



LSG Floor Report for Items Eligible— May 26, 2013

Bill Analysis and Evaluation of the Conference Committee Report for: Senate Bill 2

Author: Sen. Patrick
Sponsor: Rep. Aycock

Committee: Public Education
Caption: Relating to Certain Charter Schools.
Evaluated By: Nena Chima

Recommendation: Unfavorable

Overview of SB 2:

The Conference Committee report (CCR) of SB 2 makes significant changes from the House committee substitute of the bill, none of which favorably improves the bill. SB 2 is still an overly ambitious attempt to expand charter schools in the state of Texas. It does not address serious accountability issues and remains fiscally irresponsible due to the fact that private charter entities receive state funds even though they operate outside of state regulations traditionally found in independent school districts. **Overall, the bill allows for more charter schools in the state by essentially eliminating the cap limit, causing an escalation of state funding being used for open-enrollment charters.**

The bill allows the wide scale increase of charter schools even though it has proven that Texas charter schools *do not* outperform traditional public schools. In fact, some charters have been shown to *underperform*. The bill fails to address the issue of charter underperformance and intends to implement an elaborate expansion plan without adequate oversight. The Sunset Advisory Commission found that “TEA lacks a full range of tools to effectively address poor academic performance and financial mismanagement at low-performing charter schools.” The TEA and the state of Texas are not prepared to take on the consequences of such an expansive plan. Eliminating or improving low-performing schools must take first priority.

The CCR of SB 2 is an unsuccessful attempt to provide school choice through an increase in charter schools. **The Legislature should not pass any legislation that focuses on the quantity of available charters instead of the merit and quality of open-enrollment charter schools.**

Major Changes to SB 2:

- The State Board of Education (SBOE) *no longer* has full authorization to award open enrollment charters. The Texas Education Commissioner must work with an *appointed* SBOE member on awarding applicants with new open-enrollment charter school status.
- The bill unfortunately maintains Senate language as it was introduced and allows 10 new charters in the first year with an increase of 15 charters every four years and 20 charters in 2019, *increasing the cap to 305*. The bill also allows charters that serve children with special needs to increase by 5. **However, high-performing charters and dropout recovery schools are completely excluded from the charter school cap. This would mean an unlimited amount of charter schools may be introduced in the state.**
- The bill returns to the Senate version by allowing school districts to transform current school campuses, which serve up to 15% of students and have received an unacceptable rating, into charter schools. **This change will allow small districts to exempt campuses from operating under the scope and protection of the Education code, eliminating class size limits, parent and employee rights, and quality control and standards.**
- The bill *no longer* requires the annual report conducted by an Education Research Center through the Commissioner’s authority to examine how charter schools **compare** to traditional schools. Instead, the annual report focuses on the performance of charters based on student achievement and attrition rates.
- The CCR of SB 2 allows Charter Management Organizations (CMO) to require a Texas charter holder maintain fidelity to the CMO model; including local boards controlling daily operations and allowing the Commissioner to remove local board members with Commissioner’s approval. It must be stated that CMOs enrolled fewer English Language Limited and special needs students in comparison to traditional public schools. Overall studies found that CMOs served advantage students more than disadvantaged students which play a significant role in CMO high performance. **A true indicator of success is a schools ability to increase the academic performance of disadvantaged children— CMOs are not proven to do this.**

Unfavorable

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