a total of \$240,519 in state funds, but never opened its doors.<sup>35</sup> When the Emma L. Harrison School had its charter revoked, it had already received approximately \$750,000 from the state, and was in debt to creditors for over \$400,000.<sup>36</sup> TEA auditors of the revoked charter school, Rameses, found inconsistencies in school attendance that led to nearly \$13,000 in overpayment of state aid and another \$82,000 in overpayment for special education services <sup>36</sup>

When the Academy of Austin Charter School closed and packed up in the middle of the night, Texas had already paid the Michigan-based for-profit management company running the school, Charter Schools Administrative Services, \$324,000 in state funds since the opening of the school.<sup>39</sup>

Life's Beautiful Education Centers sponsored four charter schools - LOVE, HOPE, POWER, and FAITH – all of which had their charters returned due to financial problems. While the schools had only been open for one semester, the four schools had already run up debts of about \$200,000 each, and a total of almost \$1 million owed to the state.<sup>37</sup>

#### Accountability to Taxpayers: State Funds Lost to For-Profit Management Companies

Taxpayer money is also lost to for-profit management companies that are hired by the non-profit charter holders to take over the day-to-day operations of the charter schools. Problems often arise in this delicate relationship between the non-profit charter holder and the for-profit management company.

Management companies have been found to actually recruit non-profit organizations - or create their own - to apply for charters.<sup>29</sup> In testimony before the Texas House Committee on Public Education, one management company admitted company plans to "recruit third parties to apply for a [non-profit] corporation for the sole purpose of allowing that management company to then open a school in a particular area, creating in effect a nonprofit 'front' for a for-profit charter." <sup>29</sup>

Management companies that are in education to make a profit save money wherever they can in order to increase revenues. Some for-profit companies do not provide certain programs, and even fail to provide state-mandated services like special education to students who need it. There is evidence that schools run by for-profit management companies actually pay lower teacher salaries, which hurts teacher recruitment and leaves less qualified instructors in the classrooms of at-risk students seeking a better education.<sup>44</sup>

Below is a list of for-profit management companies known to be operating charter schools in Texas. The Texas Education Agency does not keep an official record of for-profit management companies operating in Texas, so this list was compiled from various sources. (TAAS passage rates are listed in parentheses for each charter school, when this information could be obtained.<sup>41</sup>)

\* Advantage Schools, Inc. - Boston-based Advantage Schools, Inc. operates four schools in Texas: Oak Cliff Academy {formerly Dallas Advantage Charter School} (31.5%), Gateway Academy {formerly Houston Advantage Charter School} (47.2%), Midland Advantage Charter School (38.6%), and New Frontiers Charter School {formerly San Antonio Advantage Charter School} (33.9%). Revenues for Advantage Schools, which runs 30 schools across the nation, Reveed \$60 million. Advantage Schools founder, Steven L. Wilson, admits a company policy which "zeroes in on well-paying urban schools," and targets donors who can make large investments, such as the \$5 million from Fidelity Venture and Bessemen Venture Partners.

One parent of three children at Advantage Schools' New Frontiers Charter School stated that she saw many problems in the charter school that were not addressed by the management company. This parent states that the management company lied about all teachers being certified, school administration would not answer parent questions, a parent representative was not on the school board (as required by the school's charter) until after parent complaints, two state representatives held positions on the school board, the school board did not regularly hold public meetings, the school experienced high teacher turnover due to lack of training on curriculum, and the school implemented poor behavior management. The parent said that she and other families "got suckered into" the idea of a great school run by a for-profit management company. Her experiences led her to the conclusion that "separate guidelines for charter schools run by for-profit management companies" needed to be put in place. 46

- *Brown Schools, Inc.* The Brown Schools, Inc. operates Dallas County Juvenile Justice Charter School (25.5%) in Dallas and Harris County Juvenile Detention Center (47.8%) at 6 different campuses in Houston. <sup>42</sup> The Brown Schools also operates 17 other schools across the nation, <sup>47</sup> generating revenues that approached \$150 million in 1998 (the most recent year for which data was available). <sup>48</sup>
- Charter School Administrative Services, Inc. Charter School Administrative Services, Inc. out of Southfield, Michigan operates four charter schools in Texas: Academy of Dallas (22.5%), Academy of Beaumont (31.07%), Academy of Houston (35.6%), and Academy of San Antonio (38.9%). Their fifth school, Academy of Austin (n/a), closed down abruptly in December of 1999 without warning, leaving parents and students scrambling to salvage time and credits by enrolling in another school.

Four former teachers at the Academy of Austin said that the school and management company failed to address "issues that were relevant to the education of the children, teaching conditions, daily health and safety issues and lack of compliance to state and federal laws at Academy of Austin. We feel our concerns were not properly addressed by CSAS (Charter School Administrative Services). We feel that CSAS acted unprofessionally in their direction, management, and closing of the Academy of Austin." <sup>50</sup>

- Connections Between Cultures, Inc. This for-profit management company operates Bright Ideas Charter School (55.6%) in Wichita Falls.<sup>42</sup>
- Continuum Health Care Systems Continuum Health Care Systems of Houston operates two charter schools in Texas: Texas Serenity Academy in Conroe (n/a) and Texas Serenity Academy in Corpus Christi (n/a). 42
- Charter Schools USA San Marcos Prep Academy (n/a) and McCullough Academy of Excellence in Austin (n/a) recently opened under the management of Florida-based Charter Schools USA. Charter Schools USA also manages 3 charter schools in Florida, and is rapidly expanding across the country. The company offers charter schools what has become known as "turnkey" service by providing everything the school needs, from financial, operations, and human resources management to technology, facilities, and education plans. Charter Schools USA CEO Jonathon K. Hage, a former researcher for the right wing Heritage Foundation, plans to open 38 schools in Florida alone over the next 5 years. 51
- TesseracT Group Inc. TesseracT Group Inc., out of Scottsdale, Arizona, operated Pineywoods Community Academy (69.5%) in Lufkin and John H. Wood Charter School (46.2%) (formerly Educational Resources Charter) in San Antonio. <sup>42</sup> Neither of these charter schools are now run by TesseracT; the relationship between TesseracT and John H. Wood Charter School was dissolved in September 1998, and the contract with Pineywoods Charter School was dissolved in March 2000. Even though TesseracT was said to have "pioneered the concept of for-profit public schools in 1990...Nasdaq was threatening to delist [its] shares...after large losses." Late last year, TesseracT also filed for Chapter 11 reorganization protection in a U.S Bankruptcy Court. <sup>52</sup>

- *SABIS International* SABIS International started 100 years ago with an all-girls school in Choueifat, Lebanon. SABIS now operates 6 schools in the U.S., and 18 others throughout the Middle East and Western Europe. SABIS contracted with Emma L Harrison Charter School (n/a) until July 1998 when the school requested to change its name, and remove any reference to the management company. After the contract between SABIS and Emma L. Harrison CS was dissolved, the Waco charter school went under owing the state \$1,150,000.
- *ABS School Services* ABS School Services, based out of Arizona, is a subsidiary of Matrix Bancorp a commercial and consumer lending corporation. ABS managed Renaissance Charter School (57.4%) (whose charter has now been suspended), and currently manages Universal Academy in Dallas (46.6%), and also acts as a lender to charter schools in Houston and San Antonio. ABS is also affiliated with almost 200 schools in Arizona and an unknown number of schools in Florida. Renaissance closed with a debt to the state of roughly \$2 million dollars. <sup>38</sup>
- *Richard Milburn Academy* The Richard Milburn Academy, based out of Salem, Massachusetts, operates charter schools in a total of 48 school districts across the country and runs six eponymous schools in Texas, which are located in Amarillo (n/a), Beaumont (n/a), Corpus Christi (37.5%), Killeen (12.5%), Lubbock (n/a), and Midland (36.4%). The company plans to open additional schools in Houston and Austin in the near future. Many of the Richard Milburn Academies are too new for the state to have collected data on them, but the schools' for-profit management company generated nearly \$10 million in revenue last year alone. Salem
- Southwest Resource Development Southwest Resource Development is the for-profit management company that operates Southwest Preparatory (37.5%) in San Antonio. This charter school has been found in violation of state law by the Texas Department of Health for teaching sectarian religion as part of an abstinence program. 50

#### **Accountability to Taxpayers: Competitive Bidding**

State law requires traditional public schools to go through competitive bidding procedures when purchasing goods or services in order to ensure that taxpayer funds are spent wisely and fairly. Charter schools are under no such obligation when spending the state funds they receive.

Former fundamentalist preacher Dr. Donald R. Howard founded Eagle Project, which now has 15 charters schools in Texas. His charter schools purchase their curriculum, hardware, educational software, and school supplies through the publishing company Howard started some 30 years ago called Accelerated Christian Education, Inc. (ACE). Howard is under no obligation to take competitive bids from suppliers other than his own company when using public funds to purchase school supplies for his charter schools.<sup>16</sup>

In another example of questionable use of state funds by a charter school, Heritage Charter School made a practice of purchasing its educational software from a company in which the school board members had an interest. "One thing in question at Heritage is that a software contract where two of the board members were on the board of trustees of a software company, software vendor, they were awarded a \$100,000 contract to supply software, then a \$10,000 service fee, you know monthly." <sup>1</sup>

Evidence also shows poor financial management at the Emma. L. Harrison Charter School, caused by a lack of competitive bidding requirements. The school paid \$90,000 to one individual for consulting services that did not contribute to the day-to-day instruction of the school.<sup>1</sup>

#### **Procedural Accountability: SBOE Application Process**

The application process for potential charter holders has evolved greatly in the last five years, first loosening up to facilitate the approval of almost 200 charters in one year's time, then becoming more thorough and controlled under new leadership on the board. While today's application process is greatly improved, the personality and agenda of the particular board members on the planning committee still has as much influence on the selection process as the objective characteristics of any given application.

The process used to approve the "First Generation" of charter schools in the spring of 1996 was very different from that used to evaluate their later counterparts. Over the course of three meetings, the State Board of Education granted charters to 20 (the maximum number allowed) out of 40 total applicants. Selection was made directly by the board, and each charter school's sponsoring entity had to come before the board for an interview.<sup>29</sup>

After the Legislature dramatically expanded the number of charters available in 1997, the SBOE revised their selection process to accommodate the higher number of applicants. The SBOE abandoned the interview process and delegated most of the remaining work to an external panel that would review and score applications, allowing the board to rapidly approve a high volume of applications with relatively little scrutiny. In March of 1998, the Board approved 41 out of 83 schools in one meeting. This group of 41 is known as the Second Generation of charter schools. Between the end of 1997 and September of 1998, the board approved an astonishing 188 of the 209 charter applications they received, including 99 open-enrollment charters and 89 "at-risk" charter schools.<sup>4</sup> [Note: Page 1 of this report has a list of charters approved by the board over the last five years.]

The greatest changes in the charter application and renewal process came during the fourth generation application process, when current SBOE Chairwoman Grace Shore became Chair of the Planning Committee. Appendix B has a detailed summary of the changes in charter school application requirements. The most notable improvements to the application have come in the following areas:

- Evidence of Eligibility: Charters must now provide a detailed description and history of their sponsoring entity, where previously only the entity's proof of 501(c)(3) IRS status was required.<sup>55</sup>
- *Community Support:* More documents are now required to show community support for the charter school. Charter applicants are now required to include a copy of the public notice, list of attendees and minutes of any public hearings held; five references; and a plan for publicity and outreach to increase awareness of the school.<sup>55</sup>
- Governance: The School Management Board (SMB) is now required to submit biographical affidavits with background information, employment history, licenses and memberships, financial and legal history, and any involvement in companies or organizations that had become insolvent or had other financial hardships. 55

- *Human Resources:* Greater emphasis is now placed on human resource issues, such as the schools' policies on salaries, dismissals, chain of command, job descriptions, and target staff and teacher levels.<sup>55</sup>
- Business Plan: After the recurring financial problems that have plagued charter schools, the SBOE now requires a more extensive business plan from charter applicants, including a three-year budget, fundraising plan, monthly budget status report template, student attendance accounting procedures, and a computer program for tracking PEIMS data.<sup>55</sup>
- Educational Plan: A more comprehensive description of the charter school's proposed educational plan is now required. The charter school must describe the graduation requirements, school calendar and hours of operation, the plan for student assessment in core areas, and plans for students with special educational needs. 46

Despite the benefit of these corrective measures, the charter school application process still rests largely in the hands of a few board members who may adhere to a political philosophy that embraces 'school choice' at any cost and favors charter school operators over the parents and taxpayers they are supposed to serve.

#### **Procedural Accountability: SBOE Renewal Process**

At the March 2001 SBOE meeting, the board extended charter renewal periods from 5 to 10 years, with a cursory review at the 5-year mark.

The five-year state contracts with the remaining 19 First Generation schools expire at the end of the 2000-2001 school year. The renewal contracts for these schools become effective June of 2001. At the February 2, 2001 SBOE meeting, the Board renewed the charters of 8 schools, and tabled the renewal of 7 schools' charters. At the March 29, 2001 SBOE meeting, the board renewed 6 of the remaining schools – including One-Stop Multi Service Charter High School - and tabled the renewal application of one school. [Appendix C notes the current status of each of the First Generation charter schools, including which schools were approved with conditions or placed on probation.]

Despite increasing public scrutiny and the repeated caution of TEA's own legal council, Attorney Jim Thompson, SBOE members exhibited careless behavior in renewing First Generation charter schools. SBOE member David Bradley went so far as to assure a charter school whose application was being tabled until the submission of an overdue audit, that they would indeed get their renewal at the next meeting, despite concerns raised about the school by other board members.<sup>57</sup> In particular, SBOE members' treatment of the renewal application for One-Stop Multi-Service Charter High School raised serious concerns about their oversight ability. Despite One Stop's abysmal academic and financial performance, and its' obvious violation of the SBOE "no-contact" rule – which prohibits charter schools from contacting SBOE members directly when they have business pending before the board, SBOE members ruled against finding a material violation of the no-contact rule and instead renewed One Stop's charter for 10 years. SBOE members are currently trying to do away with the no-contact rule altogether at the May 2001 SBOE meeting.

#### **Procedural Accountability: SBOE Amendment Process**

A sponsoring entity's charter spells out the school's proposed curriculum, enrollment, grade levels and governance structure. After the charter is granted, the charter holder may then propose amendments to change their original charter—sometimes dramatically. Amendments have been granted which increase maximum enrollment, add grade levels, change curriculum, change administration or governance structure, expand to new locations, and add "satellite" locations (distinct schools created under the same charter). As of the March 29-30, 2001 board meeting, the State Board of Education had approved the overwhelming majority--583--of the 627 charter proposed charter amendments. Only two proposed amendments were denied outright. The balance (42 amendments) were tabled. Approved amendments allowed existing charter schools to change addresses, expand enrollment, increase grade levels served by the school, and even expand to new campuses and open new schools.

#### **Procedural Accountability: TEA Intervention**

The Texas Education Agency is the agency that oversees the state's charter school system. One of the agency's methods for overseeing and, if necessary, intervening in the day-to-day operations of charter schools is to assign a Monitor or Master to charter schools that demonstrate signs of instability. An agency Monitor may participate in - and report on - the activities of the school's superintendent and board of trustees, but does not have the authority to change day-to-day operations at the school. A Master, however, may intervene whenever he/she deems necessary, and may approve or disapprove any action taken by the principle, superintendent, or board of trustees.<sup>1</sup>

To date, 9 charter schools have been assigned a Monitor, and 4 have been assigned a Master. There are currently five charter schools under the supervision of a TEA Monitor or Master. In every instance where TEA assigned a Master or Monitor, one of the reasons for intervention was "financial concerns." Many of the schools are also listed as having "governance concerns." Only the Emma L. Harrison Charter School has been monitored for "instructional concerns." The chart in Appendix D provides a list of all monitors and masters assigned since the charter school system was created.

Even when a Monitor or Master *is* assigned by TEA, this intervention often comes too late. The Monitor assigned to the Emma L. Harrison school commented to the Texas House Committee on Public Education that "Frankly, [when I was called in] is too late to have to be involved to try to do something different to try and salvage this type of school operation. As you know, early intervention is the key." Monitors assigned to Renaissance, Heritage, Boys & Girls Prep, and Life's Beautiful charter schools reiterated the need for more immediate intervention at troubled schools, "recommend[ing] the same formula of accountability, monitoring enforcement, and... rapid enforcement when you see blatant violations of the charter."

#### Procedural Accountability: TEA's Ability to Monitor and Intervene

One of the major flaws of the Texas charter school system is that funding and staff for TEA have not grown as fast as new charters have been approved. The Division of Charter Schools at TEA was created in 1996, assigning two and a half full-time employees to oversee the first 20 charter schools. When the Texas Legislature expanded the charter school system to allow 100 open enrollment charter schools and an unlimited number of "at-risk" schools, the Division of Charter Schools did not receive a corresponding expansion of staff or funding. During the 76<sup>th</sup> Legislative session in 1999, the Division received approval for only six of the twenty-four full-time employees they requested to accommodate the massive growth of charter schools.<sup>29</sup>

The lack of staff and funding leaves TEA without the necessary resources to properly oversee the Texas charter school system. A Charter School Division official publicly announced at the February 2001 SBOE meeting that TEA was unable to conduct on-site evaluations for several charter schools because they were unable to find records of the physical location of the schools. In response to open records requests submitted to the Division while researching this report, TEA sent a two-year old, incomplete list of management companies operating charter schools in Texas. Officials at TEA explained they didn't have staff to update the list. TEA simply does not have the staff to collect the information necessary to examine whether charter school are performing at a predicted level in the areas of choice, competition, and innovation. TEA is in dire need of additional funding and staff if it is to be able to adequately oversee the growing charter school system.

#### Administrative Accountability: Nepotism & Conflicts of Interest

With the exception of charter schools, all public entities in Texas are subject to the state's laws prohibiting nepotism and conflicts of interest. Unlike traditional public schools, which have elected school boards, charter schools have a board whose members are hand-picked by the sponsoring entity. Nepotism and conflicts of interest are prevalent on charter school boards. At some charter schools, family members hire each other. At others, members of one family control a majority of the school board. Frequently, the boards of the sponsoring entity and the charter school boards overlap. Many charter board members even hold staff positions in the charter schools themselves.

The following information on nepotism was gathered from the school board lists filed by the schools with TEA and from complaints against these schools, also filed with TEA.<sup>61,50</sup> Evidence shows that nepotism in charter school administrations is often coupled with financial mismanagement and unaccountable school boards.

- Rylie Faith Family This school not only has family members serving on its board, but many of the board members also serve as staff at the school, creating conflicts of interest. The Chairman of the Board is Karen Belknap, who also serves as the superintendent. The principal of the school, Don Belknap, is also the Treasurer of the Board. Dorothy Harris, a cousin of Karen Belknap, serves on the board and as an administrator at the school. In addition, Dr. Shala White and Brenton White both serve on the board and as an administrator and Vice-Principal, respectively. Only one board member out of six is not also serving on the school's staff.
- Universal Academy A former teacher at the school filed a complaint with TEA about the nepotism that exists at this school. Mrs. Diane Harris is the C.E.O; her sister Janica Blackmon is the Business Director, her son Ed Harris is the Director of Media Services, and her mother Ms. Jackson is a teacher at the school.
- Jesse Jackson and Theresa B. Lee Academies Founder of Jesse Jackson Academy, Dr. Jesse Jackson, is married to Theresa B. Lee, the founder of the Theresa B. Lee Academy of Ft. Worth. Ms. Lee serves on the board at the Theresa B. Lee School and also handles the fiscal affairs at Jesse Jackson School. Their son, Jesse Jackson III, works part-time at the Jesse Jackson School as a "computer lab technician" and receives an estimated \$60,000 a year, much more than the full-time degreed instructors receive. According to one complaint, "Nepotism plays a factor in the staff of the school" and the Jackson family is using taxpayer funds to pay the salaries of family members instead of buying textbooks (which were left up to the instructors to purchase for their students), and providing lunch services (which the assistant principal sometimes paid for). In response to a teacher's complaint filed with TEA, Ms. Lee's response to the issue of nepotism was "this is our company, Dr. Jackson can pay him \$60,000 if he can afford to, that is of no [one] else's concern." 50
- All Saints Academy Regina Tolliver serves as Treasurer and Dr. Charlie Tolliver serves as an educational consultant on the board. "After \$80,000 in federal funds, two-and-half years, seven address changes and at least five expansions ... there is [still] no All-Saints Academy." Apparently the school never opened, and its building is now occupied by Prepared Table Charter School.

TEA records indicate that board members share surnames on a number of charter school boards: <sup>61</sup>

- 21<sup>st</sup> Century Academy of Science and Technology Board Vice-President was Nick Martinez and Secretary/Treasurer was Lupe Martinez. (21<sup>st</sup> Century closed in Nov. 1999 for the remainder of the 1999-2000 school year and reopened for the 2000-2001 school year.<sup>40</sup>)
- A.W. Brown-Fellowship Charter School Three members from the Brown family served on the board.
- Academy of Excellence Three out of four board members are from the LaGrone family.
- Burnham Woods Two out of five board members are from the Burnham family.
- Cedar Ridge Two of four board members are from the Walton family.
- FOCUS The President of the board, Yvette McClure, is related to the Executive Director and CEO, Leroy McClure Jr.
- Gulf Coast Council of La Raza Four members of the board are from the two families of Marinez and Rodriguez.
- Heritage Charter School (see case study at end of chapter).
- *Houston Heights Learning Academy* Rev. S.J. Gilbert, Sr. and Mr. John Gilbert serve together on the board.
- Impact Charter The President and Secretary are both from the Moten family.
- *Northwest Mathematics, Science, and Language Academy* Three board members are from the Brooks family.
- Renaissance Charter School (see case study at end of chapter).
- San Marcus Preparatory- Kyev Tatum is CEO and Martha Tatum is C.O.O. in a three member board.
- *Ser-Ninos* Two board members are from the Soliz family.

#### Administrative Accountability: Conflicts of Interest with Legislators

State Representative Mike Krusee sits on the boards of all four charter schools operated in Texas by the Boston-based Advantage Schools Inc., a for-profit management company. The Advantage schools are located in Dallas, Midland, San Antonio, and Houston. Despite his obvious conflict of interest, in March of 1999, Representative Krusee introduced a bill for \$3 million in tax-exempt bonds to finance the purchase or construction of a new building for North Hills Charter School in Irving. Voucher supporter and former State Representative Bill Siebert has also served on all four boards with Rep. Krusee. State Rep. Joe Nixon sits on the school board at Houston Advantage.

#### Administrative Accountability: Unaccountable Charter School Boards

In traditional public school districts, the school boards are elected and are therefore accountable to the taxpayers who voted for them. However, charter holders select their own boards and the public has no input into who runs the charter schools in their communities. Charter boards are able to collect and disperse state funds, without the public's say as to how the money should be spent.

Un-elected boards retain complete power in charter schools, with no public oversight. This has left charter school boards in a position to misappropriate funds, ignore state education requirements for charter schools, disregard parent and faculty requests, and - in some cases - commit outright fraud. According to news reports and complaints filed with TEA, several school boards fit this description.

- At One Stop Multi-Service Charter High School, a group of faculty members submitted numerous complaints to TEA regarding the charter school's administration and school board: "It has come to our attention that there has been very inappropriate actions in the direction of this school. These include financial and program infractions. Most of these result in criminal actions since they involve state monies." 50
- At the Seashore Learning Center in Corpus Christi, two staff member resigned, writing over 45 pages of reports to TEA about the untrained staff, violations of the Americans with Disabilities Act, lack of criminal background checks in staff recruitment, arbitrary attendance data, false purchase orders, lack of written policies, and "bubbling in" for students on the TAAS test. The staff member resigned because he "could not support [these] decisions made by [the] then director of the school, and the Island Foundation Board.<sup>50</sup>
- A teacher resigned from the Higgs, Carter, King Gifted and Talented Charter Academy because the administration and board showed "complete disorganization and haphazard management, TRS deductions from teacher paychecks were not reflected in TRS accounts (stealing),... an administration that coerces teachers to commit illegal practices, and violation of the charter..."50

Charter school boards are given power, without the corresponding accountability that typically comes with such a position. Parents and faculty have no means of resolving problems with their charter school's board.

#### **Administrative Accountability: Untrained Charter School Boards**

Traditional public school administrators and board members are required to receive governance and financial training in order to hold their post. Charter school board members, on the other hand, are not required to pursue such training. Evidence shows that this lack of governance training has contributed to the financial mismanagement and administrative woes of many charter schools.

In testimony before the Texas House Committee on Public Education, one witness stated that "these [charter school board] folks had very little or no training, and they did not take advantage of the voluntary type things for them to come to training. They chose not to. But they were able to start this [charter school] effort without any type of experience in what it took to be successful; so I would say both...development training in terms of what will be offered to children, as well as fiscal accountability training with the individuals in charge....Somewhere on the governing board there needs to be someone who has some familiarity with the teaching process." <sup>1</sup>

Another witness commented on the need for financial training, saying that "if you're going to have a charter, you're going to have to have 'x' amount of training to make sure that we're going to certify that you can track revenue, expenditures and reporting requirements that are – that will withstand the scrutiny of the public and use of public funds." <sup>1</sup>

#### CASE STUDY: RENAISSANCE ACADEMY AND HERITAGE ACADEMY

Renaissance Charter School of Dallas and Heritage Charter School of Irving – both of which are now closed - illustrate the problems that stem from the nepotism and conflicts of interest present at many charter schools. The schools' financial problems stemmed in large part from the family relationships intertwining the two charters. In the Spring of 2000, Heritage and Renaissance came under investigation by TEA for financial mismanagement. TEA originally began monitoring Renaissance when it defaulted on a \$1.5 million private loan, owed the IRS \$450,000 in withholding taxes and had been operating with a monthly deficit of \$41,000.<sup>64</sup> The investigation was broadened to include Heritage when the following family and business ties between the two charter schools were discovered.<sup>50,64</sup>

Renaissance and Heritage have had the following problems of nepotism and conflicts of interest:

- Don Jones, father of Mat Jones, was CEO and board member of Renaissance
- Mat Jones, son of Don Jones, was Asst. Principal at Renaissance and a board member of Heritage.
- Reagan Hiller son-in-law of Don Jones, was board president of Heritage
- Paula Pruett also listed as Paula Jones, was on the Heritage board
- Dr. Bill Cole served as both principal of Renaissance and a board member of Heritage
- James Montford served as business manager for both Renaissance and Heritage

Nepotism at Renaissance and Heritage was inextricably linked to the dire financial and administrative problems at the two schools. Regan Hiller and Mat Jones are among the founders of Liberty Institute, a nonprofit organization, which received a \$100,000 contract from Heritage to provide education services. In addition, a \$204,079 loan was issued to Renaissance from Heritage, and declared "uncollectable" within a few weeks of being granted. Since James Montford served as the business manager for both schools, it is clear that the administrators and boards of both schools knew about the financial instability when the loan was made.

Since opening, Renaissance received \$10.6 million in state funding, and Heritage received approximately \$3 million, essentially giving the Jones family control over \$13 million dollars of state funds. On Jones has since resigned as CEO and board member, and TEA is currently investigating the financial habits of both schools, and try to recover money owed to the state.

TEA was able to stop Renaissance from spending state monies to buy 137 acres of land, 140 miles away from the campus, which the school said would be "for an outdoor course in teambuilding." TEA was also able to shut down an unapproved Renaissance campus that had no running water or electricity. However, as the schools' Monitors testified, TEA was unable to intervene in time to adequately address the financial and governance problems at the two schools before they were forced to close.<sup>1</sup>

The case of Renaissance and Heritage not only highlights the financial and administrative problems that can come of nepotism in charter schools, but also the inefficiencies of the state oversight and intervention process.

## BROKEN PROMISE #3: EDUCATIONAL CHOICE OVER THE STATUS QUO

The charter school movement claims to offer an avenue for diversifying education options. Charter school advocates promised that, with charter schools, local communities would gain the capacity to create the type of neighborhood public school they feel would best serve the needs of their children. In reality, however, charter schools have not developed the innovative curriculum they promised, but have relied either on the same curricula as public schools or on "innovative" teaching practices that parents never envisioned, like 4-hour school days. Furthermore, most charter schools have failed to offer the kind of educational options that public schools are required to provide, such as special needs programs. Some charter schools have even disregarded federal prohibitions against organized religion in public schools. These schools function, in effect, as publicly-funded religious schools and thus by their very nature are hostile to children do not share the religious beliefs of the school administration. Finally, many charter schools are nothing more than cookie-cutter replicas of each other, franchised throughout the state – a far cry from the locally-shaped institutions that charter school advocates promised.

#### SUMMARY OF FINDINGS ON THE PROMISE OF EDUCATIONAL CHOICE:

- As of 2000, only one charter school provided both a Limited English Proficiency (LEP) program and a Language Proficiency Assessment Committee (LPAC), as required by state and federal law. This is particularly problematic because more than one-third (38.8%) of charter school students are Hispanic.
- At least three charter schools interpreted "innovation" to mean 2- to 4-hour school days, thus allowing the schools to get state money for twice as many students, with each shift attending school for only half a day.
- 28 charter schools are (or have been) run by a for-profit management company, and 49 charter schools are run by entities that operate multiple charter schools in Texas. Thus, almost half or 46% of all charter schools in Texas are now (or have been) run by entities that operate multiple schools.
- The Texas Education Agency has received numerous complaints about organized religion in charter schools from classes meeting in a church sanctuary to religious requisites for charter school board membership.
- Charter schools have much more leeway than traditional public schools in determining how many class hours equal one credit, therefore, there is no guaranteed parity in graduation requirements. Anecdotal evidence supports the claim that many students re-entering traditional public schools from a charter school are held back a year in order to complete the required number of course credits for graduation.

#### **Innovation in Charter Schools: Curriculum**

One of the strongest arguments made for charter schools was that relaxed state regulations would bring about innovation in curriculum and instruction. It is difficult to compare whether charter schools are actually outperforming traditional public schools in the area of curriculum because the Texas Education Agency does not collect data on traditional public schools, and data on charter schools' curriculum is only scarcely available. [Appendix E provides a list of charter schools on which curriculum information has been collected.]

The data that could be gathered on curriculum and instructional methods used at charter schools indicates that, contrary to their promise of innovative and unique curriculum, many charter schools are using much the same curriculum as public schools. For example, some charter schools have bought the same "packaged" curriculum from private companies that public schools are trying out now as well.

Other curriculum formats used in charter schools have been part of the education landscape for quite some time, such as the Montessori or Direct Instruction curriculum. The Advantage Schools' curriculum is based on "Direct-Instruction," a conservative educational philosophy that embraces phonics and teaches reading and math through recitation and drills.

Many charter schools use the more controversial, conservative "Core Knowledge" curriculum advocated by E.D. Hirsch, professor at the University of Virginia. The curriculum is based on his book, *Cultural Literacy: What Every American Needs to Know*, which has been labeled an ethnocentric view of culture and history because it is "grounded in Western civilization and weighted with works by white males." Although Hirsch claims that his curriculum was intended to promote true social equality by providing a tough curriculum for minority and at risk students, "Core Knowledge" curriculum has been criticized as being too rigorous, not diverse enough, and lacking in its lessons of problem-solving and analytical skills.

#### **Innovation in Charter Schools: 4-Hour School Days**

Renaissance's XLR8 Campus, a branch campus for high school students who have fallen behind in their studies, operated on a four-hour school day. One group of students attended in the morning and another group in the afternoon. Therefore, only one shift of teachers had to be employed to teach twice as many students. Former CEO Don Jones states, "the idea is that I can have two shifts of students in there and therefore double our income." At XLR8, students who need the most education receive half the instruction that traditional public schools provide. This may help explain why Renaissance has been rated a low performing campus by TEA due to low TAAS scores.

American YouthWorks Charter School also implemented an instructional school day much shorter than that of traditional public schools. The renewal application for this charter school states that "each student has a minimum of four instructional hours per day."

Dallas CAN! Academy requires their students to attend only two hours of instruction per day, and has produced a staggering 34.3% average TAAS passage rate in the last school year. The school's renewal application, which was approved by the State Board of Education in the Spring of 2001,<sup>57</sup> stated that Dallas CAN! "students must serve at least two hours of instruction per day to be included in membership."

#### **Innovation in Charter Schools: Eliminating Mandated Programs**

State and federal laws require charter schools to have both a Limited English Proficient (LEP) program and a Language Proficiency Assessment Committee (LPAC) in place, but evaluations of the schools have shown that only one charter school had these required programs in place. TEA onsite evaluations of the first-generation charter schools in 1999 and 2000 provide the only available data on charter schools' efforts to establish these programs. Evaluations of subsequent charter generations were not available at the time of this report.

TEA's evaluation of the First Generation charters found that only one charter school - Dallas CAN! - had both a Limited English Proficient (LEP) program and Language Proficiency Assessment Committee (LPAC) in place. The American Institute for Learning had a LEP program in place, but no LPAC; Pegasus Charter School and North Hills Charter School both had LPAC in place but those committees had not taken any action by the time of TEA's evaluations. The remaining 15 First Generation charter schools had yet to establish the state- and federally-required programs.<sup>71</sup>

Lack of these bilingual education programs at charter schools is particularly problematic given that than one-third (38.8%) of charter school students are Hispanic.

#### **Innovation in Charter Schools: Skating Academies**

West Houston." In order to attend the school, students are required to take a minimum of 10 freestyle skating lessons and 3 class sessions per week. While charter schools are prohibited from charging tuition, West Houston charges a fee for the required skating lessons of approximately \$90 per week. According to a complaint filed with TEA against West Houston, these skating lessons seemed to take precedence over class work, such as math and spelling. The complaint stated that, in the first 3 weeks, there were no math lessons or a qualified math teacher, nor where there any tests or homework for the 5 weeks the student remained at the school. In addition to this campus, West Houston Charter School operates schools at Aerodome Ice Rink, Texas Ice Academy, Cypress Academy of Gymnastics, Brown's Gymnastics Facility, Mega Gym, and Texas Star Gymnastics Academy.

#### **Innovation in Charter Schools: "Cookie Cutter" Schools**

In Texas, charters may be granted to allow a single entity to open several schools under one charter. Texas has seen the emergence of cookie cutter charter schools replicated across the state. They are not the locally-shaped institutions - tailored to a community's needs - that charter advocates promised.

There at least 14 charter sponsors that operate multiple charter schools in Texas – with a single entity running up to as many as 15 schools, in the case of Eagle Project. These 14 charter sponsors run a total of 49 schools across Texas. <sup>72</sup> In addition, for-profit management companies run 28 charter schools in Texas. [Appendix F has a complete list of entities running multiple charter schools and campuses. A list of for-profit management companies and the schools they operate in Texas can be found on Pages 16-18 of this report.]

#### **Religion in Charter Schools**

According to the landmark U.S. Supreme Court decision, *School District of Abington Township*, *Pennsylvania v. Schempp (1963)*, no state law or school board may require that passages from the Bible be read or that the Lord's Prayer be recited in public schools at the beginning of each school day. Since this judgment, religious practice organized by the school has not been allowed in public schools – including charter schools. Religious symbols are not allowed to be present in public schoolrooms either. Yet, complaints filed with TEA detail violations of these regulations at charter schools – ranging from classes being held in the church sanctuary to the incorporation of religious teachings into the school's curriculum.

When a public school is housed in a church or building with a primarily religious purpose, and the leaders of the school are also leaders of the church, questions are raised about whether an adequate separation between church and state is being maintained at the charter school.

The following examples provide a cross-section of the religious ties seen in some charter schools:

- Eagle Project The director of Eagle Project charter schools, former Fundamentalist preacher Don Howard, has started approximately 7,000 primarily religious private schools worldwide, including 550 in Texas. Eagle Project is his first attempt at starting public schools, and in a Wall Street Journal article, Howard states that the trick to charter schools will be to avoid the religious aspects. "Take the Ten Commandments you can rework those as 'success principles' by rewording them. We will call it truth, we will call it principles, we will call it values. We will not call it religion." 16
- Southwest Preparatory In its application to TEA, Southwest Preparatory stated, "The curriculum will include an emphasis on character education (self-reliance, responsibility) and moral education. Health will include a unit on abstinence education that emphasizes the four tenants of moral responsibility (Prudence, Fortitude, Temperance and Justice). English classes will include readings from the Book of Virtues." The school facilities are owned by Hope Presbyterian Church. Serving on the board is Dr. Gary Short, headmaster of St. Anthony's Catholic High School in San Antonio and Mr. Michael Smith, Pastor at Hope Presbyterian Church. Also serving on the board is Charlene Smith, who works for Christian Women Job Corps. 61
- *All Saint's Academy* All Saint's Academy is a new charter that is not active, but still retains its charter. The school is run by New Beginnings Outreach Center Ministries, which is also starting a private, religious school. The superintendent for both schools is the pastor at the church, Reverend A. J. Scott.<sup>75</sup>
- Academy of Excellence Rev. J. L. Lewis is the superintendent of Academy of Excellence Charter School, which is sponsored by the Church of Pentecost, where Lewis is the pastor.<sup>72</sup>
- La Amistad Love and Learning The sponsoring entity of La Amistad charter school is the Community of Faith Church. 72
- *Impact Charter School* The sponsoring entity of Impact charter school is the Academy Faith Southwest Church. <sup>72</sup>

- Girls and Boys Prep Complaints registered with TEA allege that Girls and Boys Prep Academy is "a Muslim Charter School and pressure is applied to non-Muslims...Muslim worship is an ongoing practice... the faculty is at least 60% Muslim." One teacher allegedly choked another teacher because of a "dispute over having the Muslim practice in the school." School officials chose not to report the incident because of fear of a bad reputation. 50
- *Blessed Sacrament* Blesses Sacrament was a private religious school that converted to a charter school after the system was created. SBOE hearings and a charter application filed with TEA reveal that board members and staff at Blessed Sacrament are clearly affiliated with the University of the Incarnate Word. Every member of the Blessed Sacrament school board is Catholic, and testimony before the SBOE reveals that past practice of the school has been to maintain this board membership. The school has been to maintain this board membership.
- The Family Faith Academy of Oak Cliff and the Family Faith Academy These two schools were private religious schools that converted to charter schools after the charter school system was created.<sup>11</sup>
- A. W. Brown-Fellowship Rev. Armond W. Brown serves as a board member and as director of the school. <sup>61</sup>
- Cedar's International Charter School Our Lady's Maronite Parish holds the charter issued on May 12, 2000, with Rev. Dr. Don J. Sawyer serving as CEO and on the board of trustees. <sup>61</sup>

## CASE STUDY: BLESSED SACRAMENT CHARTER SCHOOL

Blessed Sacrament represents the classic case of a charter school where loosened regulations and lax oversight have allowed organized religion to enter public school classrooms and academic performance to decline. Blessed Sacrament Charter School is a private religious school converted into a public charter school and evidence shows that the school continues to promote religion, despite accepting public funds. The average TAAS passage rate at Blessed Sacrament is 31.8% and last year, TEA assigned the lowest possible accountability rating to the school, saying that it "Needs Peer Review."

Blessed Sacrament Charter High School has many ties to religion. It was originally founded as a private religious school by Sisters of the Incarnate Word in 1975. Since converting to become a charter school, Blessed Sacrament has preserved its affiliation with the University of the Incarnate Word - a private Catholic university in San Antonio – and has continued to compose its school board entirely of Catholic board members. Even as a conversion-charter school, the bylaws of the school and sponsoring entity state that operations will be done "in a manner consistent with ethical principles of the Congregation." The State Board of Education approved these bylaws in Blessed Sacrament's charter renewal application in the Spring of 2001. 57

## CASE STUDY: PREPARED TABLE CHARTER SCHOOL

Prepared Table Charter School represents another, but more extreme case of religion in charter schools, coupled with financial and administrative mismanagement, and outright fraud. Prepared Table is run by superintendent Reverend Harold Wilcox, sponsored by the Greater Progressive Tabernacle Baptist Church, and housed in the sponsor's church. The school has inflated their enrollment figures to receive a total of \$17 million in state, private, and federal funding by September of 2000, however, the school does not show any progress in applying these funds toward the education of its students. One former administrator claims that the academic program at the school consists of "no textbooks, no materials, nothing" and a former principle at the school believes that most of the money is going to Rev. Wilcox, who pays himself a \$210,000 salary and his wife a \$50,000 salary. Prepared Table Charter School typifies the financial and academic problems that plague many Texas charter schools, in that it has received a large sum of public funds, and yet has remarkably little to show for it with a TAAS passage rate of only 21.3%. 41

## **CASE STUDY: EAGLE PROJECT CHARTER SCHOOLS**

The Eagle Project Charter Schools exemplify the "cookie cutter" charter schools that defy charter advocates' promise of community-generated schools and innovative, unique curriculum. Eagle Project, a right-wing non-profit organization led by former Fundamentalist preacher Donald Howard, operates 15 charter schools in Texas. Howard is credited with being the first to apply "the fast-food franchise concept [to education]," starting approximately 7,000 Christian schools worldwide, including 550 in Texas. The cookie-cutter approach that Eagle Project takes to creating more educational "choice" is a far cry from the locally-shaped institutions - tailored to a community's needs - that charter advocates promised.

## SALVAGING THE PROMISE: LESSONS AND RECOMMENDATIONS

The five-year track record of Texas charter schools offers insight into how we can improve our state's charter system. Evidence shows that loosened regulations and limited oversight have allowed problems to fester in the charter school system. While charter schools have been hailed as models of ingenuity and innovation, all too often, charter schools have more in common than they would like: unaccountable and untrained school boards and administration, fiscal mismanagement, poor academic performance, exclusion of state-mandated programs, nepotism on the school board, prevalence of religion, and trouble with for-profit management companies.

Every charter school in Texas, however, is not in such a terrible state. Several successful charter schools provide students with an exemplary education. *But what is the difference between the top schools and the rock bottom?* Successful charter schools have taken the initiative to abide by self-imposed standards of educational and financial accountability that go far beyond those required by the state. Unfortunately, successful charters are scarce across the state - a result that was clearly not the intention of policy makers and educators.

The state of Texas must fix the system it created. In order to ensure that charter schools achieve a quality education system and efficient use of taxpayer funds, the legislature must begin implementing corrective measures immediately. The following issues affect the majority of charter schools and should be addressed immediately to improve Texas' charter school system:

- 8. **Moratorium** Texas must stop the proliferation of potentially unsuccessful charters by instating a moratorium on the issuance of new charters, and by establishing more stringent standards for SBOE approval of charter applications, renewals and amendments.
- 9. **Commissioner Authority** The Legislature must provide the commissioner of education with ample discretionary authority to shut down bad charter schools immediately if necessary.
- 10. **TEA Oversight** The state must arm the Texas Education Agency with the staff and funding necessary to effectively oversee every school in the charter system, in order to avoid the lack of organization and oversight that currently exists. Additional charters should not be granted without ensuring that the state has enough funds and staff to provide proper oversight.
- 11. **School Board Ethics** Charter school boards must be made to abide by the same nepotism, conflict of interest and open government laws as traditional public school districts.
- 12. *For-Profit Management Companies* The state must regulate for-profit management by requiring for-profit companies to register with the state if they operate schools in Texas and by providing the commissioner of education with the authority to approve and disapprove all contracts with for-profit management.

- 13. Teacher Qualifications The state must establish minimum teacher qualifications for charter school instructors teaching core classes, and must require criminal background checks of all employees at charter schools.
- 14. Religion in Public Schools The state must enforce strict adherence to the constitutionally-mandated separation between church and state at charter schools, as it does at all other public schools.

After implementing necessary changes, the charter school system could well be on its way to successfully educating students across the state.

## Appendix A.

## Texas Charter School Index

|   |                                 |                                | TAAS %                         | AFRICAN-                         |                                  | ACCOUNTABILITY                            |
|---|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|---|
| SCHOOL <sup>24</sup>                                    | CHARTER<br>STATUS <sup>24</sup> | LOCATION <sup>24</sup>         | PASSAGE<br>RATE <sup>5**</sup> | AMERICAN POPULATION <sup>5</sup> | HISPANIC POPULATION <sup>5</sup> | RATING FOR 2000 <sup>24</sup> ****        |
| 21ST CENTURY ACADEMY OF SCIENCE AND TECHNOLOGY          | OE                              | CORPUS<br>CHRISTI              | ***                            |                                  |                                  | Closed during<br>1999-2000<br>school year |
| A R C CONGRESS A R C RANCH A W A R E                    |                                 | AUSTIN<br>BUDA ROAD<br>HOUSTON |                                |                                  |                                  | New                                       |
| A W BROWN-  | _                               | HOUSTON                        | _                              | _                                | _                                |   |
| FELLOWSHIP CHARTER SCHOOL                               | OE                              | DALLAS                         | 69.20%                         | 75.60%                           | 1.00%                            | Acceptable                                |
| A+ ACADEMY<br>ACADEMY OF                                | AR                              | LANCASTER                      | _                              | _                                |                                  |   |
| ACCELERATED<br>LEARNING GED                             | OE                              | HOUSTON                        |                                | _                                | _                                |   |
| ACADEMY OF<br>ACCELERATED<br>LEARNING HIGH<br>SCHOOL    | _                               | _                              | 9.10%                          | 90.60%                           | 8.70%                            | Needs Peer<br>Review                      |
| ACADEMY OF<br>BEAUMONT                                  | OE                              | BEAUMONT                       | 31.70%                         | 97.10%                           | 1.40%                            | New                                       |
| ACADEMY OF CAREERS AND TECHNOLOGIES CHARTER SCHOOL      | OE                              | SAN ANTONIO                    | 0.00%                          | _                                | _                                |   |
| ACADEMY OF DALLAS                                       | OE                              | DALLAS                         | 22.50%                         | 99.40%                           | 0.00%                            | New                                       |
| ACADEMY OF<br>HOUSTON                                   | OE                              | HOUSTON                        | 35.60%                         | 94.60%                           | 4.30%                            | Low Performing                            |
| ACADEMY OF SAN<br>ANTONIO                               |                                 | SAN ANTONIO                    | 38.90%                         | 4.90%                            | 91.50%                           | New                                       |
| ACADEMY OF SKILLS & KNOWLEDGE                           | OE                              | TYLER                          | 36.80%                         | 10.70%                           | 3.60%                            | Needs Peer<br>Review                      |
| ACADEMY OF<br>TRANSITIONAL<br>STUDIES                   | OE                              | CORPUS<br>CHRISTI              |                                | _                                | _                                | Needs Peer<br>Review                      |
| ALIEF MONTESSORI<br>COMMUNITY SCHOOL                    | OE                              | HOUSTON                        | 91.30%                         | 28.00%                           | 23.70%                           | Exemplary                                 |
| ALL SAINT'S ACADEMY<br>(A S A)                          | AR                              | HOUSTON                        | _                              | _                                | _                                |   |
| ALPHA CHARTER<br>SCHOOL                                 |                                 | GARLAND                        |                                |                                  |                                  |   |
| ALPHA II  |                                 | SAN ANTONIO                    |                                |                                  |                                  | Now                                       |
| ALPHONSO CRUTCH'S-<br>LIFE SUPPORT CENTER               | AR                              | HOUSTON                        | 79.90%                         | 90.90%                           | 6.50%                            | New                                       |
| AMERICAN ACADEMY OF EXCELLENCE CHARTER SCHOOL Region 13 | AR                              | HOUSTON                        | _                              | _                                | _                                | New                                       |
|   |                                 |                                |                                |                                  |                                  |   |

| School <sup>24</sup>                                   | CHARTER<br>STATUS <sup>24</sup> | LOCATION <sup>24</sup> | TAAS % PASSAGE RATE <sup>5**</sup> | AFRICAN-<br>AMERICAN<br>POPULATION <sup>5</sup> | HISPANIC POPULATION <sup>5</sup> | ACCOUNTABILITY RATING FOR 2000 <sup>24</sup> ***** |
|--|---------------------------------|------------------------|------------------------------------|---|----------------------------------|--|
| AMERICAN ACADEMY OF EXCELLENCE CHARTER SCHOOL Region 4 | AR                              | HOUSTON                | 16.70%                             | 42.90%  | 49%                              | 2000   |
| AMERICAN YOUTH<br>WORKS CHARTER<br>SCHOOL              | OE                              | AUSTIN                 | _ <del>_</del>                     | 17.60%  | 45.90%                           | Acceptable   |
| AMIGOS POR VIDA-<br>FRIENDS FOR LIFE<br>CHARTER SCHOOL | AR                              | HOUSTON                | 88.90%                             | 2.90%   | 96.70%                           | New  |
| ARLINGTON CLASSICS<br>ACADEMY                          | OE                              | ARLINGTON              | 62.70%                             | 13.20%  | 8.40%                            | New  |
| BEATRICE MAYES INSTITUTE CHARTER SCHOOL                |                                 | HOUSTON                |                                    | _   | _                                |  |
| BENJI'S SPECIAL EDUCATION ACADEMY CHARTER SCHOOL       | OE                              | HOUSTON                | 50.00%                             | 97.10%  | 2.20%                            | Needs Peer<br>Review                               |
| BLESSED SACRAMENT<br>ACAD CHARTER H S                  | OE                              | SAN ANTONIO            | 31.80%                             | 1.60%   | 91.80%                           | Needs Peer<br>Review                               |
| BOLDING ACADEMY<br>BRAZOS RIVER                        | AR                              | MARSHALL               |                                    |   |                                  | New  |
| CHARTER SCHOOL   | AR                              | NEMO                   | _                                  | _   |                                  | New  |
| BRAZOS SCHOOL FOR INQUIRY & CREATIVITY                 | AR                              | BRYAN                  | 67.70%                             | 0%  | 85.70%                           |  |
| BRAZOS VALLEY<br>CHARTER SCHOOL<br>(LOS HERMANOS)      | OE                              | BRYAN                  | 0.00%                              | _   | _                                |  |
| BRIGHT IDEAS<br>CHARTER                                | OE                              | WICHITA FALLS          | 55.60%                             | 3%  | 10.40%                           | Low Performing                                     |
| BUILDING ALTER<br>CHARTER                              | OE                              | SAN ANTONIO            | 50.00%                             | 38.70%  | 51.60%                           | Needs Peer<br>Review                               |
| BURNETT-BAYLAND<br>HOME                                | _                               | HOUSTON                | 47.80%                             | 53.30%  | 28.30%                           | Acceptable   |
| BURNETT-BAYLAND<br>RECEPTION CENTER                    |                                 | HOUSTON                | 47.80%                             | 41.50%  | 26.70%                           | Acceptable   |
| BURNHAM WOOD<br>CHARTER SCHOOL                         | OE                              | EL PASO                | 80.00%                             | 7.80%   | 52.20%                           | Recognized   |
| CALVIN NELMS<br>CHARTER HIGH<br>SCHOOL                 | AR                              | HOUSTON                | 44.40%                             | 5.70%   | 18.90%                           | New  |
| CAREER PLUS<br>LEARNING ACADEMY                        | OE                              | SAN ANTONIO            | 81.80%                             | 30.40%  | 69.60%                           | New  |
| CEDAR CREST-BELTON                                     |                                 | BELTON                 |                                    | 26.40%  | 17%                              | New  |
| CEDAR RIDGE<br>CHARTER SCHOOL                          | OE                              | LOMETA                 | 33.30%                             | 17.90%  | 25.00%                           | Needs Peer<br>Review                               |
| CEDARS<br>INTERNATIONAL<br>ACADEMY                     | OE                              | AUSTIN                 | 0.00%                              | _   | _                                |  |
| CHILDREN FIRST<br>ACADEMY OF<br>HOUSTON                | OE                              | DALLAS                 | 23.20%                             | 97.40%  | 2.60%                            | Low Performing                                     |
| CHILDREN FIRST OF<br>DALLAS                            | OE                              | DALLAS                 | 44.70%                             | 100.00%   | 0.00%                            | Low Performing                                     |

| School <sup>24</sup>                            | CHARTER<br>STATUS <sup>24</sup> | LOCATION <sup>24</sup> | TAAS % PASSAGE RATE <sup>5**</sup> | AFRICAN-<br>AMERICAN<br>POPULATION <sup>5</sup> | HISPANIC POPULATION <sup>5</sup> | ACCOUNTABILITY RATING FOR 2000 <sup>24</sup> ***** |
|---|---------------------------------|------------------------|------------------------------------|---|----------------------------------|--|
| COASTAL BEND<br>YOUTH CITY                      | OE                              | DRISCOLL               | _                                  | 19.60%  | 54.30%                           | Insuff. Data                                       |
| COMQUEST ACADEMY                                | AR                              | TOMBALL                | 30.00%                             | 7.00%   | 14.10%                           | New  |
| CORNERSTONE<br>ACADEMY<br>CORPUS CHRISTI-       | _                               | HOUSTON                | 96.60%                             | 2.10%   | 32.90%                           |  |
| RICHARD MILBURN<br>ALTER H S                    | _                               | HOUSTON                | 37.50%                             | 3.20%   | 72.20%                           | Needs Peer<br>Review                               |
| CROSSROAD<br>COMMUNITY ED CTR<br>CHARTER SCHOOL | AR                              | HOUSTON                | 0.00%                              | 0.00%   | 0.00%                            |  |
| CRYSTAL HILLS PREP<br>ACADEMY                   | OE                              | DALLAS                 | 0.00%                              | 0.00%   | 0.00%                            |  |
| DALLAS ADVANTAGE<br>CHARTER SCHOOL              | OE                              | DALLAS                 | 31.30%                             | 34.00%  | 59.30%                           | New  |
| DALLAS CAN! ACADEMY<br>CHARTER                  | OE                              | DALLAS                 | 34.30%                             | 54.70%  | 36.00%                           | Acceptable   |
| DALLAS CAN! ACADEMY<br>CHARTER (LIVE OAK)       | _                               | DALLAS                 | 45.50%                             | 45.60%  | 50.30%                           | Acceptable   |
| DALLAS COMMUNITY<br>CHARTER SCHOOL              | OE                              | DALLAS                 |                                    | 33.20%  | 47.50%                           | PK-K   |
| DALLAS COUNTY JUVENILE JUSTICE                  | AR                              | DALLAS                 | 25.50%                             | 44.00%  | 36.40%                           | New  |
| DAY TOP<br>VILLAGE/DALLAS                       |                                 | DALLAS                 |                                    | 0.00%   | 0.00%                            |  |
| DAY TOP VILLAGE/PINE<br>MOUNTAIN                |                                 | PALESTINE              |                                    | 25.00%  | 25.00%                           | New  |
| DELTA 3 BOOT CAMP DESTINY HIGH SCHOOL           | _                               | HOUSTON<br>KILLEEN     | 47.80%                             | 43.20%<br>0.00%                                 | 42.10%<br>0.00%                  | Acceptable   |
| EAGLE ADVANTAGE<br>SCHOOL                       | OE                              | DALLAS                 | <br>15.40%                         | 61.50%  | 17.30%                           | Needs Peer<br>Review                               |
| EAGLE PROJECT<br>(ABILENE)                      | AR                              | ABILENE                | _                                  | 0.00%   | 22.40%                           | New  |
| EAGLE PROJECT<br>(BEAUMONT)                     | AR                              | BEAUMONT               | _                                  | 94.40%  | 0.00%                            | New  |
| EAGLE PROJECT (BROWNSVILLE)                     | AR                              | BROWNSVILLE            | 35.70%                             | 0.00%   | 100.00%                          | New  |
| EAGLE PROJECT<br>(BRYAN)                        | AR                              | BRYAN                  | 28.60%                             | 20.50%  | 22.70%                           | New  |
| EAGLE PROJECT<br>(DALLAS)                       | AR                              | DALLAS                 | _                                  | 100.00%   | 0.00%                            | New  |
| EAGLE PROJECT<br>(DEL RIO)                      | AR                              | DEL RIO                | 17.60%                             | 0.00%   | 86.00%                           | New  |
| EAGLE PROJECT<br>(FT WORTH)                     | AR                              | FT WORTH               | 20.00%                             | 42.60%  | 31.90%                           | New  |
| EAGLE PROJECT<br>(LAREDO II)                    | AR                              | LAREDO                 | 0.00%                              | 0.00%   | 94.60%                           | New  |
| EAGLE PROJECT<br>(LUBBOCK)                      | AR                              | LUBBOCK                | 14.30%                             | 15.90%  | 36.40%                           | New  |
| EAGLE PROJECT<br>(MIDLAND)                      | AR                              | MIDLAND                | 0.00%                              | 7.80%   | 62.70%                           | New  |
| EAGLE PROJECT<br>(PHARR-MCALLEN)                | AR                              | PHARR                  | 18.80%                             | 0.00%   | 100.00%                          | New  |

| School <sup>24</sup>                                  | CHARTER<br>STATUS <sup>24</sup> | LOCATION <sup>24</sup> | TAAS % PASSAGE RATE <sup>5**</sup> | AFRICAN-<br>AMERICAN<br>POPULATION <sup>5</sup> | HISPANIC POPULATION <sup>5</sup> | ACCOUNTABILITY RATING FOR 2000 <sup>24</sup> ***** |
|---|---------------------------------|------------------------|------------------------------------|---|----------------------------------|--|
| EAGLE PROJECT<br>(SAN ANTONIO II)                     | AR                              | SAN ANTONIO            | 20.00%                             | 1.90%   | 98.10%                           | New  |
| EAGLE PROJECT<br>(TEXARKANA)                          | AR                              | TEXARKANA              | 30.00%                             | 55.40%  | 1.80%                            | New  |
| EAGLE PROJECT<br>(TYLER)                              | AR                              | TYLER                  |                                    | 18.20%  | 6.80%                            | New  |
| EAGLE PROJECT<br>(WACO)                               | AR                              | WACO                   |                                    | 53.80%  | 10.30%                           | New  |
| EAST CAMPUS   |                                 | HOUSTON                | 0.00%                              | 0.00%   | 0.00%                            |  |
| EAST FORT WORTH MONTESSORI SCHOOL                     | _                               | FORT WORTH             | 0.00%                              | 0.00%   | 0.00%                            |  |
| EAST TEXAS CHARTER<br>H S                             | OE                              | LONGVIEW               | 37.50%                             | 21.20%  | 13.50%                           | New  |
| EASTPARK PREP<br>CHARTER MIDDLE<br>SCHOOL             | OE                              | MISSOURI CITY          | _                                  | 0.00%   | 0.00%                            |  |
| ED WHITE MEMORIAL<br>ED WHITE MEMORIAL                | OE<br>OE                        | SEABROOK<br>SEABROOK   | 16.70%                             | 1.90%<br>0.00%                                  | 10.80%<br>0.00%                  | Low Performing                                     |
| EDEN PARK ACADEMY                                     | OE                              | AUSTIN                 | 45.30%                             | 7.80%   | 24.40%                           | Low Performing                                     |
| EL PASO ACADEMY                                       | OE                              | EL PASO                | 0.00%                              | 0.00%   | 0.00%                            |  |
| EL PASO SCHOOL OF<br>EXCELLENCE                       | AR                              | DALLAS                 | 0.00%                              | 0.00%   | 0.00%                            |  |
| ENCINO SCHOOL   | OE                              | ENCINO                 | 70.30%                             | 0.00%   | 94.30%                           | Acceptable   |
| ERATH EXCELS<br>ACADEMY INC                           | OE                              | STEPHENVILLE           | 53.30%                             | 2.40%   | 19.30%                           | New  |
| ESCUELA DE LAS<br>AMERICAS                            | _                               | SAN ANTONIO            | 54.30%                             | 2.00%   | 96.00%                           |  |
| EXCEL ACADEMY   |                                 | FT WORTH               |                                    | 0.00%   | 0.00%                            |  |
| FAITH FAMILY<br>ACADEMY OF OAK<br>CLIFF               | AR                              | DALLAS                 | 35.10%                             | 96.50%  | 3.30%                            | Low Performing                                     |
| FOCUS LEARNING<br>ACADEMY                             | AR                              | DALLAS                 | 9.60%                              | 94.00%  | 2.60%                            | New  |
| FORT WORTH<br>ACADEMY OF FINE<br>ARTS                 |                                 | FORT WORTH             | 0.00%                              | 0.00%   | 0.00%                            |  |
| FORT WORTH CAN<br>ACADEMY                             | OE                              | FORT WORTH             | 0.00%                              | 0.00%   | 0.00%                            |  |
| FRUIT OF EXCELLENCE SCHOOL                            | AR                              | AUSTIN                 | 43.80%                             | 47.60%  | 50.00%                           | New  |
| G C C L R EMERGENCY<br>SHELTER/ASSESSMENT<br>CENTER   | _                               | CORPUS<br>CHRISTI      | 0.00%                              | 0.00%   | 80.00%                           | Insuff. Data                                       |
| GABRIEL TAFOLLA<br>CHARTER SCHOOL                     | OE                              | UVALDE                 | 47.80%                             | 0.00%   | 91.20%                           | Low Performing                                     |
| GATEWAY (STUDENT<br>ALTERNATIVE<br>PROGRAM INC)       | OE                              | LAREDO                 | 13.30%                             | 0.00%   | 95.70%                           | Needs Peer<br>Review                               |
| GEORGE I SANCHEZ -<br>ALTERNATIVE                     | OE                              | HOUSTON                | 0.00%                              | 12.50%  | 87.50%                           | Insuff Data  |
| GEORGE I SANCHEZ<br>CHARTER H S SAN<br>ANTONIO BRANCH | OE                              | SAN ANTONIO            | 0.00%                              | 0.00%   | 0.00%                            |  |

| School <sup>24</sup>                                     | CHARTER<br>STATUS <sup>24</sup> | LOCATION <sup>24</sup> | TAAS % PASSAGE RATE <sup>5**</sup> | AFRICAN-<br>AMERICAN<br>POPULATION <sup>5</sup> | HISPANIC POPULATION <sup>5</sup> | ACCOUNTABILITY RATING FOR 2000 <sup>24</sup> ***** |
|--|---------------------------------|------------------------|------------------------------------|---|----------------------------------|--|
| GEORGE I SANCHEZ<br>H S                                  | _                               | HOUSTON                | 50.00%                             | 1.70%   | 96.30%                           | Acceptable   |
| GIRLS & BOYS PREP<br>ACADEMY                             | OE                              | HOUSTON                | 48.00%                             | 93.90%  | 3.00%                            | Acceptable   |
| GUARDIAN ANGEL<br>PERFORMANCE<br>ACADEMY                 | AR                              | SAN ANTONIO            | 46.40%                             | 24.10%  | 57.40%                           | Low Performing                                     |
| GULF SHORES<br>ACADEMY                                   | AR                              | HOUSTON                | 16.70%                             | 83.90%  | 12.10%                           | New  |
| HARMONY SCIENCE<br>ACADEMY                               | OE                              | HOUSTON                | 0.00%                              | 0.00%   | 0.00%                            |  |
| HARMONY SCIENCE<br>ACADEMY - AUSTIN                      | OE                              | AUSTIN                 | 0.00%                              | 0.00%   | 0.00%                            |  |
| HARRIS COUNTY JUVENILE DETENTION CENTER                  | OE                              | HOUSTON                | 47.80%                             | 43.20%  | 29.10%                           | Acceptable   |
| HARRIS COUNTY<br>YOUTH VILLAGE                           | OE                              | SEABROOK               | 47.80%                             | 45.40%  | 35.20%                           | Acceptable   |
| HEIGHTS CHARTER<br>SCHOOL                                | _                               | HOUSTON                | 13.60%                             | 15.20%  | 69.60%                           | Acceptable   |
| HIGGS, CARTER, KING<br>GIFTED & TALENTED<br>CHARTER ACAD | OE                              | SAN ANTONIO            | 47.70%                             | 28.00%  | 61.10%                           | Low Performing                                     |
| HILL COUNTRY   | _                               | AUSTIN                 | _                                  | 0.00%   | 0.00%                            | New  |
| HOUSTON ADVANTAGE<br>CHARTER SCHOOL                      | OE                              | HOUSTON                | 42.70%                             | 32.80%  | 55.90%                           | New  |
| HOUSTON CAN!<br>ACADEMY CHARTER<br>SCHOOL                | OE                              | HOUSTON                | 17.40%                             | 69.40%  | 28.10%                           | Needs Peer<br>Review                               |
| HOUSTON HEIGHTS<br>LEARNING ACADEMY<br>INC               | OE                              | HOUSTON                |                                    | 30.10%  | 67.10%                           | New  |
| HOUSTON'S SPACE<br>COMMUNITY CHARTER<br>SCHOOL INC       | OE                              | FRIENDSWOOD            | 0.00%                              | _   | _                                |  |
| I AM THAT I AM<br>ACADEMY                                | AR                              | DALLAS                 | 15.40%                             | 100.00%   | 0.00%                            | Acceptable   |
| I.D.E.A. ACADEMY   | OE                              | PHARR                  |                                    |   |                                  |  |
| IMPACT CHARTER   | AR                              | HOUSTON                | 41.70%                             | 96.90%  | 0.00%                            | Acceptable   |
| INSPIRED VISION<br>ACADEMY                               | AR                              | DALLAS                 | 0.00%                              | _   | _                                |  |
| JAMIE'S HOUSE<br>CHARTER SCHOOLS                         | AR                              | HOUSTON                | 28.60%                             | 37.80%  | 28.90%                           | New  |
| JEAN MASSIEU<br>ACADEMY                                  | OE                              | IRVING                 | 44.40%                             | 12.80%  | 12.80%                           | New  |
| JESSE JACKSON<br>ACADEMY                                 | AR                              | HOUSTON                | 28.60%                             | 91.30%  | 7.80%                            | Low Performing                                     |
| JOHN H. WOOD<br>CHARTER SCHOOL                           | OE                              | SAN ANTONIO            | 46.20%                             | 24.50%  | 49.00%                           | Low Performing                                     |
| JUBILEE ACADEMIC<br>CENTER                               |                                 | SAN ANTONIO            | 0.00%                              | <u> </u>  | _                                |  |
| KATHERINE ANNE<br>PORTER SCHOOL                          | OE                              | WIMBERLY               | 45.50%                             | 0.00%   | 8.20%                            | New  |

| School <sup>24</sup>                               | CHARTER<br>STATUS <sup>24</sup> | LOCATION <sup>24</sup>     | TAAS % PASSAGE RATE <sup>5**</sup> | AFRICAN-<br>AMERICAN<br>POPULATION <sup>5</sup> | HISPANIC POPULATION <sup>5</sup> | ACCOUNTABILITY RATING FOR 2000 <sup>24</sup> ***** |
|--|---------------------------------|----------------------------|------------------------------------|---|----------------------------------|--|
| KATY-HOCKLEY BOOT<br>CAMP                          | _                               | KATY                       | 47.80%                             | 100.00%   | 0.00%                            | Acceptable   |
| KENNY DORHAM<br>SCHOOLS FOR THE<br>PERFORMING ARTS | OE                              | AUSTIN                     | 0.00%                              | _   |                                  |  |
| KILLEEN-RICHARD<br>MILBURN ALTER H S               |                                 | KILLEEN                    | 12.50%                             | 44.80%  | 21.90%                           | Needs Peer<br>Review                               |
| KIPP INC. CHARTER                                  | OE                              | HOUSTON                    | 96.90%                             | 10.70%  | 86.20%                           | Exemplary  |
| LA AMISTAD LOVE & LEARNING ACADEMY                 | AR                              | HOUSTON                    | _                                  | 100.00%   | 0.00%                            | PK-K   |
| LEGACY HIGH SCHOOL                                 |                                 | KAUFMAN                    | 0.00%                              | _   | _                                | A ( )  |
| LA ESCUELA DE LAS<br>AMERICAS<br>LIFE CHARTER      | OE                              | SAN ANTONIO                | 0.00%                              |   |                                  | Acceptable   |
| SCHOOLS OF OAK<br>CLIFF                            | OE                              | DALLAS                     | 59.10%                             | 56.60%  | 15.60%                           | Low Performing                                     |
| LUBBOCK-RICHARD<br>MILBURN ALTER H S               |                                 | MCQUEENEY                  |                                    | 17.20%  | 64.10%                           | New  |
| MAINLAND<br>PREPARATORY<br>ACADEMY                 | OE                              | TEXAS CITY                 | 80.20%                             | 88.80%  | 3.70%                            | Acceptable   |
| MARYWOOD   |                                 | AUSTIN                     | 0.00%                              | 28.60%  | 28.60%                           | New  |
| MCCULLOUGH<br>ACADEMY OF<br>EXCELLENCE             | AR                              | AUSTIN                     | _                                  | _   | _                                |  |
| MCDUFFIE<br>RESIDENTIAL<br>TREATMENT               | _                               | HOUSTON                    |                                    | _   | _                                |  |
| MEDICAL CENTER<br>CHARTER SCHOOL                   | OE                              | HOUSTON                    | 70.80%                             | 70.90%  | 7.80%                            | Acceptable   |
| MEDICAL CENTER<br>CHARTER SCHOOL,<br>SOUTHWEST     | _                               | HOUSTON                    | 91.30%                             | 80.70%  | 7.20%                            | Recognized   |
| MERIDALE-WESTWOOD                                  |                                 | LIBERTY HILL               |                                    | 5.60%   | 11.10%                           | New  |
| MERIDALE-WINDRIDGE<br>MERIDELL                     | <u> </u>                        | CEDAR PARK                 |                                    | 23.10%  | 3.80%                            | New<br>New   |
| ACHIEVEMENT CENTER                                 |                                 | LIBERTY HILL               |                                    | 7.10%   | 7.10%                            | 1400   |
| METRO CHARTER<br>ACADEMY                           |                                 | ARLINGTON                  |                                    |   |                                  |  |
| MID-VALLEY ACADEMY                                 | OE                              | MERCEDES                   | 14.30%                             | 0.00%   | 96.10%                           | Acceptable   |
| MIDLAND ADVANTAGE<br>CHARTER SCHOOL                | OE                              | MIDLAND                    | 38.60%                             | 14.80%  | 38.70%                           | New  |
| MIDLAND-RICHARD<br>MILBURN ALTER H S               | _                               | MIDLAND                    | _                                  | _   | _                                | New  |
| MILLWOOD ACADEMY                                   |                                 | ARLINGTON                  |                                    |   |                                  |  |
| MIRACLE FARM                                       |                                 | BRENHAM                    |                                    |   |                                  | Nooda Daar   |
| NANCY NEY CHARTER<br>SCHOOL<br>NATIONAL ELITE      | OE                              | NEW<br>BRAUNFELS<br>AUSTIN | 33.30%                             | 4.10%   | 53.10%                           | Needs Peer<br>Review<br>New                        |
| GYMNASTICS   |                                 | (region 10)                |                                    | 20.00%  | 40.00%                           |  |
| NATIONAL ELITE<br>GYMNASTICS                       |                                 | AUSTIN (region 13)         |                                    | 0.00%   | 10.00%                           | New  |
| NEHEMIAH INSTITUTE                                 |                                 | SAN ANTONIO                |                                    | 5.30%   | 89.50%                           | Insuff Data  |

| School <sup>24</sup>                                      | CHARTER<br>STATUS <sup>24</sup> | LOCATION <sup>24</sup> | TAAS % PASSAGE RATE <sup>5**</sup> | AFRICAN-<br>AMERICAN<br>POPULATION <sup>5</sup> | HISPANIC POPULATION <sup>5</sup> | ACCOUNTABILITY RATING FOR 2000 <sup>24</sup> ***** |
|---|---------------------------------|------------------------|------------------------------------|---|----------------------------------|--|
| NEW FRONTIERS<br>CHARTER SCHOOL                           | OE                              | SAN ANTONIO            | 33.90%                             | 2.30%   | 84.90%                           | Low Performing                                     |
| NORTH HILLS SCHOOL  | OE                              | IRVING                 | 94.00%                             | 5.60%   | 24.80%                           | Exemplary  |
| NORTH HOUSTON H S<br>FOR BUSINESS                         | OE                              | HOUSTON                | 0.00%                              | 83.90%  | 12.90%                           | Insuff Data  |
| NORTHWEST<br>MATHEMATICS<br>SCIENCE & LANGUAGE<br>ACADEMY | OE                              | HOUSTON                | 16.70%                             | 88.90%  | 8.70%                            | Low Performing                                     |
| NOVA CHARTER<br>SCHOOL                                    | OE                              | DALLAS                 | 42.90%                             | 55.50%  | 36.10%                           | Low Performing                                     |
| NOVA CHARTER<br>SCHOOL-SOUTHEAST                          | OE                              | DALLAS                 |                                    |   |                                  |  |
| NYOS CHARTER<br>SCHOOL                                    | OE                              | AUSTIN                 | 83.80%                             | 4.40%   | 6.70%                            | Recognized   |
| ODYSSEY ACADEMY<br>INC                                    | OE                              | GALVESTON              | 84.00%                             | 11.00%  | 56.60%                           | New  |
| ONE STOP<br>MULTISERVICE<br>H S                           | OE                              | MCALLEN                | 50.00%                             | 0.00%   | 92.70%                           | Needs Peer<br>Review                               |
| PANOLA CS   | AR                              | EULESS                 |                                    |   | _                                |  |
| PARADIGM<br>ACCELERATED<br>SCHOOL                         | AR                              | DUBLIN                 |                                    | _   | _                                |  |
| PASO DEL NORTE  | OE                              | EL PASO                | 16.70%                             | 1.40%   | 87.20%                           | Needs Peer<br>Review                               |
| PATHFINDER CAMP   |                                 | n/a                    |                                    |   |                                  |  |
| PEGASUS CHARTER<br>H S                                    | OE                              | DALLAS                 | 50.50%                             | 22.40%  | 53.80%                           | Acceptable   |
| PINEYWOODS COMMUNITY ACADEMY HIGH SCHOOL                  | OE                              | LUFKIN                 | 69.50%                             | 14.40%  | 2.90%                            | Acceptable   |
| POSITIVE SOLUTIONS CHARTER SCHOOL                         | OE                              | SAN ANTONIO            |                                    | 6.40%   | 89.10%                           | Needs Peer<br>Review                               |
| PREPARED TABLE  | OE                              | HOUSTON                | 21.30%                             | 92.50%  | 6.90%                            | New  |
| RADIANCE ACADEMY OF LEARNING                              | OE                              | SAN ANTONIO            | 47.20%                             | 19.80%  | 51.00%                           | Acceptable   |
| RADIANCE ACADEMY OF LEARNING - WEST LAKE CAMPUS           | _                               | SAN ANTONIO            |                                    | _   | _                                | Acceptable   |
| RANCH ACADEMY   | OE                              | CANTON                 |                                    | 2.40%   | 0.00%                            | Insuff Data  |
| RAPOPORT ACADEMY<br>(EAST WACO)                           | OE                              | WACO                   | 98.70%                             | 96.00%  | 1.30%                            | Exemplary  |
| RAUL YZAGUIRRE<br>SCHOOL FOR SUCCESS                      | OE                              | _                      | 55.70%                             | 0.30%   | 98.80%                           | Acceptable   |
| RENAISSANCE<br>CHARTER SCHOOL                             | OE                              | NEW WAVERLY            | 57.38%                             | 39.70%  | 39.10%                           | Acceptable   |
| RICHARD MILBURN<br>ACADEMY (AMARILLO)                     | OE                              | MCQUEENEY              |                                    |   |                                  |  |
| RICHARD MILBURN<br>ACADEMY (BEAUMONT)                     | OE                              | BEAUMONT               |                                    | _   |                                  |  |
| RICHARD MILBURN<br>ALTERNATIVE                            | OE                              | CORPUS<br>CHRISTI      | 37.5%                              | _   |                                  |  |

| School <sup>24</sup>                                  | CHARTER<br>STATUS <sup>24</sup> | LOCATION <sup>24</sup> | TAAS % PASSAGE RATE <sup>5**</sup> | AFRICAN-<br>AMERICAN<br>POPULATION <sup>5</sup> | HISPANIC POPULATION <sup>5</sup> | ACCOUNTABILITY RATING FOR 2000 <sup>24</sup> ***** |
|---|---------------------------------|------------------------|------------------------------------|---|----------------------------------|--|
| RICHARD MILBURN<br>ALTERNATIVE(KILLEEN)               | OE                              | KILLEEN                | 12.5%                              | _   |                                  |  |
| RICHARD MILBURN<br>ALTERNATIVE                        | OE                              | LUBBOCK                | _                                  | _   | _                                |  |
| RICHARD MILBURN<br>ALTERNATIVE                        | OE                              | MIDLAND                | 36.40%                             | 11.10%  | 42.20%                           |  |
| RISE ACADEMY  | OE                              | LUBBOCK                |                                    | 56.70%  | 36.70%                           | PK-K   |
| RYLIE FAITH FAMILY ACADEMY                            | OE                              | DALLAS                 | 47.40%                             | 17.00%  | 26.50%                           | Low Performing                                     |
| SAN ANTONIO CAN! ACADEMY                              | OE                              | SAN ANTONIO            | _                                  | _   | _                                |  |
| SAN ANTONIO SCHOOL<br>FOR INQUIRY &<br>CREATIVITY     | OE                              | SAN ANTONIO            | _                                  | _   | _                                |  |
| SAN MARCOS PREP<br>SCHOOL                             | OE                              | SAN MARCOS             | _                                  | _   | _                                |  |
| SCAN CHARTER<br>SCHOOL                                | OE                              | LAREDO                 | _                                  |   |                                  |  |
| SCHOOL OF<br>EXCELLENCE IN<br>EDUCATION               | OE                              | SAN ANTONIO            | 52.60%                             | 9.00%   | 76.50%                           | Acceptable   |
| SEASHORE LEARNING<br>CENTER CHARTER                   | OE                              | CORPUS<br>CHRISTI      | 84.60%                             | 0.00%   | 98.90%                           | Recognized   |
| SENTRY TECHNOLOGY PREP SCHOOL                         | OE                              | MCALLEN                | 22.20%                             | 0.00%   | 98.90%                           | Needs Peer<br>Review                               |
| SER-NINOS CHARTER<br>SCHOOL                           | OE                              | HOUSTON                | 57.70%                             | 3.90%   | 95.70%                           | Acceptable   |
| SHEKINAH "RADIANCE"<br>ACADEMY                        | OE                              | CONVERSE               | 19.20%                             | 18.10%  | 65.20%                           | New  |
| SOUTH PLAINS  | OE                              | LUBBOCK                | 44.40%                             | 7.00%   | 69.90%                           | Acceptable   |
| SOUTHWEST H S -<br>CYPRESS CREEK<br>HOSPITAL          | OE                              | HOUSTON                | _                                  | _   | _                                | New  |
| SOUTHWEST H S -<br>INCENTIVES                         | _                               | KATY                   |                                    | 54.20%  | 16.70%                           | New  |
| SOUTHWEST H S -<br>INTRACARE NORTH                    | _                               | HOUSTON                | _                                  | _   | _                                | New  |
| SOUTHWEST H S –<br>T-CARE                             |                                 | HOUSTON                | _                                  | 55.90%  | 17.60%                           | New  |
| SOUTHWEST H S -<br>TEJAS UNIT DEPELCHIN<br>CHLDRN CTR | _                               | HOUSTON                | _                                  | 31.80%  | 22.70%                           | New  |
| SOUTHWEST HIGH<br>SCHOOL                              |                                 | HOUSTON                | 17.50%                             | 20.70%  | 71.90%                           | New  |
| SOUTHWEST<br>PREPARATORY<br>ACADEMY                   | _                               | SAN ANTONIO            | 37.50%                             | 20.90%  | 41.80%                           | Needs Peer<br>Review                               |
| START CHARTER<br>SCHOOL                               | OE                              | AUSTIN                 | 69.70%                             | 2.20%   | 7.80%                            | Acceptable   |
| T-CARE  | OE                              | HOUSTON                | _                                  | _   | _                                |  |
| TECHNOLOGY<br>EDUCATION CHARTER<br>SCHOOL             | OE                              | WESLACO                | 29.40%                             | 0.70%   | 98.60%                           | Needs Peer<br>Review                               |
| TEKOA ACADEMY   | OE                              | PORT ARTHUR            | 20.30%                             | 98.70%  | 0.60%                            | New  |

| School <sup>24</sup>                               | CHARTER<br>STATUS <sup>24</sup> | LOCATION <sup>24</sup> | TAAS % PASSAGE RATE <sup>5**</sup> | AFRICAN-<br>AMERICAN<br>POPULATION <sup>5</sup> | HISPANIC POPULATION <sup>5</sup> | ACCOUNTABILITY RATING FOR 2000 <sup>24</sup> ***** |
|--|---------------------------------|------------------------|------------------------------------|---|----------------------------------|--|
| TEXAS ACADEMY OF EXCELLENCE                        | OE                              | AUSTIN                 | 65.50%                             | 93.80%  | 3.90%                            | Acceptable   |
| TEXAS BOYS CHOIR                                   |                                 | FORT WORTH             | 96.30%                             | 15.40%  | 10.30%                           | New  |
| TEXAS EMPOWERMENT ACADEMY                          | OE                              | AUSTIN                 | 64.00%                             | 49.20%  | 39.30%                           | Acceptable   |
| TEXAS LANGUAGE<br>CHARTER                          | OE                              | DALLAS                 | _                                  | 11.90%  | 73.80%                           | New  |
| TEXAS SERENITY<br>ACADEMY                          | OE                              | HOUSTON                | _                                  | 42.10%  | 26.30%                           | Needs Peer<br>Review                               |
| TEXAS SERENITY<br>ACADEMY (BAYSHORE)               | OE                              | HOUSTON                | _                                  | 50.00%  | 33.30%                           | Needs Peer<br>Review                               |
| THE ECHELON  |                                 | AUSTIN                 |                                    |   |                                  |  |
| THE EDUCATION CENTER AT LITTLE ELM                 |                                 | LITTLE ELM             |                                    |   |                                  |  |
| THE EDUCATION<br>CENTER AT THE<br>COLONY           |                                 | LITTLE ELM             |                                    | _   | _                                |  |
| THE IDEA ACADEMY                                   |                                 | DONNA                  |                                    | _   |                                  |  |
| THE RAVEN SCHOOL<br>(GULF COAST TRADES<br>CENTER)  | OE                              | NEW WAVERLY            | _                                  | _   | _                                |  |
| THERESA B. LEE.<br>ACADEMY                         | OE                              | FORT WORTH             | 0.00%                              | 96.00%  | 2.40%                            | Low Performing                                     |
| TOVAS-TACTILE ORAL VISUAL ALTERNATIVE SYSTEM       | OE                              | TEMPLE                 | 27.80%                             | 34.90%  | 9.30%                            | New  |
| TRANSFORMATIVE CHARTER ACADEMY                     | OE                              | KILLEEN                | _                                  | 23.60%  | 24.50%                           | Needs Peer<br>Review                               |
| TREETOPS SCHOOL INTERNATIONAL                      | OE                              | FORT WORTH             | 53.20%                             | 1.40%   | 6.80%                            | Acceptable   |
| TWO DIMENSIONS PREPARATORY ACADEMY                 | OE                              | HOUSTON                | 61.90%                             | 98.90%  | 1.10%                            | Acceptable   |
| UNIVERSITY OF<br>HOUSTON CHARTER<br>SCHOOL- TECH   | OE                              | HOUSTON                | 57.70%                             | 31.70%  | 24.80%                           | Acceptable   |
| UNIVERSAL ACADEMY UNIVERSITY SCHOOL OF LAS COLINAS | OE<br>—                         | DALLAS<br>COPPELL      | 46.60%                             | 97.10%  | 1.30%                            | Low Performing                                     |
| VALLEY HIGH SCHOOL                                 | AR                              | HARLINGEN              | 27.30%                             | 51.30%  | 17.60%                           | Low Performing                                     |
| VARNET CHARTER<br>SCHOOL                           | _                               | HOUSTON                | 78.70%                             | 98.40%  | 1.20%                            | Recognized   |
| WACO CHARTER<br>SCHOOL                             |                                 | WACO                   | 59.00%                             | 52.00%  | 36.60%                           | Acceptable   |
| WA-SET PREPARATORY<br>ACADEMY                      | AR                              | HOUSTON                |                                    | 100.00%   | 0.00%                            | New  |
| WAXAHACHIE FAITH FAMILY ACADEMY                    | OE                              | DALLAS                 | 58.20%                             | 3.50%   | 14.50%                           | Acceptable   |
| WEST HOUSTON<br>CHARTER SCHOOL                     | OE                              | HOUSTON                | 74.30%                             | 4.30%   | 10.70%                           | Recognized   |
| WEST HOUSTON<br>CHARTER                            |                                 | KATY                   | 82.40%                             | 2.10%   | 2.10%                            | Acceptable   |

| School <sup>24</sup>                          | CHARTER<br>STATUS <sup>24</sup> | LOCATION <sup>24</sup> | TAAS % PASSAGE RATE <sup>5**</sup> | AFRICAN-<br>AMERICAN<br>POPULATION <sup>5</sup> | HISPANIC<br>POPULATION <sup>5</sup> | ACCOUNTABILITY RATING FOR 2000 <sup>24</sup> ***** |
|---|---------------------------------|------------------------|------------------------------------|---|-------------------------------------|--|
| WESTCHESTER ACADEMY FOR INTERNATIONAL STUDIES | _                               | HOUSTON                | _                                  | _   | _                                   |  |
| WINFREE ACADEMY                               | OE                              | IRVING                 |                                    |   |                                     | New  |
| WINFREE CHARTER<br>SCHOOL LEWISVILLE          |                                 | LEWISVILLE             | _                                  | _   | _                                   |  |
| WINFREE/DALLAS                                | _                               | DALLAS                 | 9.40%                              | 60.40%  | 28.40%                              | New  |
| WINGS FOR LIFE                                |                                 | MARION                 |                                    |   |                                     |  |
| Y W HIGH SCHOOL                               |                                 | HURST                  |                                    |   |                                     |  |
| YES COLLEGE<br>PREPARATORY<br>SCHOOL          | OE                              | HOUSTON                |                                    | _   | _                                   |  |

<sup>\*</sup> Sum of grades 3,8, and 10.

<sup>\*\*</sup> OE indicates school is chartered as an open enrollment charter school; AR indicates that school is chartered under the "75% At-Risk Rule" that requires at least 75% of its students to be classified as "at-risk."

<sup>\*\*\*</sup> Dashes are placed where no data are available.

<sup>\*\*\*\*</sup> Accountability ratings from best to worst are Exemplary, Recognized, Acceptable, Low Performing; For Alternative Education, accountability ratings are Commended, Acceptable, Needs Peer Review. Schools with only grades PreK/K are not rated.

### Appendix B.

## **Evolution of Charter Application**

Figure 1 - Evidence of Eligibility: Charters must now provide a detailed description and history of their sponsoring entity, where previously only the entity's proof of 501(c)(3) IRS status was required.<sup>55</sup>

|   | 1st Gen      | 2nd Gen      | 3rd Gen      | 4th Gen |
|---|--------------|--------------|--------------|---------|
| Response from IRS on 501(c)(3) status   | $\checkmark$ | $\checkmark$ | $\checkmark$ | ✓       |
| Application to IRS for 501(c)(3) status |              | $\checkmark$ | $\checkmark$ | ✓       |
| Copy of most recent tax return          |              | $\checkmark$ | $\checkmark$ | ✓       |
| List of board members                   |              | $\checkmark$ | ✓            | ✓       |
| Disclosure of litigation or bankruptcy  |              |              | ✓            | ✓       |
| Description of sponsoring entity        |              |              |              | ✓       |
| Articles of incorporation of sponsoring |              |              |              | ✓       |
| Entity                                  |              |              |              |         |
| Bylaws of sponsoring entity             |              |              |              | ✓       |
| History of sponsoring entity            |              |              |              | ✓       |

Figure 2 - Community Support: More documents are now required to show community support for the charter school. Charter applicants are now required to include a copy of the public notice, list of attendees and minutes of any public hearings held; five references; and a plan for publicity and outreach to increase awareness of the school.<sup>55</sup>

|  | 1st Gen | 2nd Gen | 3rd Gen | 4th Gen      |
|--|---------|---------|---------|--------------|
| Petitions, letters, public meetings        | ✓       | ✓       | ✓       | $\checkmark$ |
| Involvement of community members           |         |         |         | ✓            |
| Copy of notice, attendees, and synopsis of |         |         |         |              |
| public hearing                             |         |         |         | $\checkmark$ |
| Business arrangements and partnerships     |         |         |         | <b>✓</b>     |
| Five references                            |         |         |         | $\checkmark$ |
| Copy of Notice of Intent publication       |         |         |         | <b>✓</b>     |
| Plan for publicity and outreach            |         |         |         | <b>√</b>     |

Figure 3 - Governance: The School Management Board (SMB) is now required to submit biographical affidavits with background information, employment history, licenses and memberships, financial and legal history, and any involvement in companies or organizations that became insolvent or had other financial hardships.<sup>55</sup>

|                                 | 1st Gen | 2nd Gen  | 3rd Gen      | 4th Gen      |
|---------------------------------|---------|----------|--------------|--------------|
| Description of SMB structure    | ✓       | <b>√</b> | <b>√</b>     | <b>√</b>     |
| SMB composition and process for |         | ✓        | $\checkmark$ | $\checkmark$ |
| member selection                |         |          |              |              |

| SMB responsibilities                     | <b>√</b>     | <b>√</b>     | ✓        |
|--|--------------|--------------|----------|
| Role of parents and students in decision | $\checkmark$ | $\checkmark$ | <b>√</b> |
| Making                                   |              |              |          |
| Board member criminal history checks     |              | $\checkmark$ | ✓        |
| SMB officer positions                    |              |              | ✓        |
| Board member and officer removal         |              |              | ✓        |
| process                                  |              |              |          |
| Process for filling board vacancies      |              |              | ✓        |
| Term of board members                    |              |              | ✓        |
| Process for maintaining continuity       |              |              | ✓        |
| between SMBs                             |              |              |          |
| Profile of sponsoring entity board       |              |              | ✓        |
| Biographical affidavits of SMB           |              |              | <b>✓</b> |
| members                                  |              |              |          |
| Involvement of private entities in       |              |              | <b>√</b> |
| school operation                         |              |              |          |

Figure 4 - Human Resources: Greater emphasis is now placed on human resource issues, such as the schools' policies on salaries, dismissals, chain of command, job descriptions, and target staff and teacher levels.<sup>55</sup>

|  | 1st Gen  | 2nd Gen | 3rd Gen  | 4th Gen      |
|--|----------|---------|----------|--------------|
| Qualifications of professional employees   | <b>√</b> | ✓       | <b>√</b> | ✓            |
| Optional employee background check         |          | ✓       | ✓        | ✓            |
| Policies on salaries, leave, and benefits  |          |         |          | $\checkmark$ |
| Policies on contracts, hiring, and         |          |         |          | ✓            |
| dismissals                                 |          |         |          |              |
| Biographical affidavits for administrators |          |         |          | $\checkmark$ |
| CEO and chain of command                   |          |         |          | $\checkmark$ |
| CEO's experience in business and school    |          |         |          |              |
| management                                 |          |         |          | ✓            |
| Criteria for academic & financial leaders  |          |         |          | $\checkmark$ |
| Job descriptions for all staff members     |          |         |          | ✓            |
| Staff evaluation process                   |          |         |          | $\checkmark$ |
| Benefits and salary range of               |          |         |          | ✓            |
| administrators                             |          |         |          |              |
| Target staff size                          |          |         |          | $\checkmark$ |
| Target teacher-to-student ratio            |          |         |          | $\checkmark$ |
| Identification of proposed staff           |          |         |          | <b>√</b>     |

Figure 5 - Business Plan: After the recurring financial problems that have plagued charter schools, the SBOE now requires a more extensive business plan from charter applicants, including a three-year budget, fundraising plan, monthly budget status report template, student attendance accounting procedures, and a computer program for tracking PEIMS data. 55

|   | 1st Gen      | 2nd Gen      | 3rd Gen      | 4th Gen      |
|---|--------------|--------------|--------------|--------------|
| Proposed first year budget              | <u>√</u>     | <u>√</u>     | <b>√</b>     |              |
| PEIMS plan                              | ✓            | $\checkmark$ | ✓            | $\checkmark$ |
| Description of facility                 | <b>√</b>     | ✓            | ✓            | <b>√</b>     |
| Copy of facility agreement              | $\checkmark$ | $\checkmark$ | ✓            | <b>✓</b>     |
| Transportation provisions               | $\checkmark$ | $\checkmark$ | $\checkmark$ | ✓            |
| Process for budget adoption             | $\checkmark$ | $\checkmark$ | $\checkmark$ | <b>√</b>     |
| Method for annual audit                 |              | $\checkmark$ | $\checkmark$ | $\checkmark$ |
| Process for daily business operations   |              | ✓            | ✓            | <b>✓</b>     |
| Food service provisions                 |              | $\checkmark$ | $\checkmark$ | $\checkmark$ |
| Financial templates for budget          |              | ✓            | ✓            | ✓            |
| development                             |              |              |              |              |
| Preliminary budget for planning phase   |              |              |              | ✓            |
| Three-year budget                       |              |              |              | <b>√</b>     |
| Three-year cash flow projection         |              |              |              | <b>√</b>     |
| Fundraising plan                        |              |              |              | <b>√</b>     |
| Copy of business procedure handbook     |              |              |              | <b>√</b>     |
| Monthly budget status report template   |              |              |              | <b>√</b>     |
| Financial accounting and payroll system |              |              |              | <b>√</b>     |
| Suitability of proposed site            |              |              |              | <b>√</b>     |
| Plans for facilities/land acquisition   |              |              |              | <b>√</b>     |
| Student attendance accounting           |              |              |              | <b>√</b>     |
| procedures                              |              |              |              |              |
| Computer program for tracking PEIMS     |              |              |              | $\checkmark$ |
| data                                    |              |              |              |              |

*Figure 6 - Educational Plan:* A more comprehensive description of the charter school's proposed educational plan is now required. The charter school must describe the graduation requirements, school calendar and hours of operation, the plan for student assessment in core areas, and plans for students with special educational needs.<sup>39</sup>

|                                     | 1st Gen | 2nd Gen      | 3rd Gen      | 4th Gen      |
|-------------------------------------|---------|--------------|--------------|--------------|
| Long-range vision                   |         | $\checkmark$ | $\checkmark$ | $\checkmark$ |
| Educational philosophy              |         | $\checkmark$ | $\checkmark$ | $\checkmark$ |
| How educational philosophy supports |         |              |              | $\checkmark$ |
| vision                              |         |              |              |              |

## Appendix C.

# Status of First Generation Charter Schools (# school asked to be tabled)

|    | School Name   | SBOE Action Feb. 2001 <sup>52</sup> | SBOE Action Mar. 2001 <sup>74</sup> |
|----|---|-------------------------------------|-------------------------------------|
| 1  | Academy of Transitional Studies   | No Action                           | Approved with conditions            |
| 2  | American YouthWorks <sup>#</sup> (formerly American Institute for Learning) | Tabled                              | Approved with conditions            |
| 3  | Blessed Sacrament Academy   | No Action                           | Approved with conditions            |
| 4  | Building Alternatives <sup>#</sup>  | Tabled                              | Approved with conditions            |
| 5  | Cypress Youth Lodge   | NEVER OPENED                        | N/A                                 |
| 6  | Dallas Can!   | Tabled                              | Approved                            |
| 7  | George I. Sanchez   | Tabled                              | Approved                            |
| 8  | Girls and Boys Prep Academy   | Tabled                              | Approved                            |
| 9  | Medical Center  | Approved                            | _                                   |
| 10 | North Hills School  | Approved                            |                                     |
| 11 | One Stop Multi Service  | Tabled                              | Approved with conditions            |
| 12 | Genesis<br>(formerly Pegasus)   | Approved                            |                                     |
| 13 | Raul Yzaguirre School for Success   | Tabled                              | Approved                            |
| 14 | Renaissance   | No longer up for renewal            | N/A                                 |
| 15 | Seashore Learning Center  | Approved                            | _                                   |
| 16 | Ser-Ninos   | Approved                            |                                     |
| 17 | Texas Academy of Excellence <sup>#</sup>                                    | Tabled                              | Tabled                              |
| 18 | Univ. of Houston School of Technology                                       | Approved                            |                                     |
| 19 | Waco Charter  | Approved                            | _                                   |
| 20 | West Houston  | Approved                            |                                     |

## Appendix D.

# TEA Intervention in Charter Schools<sup>68</sup>

| Charter School                            | Type of<br>Intervention | Reason for<br>Intervention                              | Date<br>Assigned | Date Removed                              |
|---|-------------------------|---|------------------|---|
| Academy of America                        | Monitor                 | Financial concerns                                      | 12-10-99         | 9-1-00                                    |
| All Saint's Academy                       | Master                  | Financial and Governance concerns                       | 9-29-00          | Current                                   |
| E.L Harrison                              | Master                  | Financial,<br>Instructional, and<br>Governance concerns | 3-11-99          | 5-18-99<br>(charter revoked<br>on 7-9-99) |
| Eden Park Academy                         | Monitor                 | Financial concerns                                      | 4-28-00          | Current                                   |
| Girls and Boys Prep<br>Academy            | Monitor                 | Financial concerns                                      | 7-15-98          | 8-11-99                                   |
| Heritage Academy                          | Monitor                 | Financial and Governance concerns                       | 4-17-99          | 9-1-00                                    |
|   | Upgraded to master      |   | 9-1-00           | 11-3-00 (charter returned)                |
| Impact                                    | Monitor                 | Financial concerns                                      | 2-4-00           | Current                                   |
| Life Is Beautiful's 4 Educational Centers | Monitor                 | Financial concerns                                      | 3-26-99          | 8-10-99                                   |
| North Houston High<br>School for Business | Monitor                 | Financial and Governance concerns                       | 3-26-99          | 8-10-99                                   |
| Prepared Table                            | Master                  | Financial concerns                                      | 11-17-00         | Current                                   |
| Renaissance                               | Monitor                 | Financial concerns                                      | 2-4-00           | 11-14-00 (charter suspended)              |
| Rylie Academy                             | Monitor                 | Financial and Governance concerns                       | 10-3-00          | Current                                   |

## Appendix E.

## Known Charter School Curricula

List of schools compiled by the Texas Center for Educational Research *Profiles of Charter Schools*, which reported known curriculum and instructional methods for all charter schools in operation at the time of the report.<sup>72</sup>

- 1) Academy of Knowledge and Skills Direct Instruction and Shurley Method
- 2) Alief Montessori Community School Montessori curriculum
- 3) American Institute for Learning "POD-based" team learning (Based on a group of marine mammals that work, travel, play, and solve problems as a cohesive unit)
- 4) Life Charter School Saxon phonetics, Montessori curriculum
- 5) Medical Center Montessori curriculum
- 6) Mid-Valley Academy American Preparatory Institute curriculum
- 7) Radiance Academy of Learning Saxon Math and Phonetics, CORE Knowledge Curriculum
- 8) Raul Yzaguirre School for Success CORE Knowledge curriculum, Direct Instruction
- 9) School of Excellence in Education CORE Knowledge curriculum
- 10) Southwest Preparatory School Advanced Learning System
- 11) Two Dimensions Preparatory Academy Bellworks, Stanford Directions
- Universal Academy Problem-Based Learning (Consists of carefully selected and designed problems, which replicate real life challenges and demand from the learner acquisition of critical knowledge, problem solving proficiency, self-directed learning strategies, and team participation skills. Students assume increasing responsibility for their learning.)
- 13) University of Houston Charter of Technology Curriculum based on Constructivism (Based on theories from Jean Piaget, Lev Vygostsky, and John Dewey)
- 14) Waco Charter School CORE Knowledge curriculum, Whole Class Reading, Montessori curriculum
- 15) Waxahachie Faith Family Academy Kamico
- 16) YES Academy CORE Knowledge curriculum

## Appendix F.

## Entities Operating Multiple Schools/Campuses

Texas Center for Educational Research: *Profiles of Charter Schools Operating in 1998-1999* listed the following entities as charter sponsors running multiple charter schools.<sup>72</sup>

- 1 American Academy of Excellence
- a. American Academy of Excellence, Houston
- b. American Academy of Excellence, Austin
- 2 Association for the Advancement of Mexican Americans
- a. George L. Sanchez Charter School, Houston
- b. George L. Sanchez Charter School, San Antonio
- 3 Democratic Schools Research, College Station
- a. Brazos School for Inquiry & Creativity, College Station
- b. San Antonio School for Inquiry & Creativity, San Antonio
- 4 Eagle Project
- a. Eagle Project Charter School, Abilene
- b. Eagle Project Charter School, Beaumont
- c. Eagle Project Charter School, Brownsville
- d. Eagle Project Charter School, Bryan
- e. Eagle Project Charter School, Dallas
- f. Eagle Project Charter School, Del Rio
- g. Eagle Project Charter School, Ft. Worth
- h. Eagle Project Charter School, Laredo
- i. Eagle Project Charter School, Lubbock
- j. Eagle Project Charter School, Midland
- k. Eagle Project Charter School, Pharr-McAllen
- 1. Eagle Project Charter School, San Antonio
- m. Eagle Project Charter School, Texarkana
- n. Eagle Project Charter School, Tyler
- o. Eagle Project Charter School, Waco
- 5 Excellence 2000, Inc
- a. Children First Academy of Dallas, Dallas
- b. Children First Academy of Houston, Houston
- 6 Faith Family Fellowship
- a. Faith Family Academy of Oak Cliff
- b. Waxahachie Faith Family Academy
- 7 Information Referral Resource, Inc. I.S.D.
- a. One Stop Multi-Service Charter School, McAllen
- b. Sentry Technology Prep Charter School, McAllen
- 8 Life Is Beautiful Centers
- a. LOVE
- b. HOPE
- c. FAITH
- d. POWER
- 9 Neighborhood Pride, Inc (All Charters Returned)

- a. Austin Interactive Academy CS, Austin
- b. Neighborhood Pride CS, Texarkana
- c. Sky's the Limit, San Antonio
- 10 SAILS Forever
- a. Calvin Nelms Charter School, Houston
- b. East Texas Charter High School, Longview
- 11 Shekinah Learning Institute
- a. Radiance Academy Charter School, San Antonio
- b. Shekinah Radiance Academy Charter School, San Antonio
- 12 Student Alternative Program, Inc. (SAPI)
- a. Gateway Charter School, Laredo
- b. Mid-Valley Charter School, Mercedes
- c. Paso del Norte Charter School, El Paso
- d. South Plains Charter School, Lubbock
- 13 Texans CAN!
- a. Dallas CAN! Charter School
- b. Forth Worth CAN! Charter School
- c. Houston CAN! Charter School
- d. San Antonio CAN! Charter School
- e. Austin CAN! Charter School (generation 6)
- 14 Youth for Education Success, Inc. (YES)
- a. Jesse Jackson Charter School, Houston
- b. Teresa B. Lee Charter School, Dallas

#### Some charter schools also have multiple sites under one charter contract:

- 1. George I Sanchez Charter
  - a. George I. Sanchez High School
  - b. George I. Sanchez Alternative
- 2. Honors Academy
  - a. Texas Boys Choir
  - b. Winfree Academy, Irving
  - c. Day Top Village, Pine Mountain
  - d. Winfree, Dallas
  - e. Cedar Crest-Belton
  - f. Meridell Achievement Center
  - g. National Elite Gymnastics
- 3. Harris County Juvenile Justice Center
  - a. Harris County Juvenile Detention Center
  - b. Burnett-Bayland Home
  - c. Burnett-Bayland Reception Center
  - d. Harris County Youth Village
  - e. Delta 3 Boot Camp
  - f. Katy-Hockley Boot Camp
  - g. Clarewood Center
- 4. Medical Center Charter
  - a. Medical Center Elementary
  - b. Medical Center Charter School

- 5. Rylie Faith Family Academy a. Rylie Faith Family Academy
  - b. A + Academy
  - c. El Paso School of Excellence
  - d. Inspired Vision Academy
- 6. University Charter
  - a. A R C Ranch
  - b. Hill Country
  - c. Marywood
  - d. Meridale-Winderidge
  - e. National Elite Gymnastics

## Appendix G.

# Complaints Filed with TEA Against Charter Schools<sup>26,50</sup>

|   | NEPOTISM/<br>CONFLICT<br>OF<br>INTEREST | FOR-PROFIT<br>MANAGEMENT | RELIGION<br>IN<br>SCHOOL | RUN BY AN<br>ENTITITY<br>WITH<br>MULTIPLE<br>CHARTERS | TAAS PASSING PERCENTAGE RATES LOWER THAN STATE AVERAGE | COMPLAINTS FILED WITH TEA  |
|---|---|--------------------------|--------------------------|---|--|--|
| Academy of Austin                                     |   | Х                        |                          |   |  | Failure to teach, poor education conditions, facilities, failure to provide/problems with lunch program, no registered nurse         |
| Academy of Beaumont                                   |   | Х                        |                          |   | X  | Teacher contract   |
| Academy of Houston                                    |   | X                        |                          |   | X  | Unprofessional behavior  |
| Alphonso<br>Crutch's<br>Life Support<br>Charter       |   |                          |                          |   |  | Unprofessional Behavior, misc. complaints, failure to pay bills  |
| Amigos Por<br>Vida                                    |   |                          |                          |   |  | Failure to teach, poor education conditions, failure to meet payrolls, facilities, discrepancies/falsification of enrollment figures |
| Benji's<br>Special<br>Education<br>Academy            |   |                          |                          |   | ×  | Unprofessional behavior, teaching/administration misc.   |
| Bright Ideas  |   | X                        |                          |   | Х  | Unprofessional behavior  |
| ComQuest<br>Academy                                   |   |                          |                          |   | Х  | Failure to meet payrolls, lack of due process in student dismissal   |
| E.L.<br>Harrision                                     |   | X                        |                          |   | N/A  | Failure to teach, failure to meet payrolls, failure to pay bills, alleged illegal practices  |
| Eagle<br>Project<br>Charter<br>School- San<br>Antonio |   |                          | X                        | ×   | Х  | Student records  |
| Eagle High<br>School                                  |   |                          |                          |   |  | Unprofessional behavior  |
| Eagle<br>Project<br>Charter<br>School –<br>Byran      |   |                          | Х                        | ×   | Х  | Misc. complaints   |
| *Faith<br>Family<br>Academy                           | X                                       |                          | х                        | Х   |  | Failure to teach, special education  |
| Faith Family<br>Academy of<br>Oak Cliff               |   |                          | Х                        | Х   | Х  | Poor educational conditions, failure to meet payrolls  |

|  | NEPOTISM/<br>CONFLICT<br>OF<br>INTEREST | FOR-PROFIT<br>MANAGEMENT | RELIGION<br>IN<br>SCHOOL | RUN BY AN<br>ENTITITY<br>WITH<br>MULTIPLE<br>CHARTERS | TAAS PASSING PERCENTAGE RATES LOWER THAN STATE AVERAGE | COMPLAINTS FILED WITH TEA  |
|--|---|--------------------------|--------------------------|---|--|--|
| FOCUS  |   |                          |                          |   | X  | Poor education conditions  |
| Girls and<br>Boys<br>Preparatory<br>Academy        |   |                          | Х                        |   | Х  | Failure to teach, discipline, poor education conditions, student harassment, special education   |
| Guardian<br>Angel                                  |   |                          | X                        |   | X  | Failure to teach, teacher contract   |
| Gulf Shores<br>Academy                             |   |                          |                          |   | Х  | Unprofessional behavior  |
| Harris<br>County<br>Juvenile<br>Justice<br>Charter |   | X                        |                          | X   | Х  | Special education  |
| Heights<br>Academy                                 |   |                          |                          |   | Х  | Failure to teach, poor education conditions, discrepancies/falsification of attendance/enrollment  |
| Houston<br>Heights<br>Learning<br>Academy          |   |                          |                          |   | N/A  | Failure to pay bills, failure to provide/problems with lunch programs  |
| Heritage<br>Academy                                | Х                                       |                          |                          |   | N/A  | Failure to teach, conflict of interest, financial problems   |
| Higgs,<br>Carter, King                             |   |                          |                          |   | Х  | Failure to teach, poor education conditions, facilities, lack of due process in student dismissal, failure to pay bills, failure to provide/problems with lunch program, no registered nurse |
| *Honors<br>Academy                                 |   |                          |                          | Х   |  | Failure to teach, poor education conditions, teaching/administration misc.   |
| HOPE   |   |                          | Х                        | Х   | N/A  | Lack of due process in student dismissal   |
| Houston<br>Advantage<br>Charter                    | Х                                       | Х                        |                          |   | ×  | Failure to teach, poor education conditions, unprofessional behavior, facilities, student harassment   |
| I Am That I<br>Am<br>Academy                       |   |                          |                          |   | Х  | Unprofessional behavior, student harassment, teacher contract, lack of due process in student dismissal  |
| Inspired<br>Vision                                 |   |                          |                          | Х   | X  | Facilities, lack of due process in student dismissal, misuse of funds  |
| Jesse<br>Jackson<br>Academy                        | х                                       |                          |                          | х   | х  | Failure to teach, poor education conditions, failure to meet payrolls, failure to provide/problems with lunch program, graduation, alleged illegal practices                                 |
| KIPP   |   |                          |                          | Х   |  | Failure to teach, student  |

|  | NEPOTISM/<br>CONFLICT<br>OF<br>INTEREST | FOR-PROFIT<br>MANAGEMENT | RELIGION<br>IN<br>SCHOOL | RUN BY AN<br>ENTITITY<br>WITH<br>MULTIPLE<br>CHARTERS | TAAS PASSING PERCENTAGE RATES LOWER THAN STATE AVERAGE | COMPLAINTS FILED WITH TEA   |
|--|---|--------------------------|--------------------------|---|--|---|
| Academy                                |   |                          |                          |   |  | harassment, lack of due process in student dismissal  |
| La Amistad                             |   |                          | Х                        |   | N/A  | Failure to meet payrolls, lack of due process in student dismissal, failure to pay bills  |
| Life Charter<br>School of<br>Oak Cliff |   |                          |                          |   | ×  | Failure to meet payrolls, facilities  |
| LOVE                                   |   |                          | Х                        | Х   | N/A  | Student records, graduation   |
| Medical<br>Center<br>Charter           |   |                          |                          | Х   | Х  | Student harassment  |
| Midland<br>Charter<br>School           | Х                                       | Х                        |                          |   | Х  | Special education   |
| New<br>Frontiers<br>Charter<br>School  | ×                                       | X                        |                          |   | X  | Discipline, poor education conditions, student records, facilities, teaching/administration   |
| North Hills                            |   |                          |                          |   |  | Facilities, lack of due process in student dismissal  |
| NYOS                                   |   |                          |                          |   |  | Teaching/Administration   |
| Odyssey                                |   |                          |                          |   |  | Failure to teach, unprofessional behavior   |
| OSM<br>Charter High<br>School          |   |                          |                          | X   | ×  | Discipline, unprofessional<br>behavior, financial problems,<br>alleged illegal practices  |
| Prepared<br>Table                      |   |                          |                          |   | Х  | Poor education conditions,<br>special education, misuse of<br>funds, complaints against TEA<br>staff  |
| Radiance<br>Academy                    |   |                          |                          | X   | N/A  | Failure to teach, poor education conditions, failure to meet payrolls, facilities, failure to provide/problems with lunch program, students made to work (due to lack of staff) |
| Renaissance                            | Х                                       | Х                        |                          |   | N/A  | Failure to teach, conflict of interest, failure to meet payrolls, special education, financial problems   |
| Rylie Faith<br>Family<br>Academy       | X                                       |                          | х                        | Х   | Х  | Discipline, facilities, lack of due process in student dismissal, teaching administration, failure to provide/problems with lunch program, no registered nurse                  |
| School of Excellence in Education      |   |                          |                          |   | Х  | Failure to teach, special education   |
| Seashore<br>Learning<br>Center         |   |                          |                          |   |  | Failure to teach, special education   |

|                                     | NEPOTISM/<br>CONFLICT<br>OF<br>INTEREST | FOR-PROFIT<br>MANAGEMENT | RELIGION<br>IN<br>SCHOOL | RUN BY AN ENTITITY WITH MULTIPLE CHARTERS | TAAS PASSING PERCENTAGE RATES LOWER THAN STATE AVERAGE | COMPLAINTS FILED WITH TEA  |
|-------------------------------------|---|--------------------------|--------------------------|---|--|--|
| Sentry<br>Technology<br>Prep School |   |                          |                          | X   | ×  | Discipline   |
| Southwest<br>Preparatory            |   | X                        | X                        |   | X  | Failure to teach   |
| TOVAS                               |   |                          |                          |   | X  | Student placement  |
| Treetops<br>School<br>International |   |                          |                          |   | Х  | Failure to teach, poor education conditions, special education, regulations, financial problems, alleged illegal practices   |
| Universal<br>Academy                | ×                                       | X                        |                          |   | X  | Failure to teach, discipline, conflict of interest, failure to meet payrolls, special education, facilities, lack of due process in student dismissal, failure to provide/problems with lunch program, no registered nurse, students made to work (due to lack of staff) |
| Valley High<br>School               |   |                          |                          |   | Х  | Failure to teach   |
| Varnett<br>School                   |   |                          |                          |   | Х  | Failure to teach, failure to follow charter, lack of due process in student dismissal, student harassment  |
| West<br>Houston<br>Charter          |   |                          |                          |   | X  | Failure to teach, poor education conditions, conflict on interest, sexual harassment, unprofessional behavior, student harassment, special education, students made to work (due to lack of staff)   |
| West Oak<br>Cliff Charter           |   |                          |                          |   | N/A  | Failure to teach   |

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