



Highlights

Filed by State Senators Florence Shapiro and Kyle Janek, Senate Bill 4 ("The Champion Charter Schools Act") would make significant policy changes for state-authorized charter schools in Texas. The bill would provide facilities funding for approximately 14 charter schools (4%) based on their accountability ratings. The licensure requirements will close all charter schools that have fewer than 25% of students passing state assessments in English language arts and mathematics. Based on their 2006 Texas Assessment of Knowledge and Skills (TAKS) scores, 32 charter schools (10%) would have been closed if the law was in effect this year. The bill also creates a Blue Ribbon Pilot Program allowing charter districts that have been rated Recognized or Exemplary for at least five years to replicate without going through the chartering process (two currently would qualify based on the most recent accountability ratings).

Facilities Funding

Charters would be eligible to receive facilities funding of up to \$1,000 per student in weighted average daily attendance annually if:

1. *Each campus* of a public charter district for which the charter holder has been granted a charter has for "the two preceding school years" been rated Recognized or Exemplary; and
2. The district has satisfied generally accepted accounting standards of fiscal management as evidenced by an unqualified opinion in the most recent standard audit report.

Senator Shapiro estimates that this facilities funding will cost the state approximately \$4 million in the first year of implementation. An eligible district would continue to receive facilities funding until the district received an accountability rating of Academically Unacceptable for one or more campuses, at which point the district must again meet the eligibility requirements.

The accountability ratings and financial status for charters in 2006-2007 will not be available until later this year. However, our analysis of the most recent data revealed that 14 out of 307 state-authorized charter campuses (5%) received a Recognized and/or Exemplary rating for both the 2004-05 and 2005-06 school years and thus would have eligible for the facilities funding. Because charter schools in the alternative rating system are not allowed to receive higher than an Academically Acceptable rating, none of the charters that have Alternative Education Accountability (AEA) status would qualify to receive facilities funding even if they have high test scores and meet the fiscal requirements. This disqualifies 160 (52%) of all state-authorized charter campuses in Texas.

The following schools would be granted facilities funding based on the latest available accountability ratings from the Texas Education Agency (TEA), 2005 and 2006.

Schools Eligible to Receive Facilities Funding (If Based Upon 2005 & 2006 Ratings)

	School	City	2005 Rating	2006 Rating
1.	ALIEF MONTESSORI COMMUNITY SCHOOL	Houston	Recognized	Recognized
2.	AW BROWN-FELLOWSHIP CHARTER SCHOOL	Dallas	Recognized	Exemplary
3.	BIG SPRINGS CHARTER SCHOOL	Leaky	Recognized	Recognized
4.	BURNHAM WOOD CHARTER SCHOOL	El Paso	Exemplary	Recognized
5.	HARMONY SCIENCE ACADEMY—DALLAS	Dallas	Recognized	Exemplary
6.	HARMONY SCIENCE ACADEMY—AUSTIN	Austin	Recognized	Recognized
7.	HARMONY SCIENCE ACADEMY—HOUSTON	Houston	Exemplary	Exemplary
8.	HORIZON MONTESSORI	Edinburg	Recognized	Recognized
9.	NORTH HILLS SCHOOL	Irving	Recognized	Recognized
10.	SEASHORE LEARNING CENTER CHARTER	Corpus Christi	Recognized	Recognized
11.	STAR CHARTER SCHOOL	Austin	Recognized	Recognized
12.	WESTLAKE ACADEMY CHARTER SCHOOL	Westlake	Recognized	Recognized
13.	YES COLLEGE PREPARATORY SCHOOL—NORTH CENTRAL	Houston	Recognized	Exemplary
14.	YES COLLEGE PREPARATORY SCHOOL—SOUTHEAST CAMPUS	Houston	Recognized	Exemplary

There are a number of top rated schools that will not be eligible for facilities funding¹. It is unclear whether charters are eligible for facilities funding if one or more of the campuses under its charter were not rated under the state's accountability system for 2005 or 2006 (e.g., if the campus opened very recently, or if it is a preschool). For example, two of YES College Preparatory School's four campuses (East End and Southwest) did not receive ratings for both 2005 and 2006. Likewise, A.W. Brown-Fellowship Charter School has two campuses under its charter district (057816); while its Dallas campus was rated Recognized in 2005 and Exemplary in 2006, its other campus did not receive a rating.

¹The Rapoport Charter School in Waco has two campuses under the same district number (161802); while the main campus was rated Recognized in both 2005 and 2006, the Quinn campus was only rated Academically Acceptable and thus disqualifies both schools from receiving facilities funding. Likewise, the Varnett Schools have three campuses under the same district number (101814). The main Houston campus was rated Recognized in both 2005 and 2006, the East and Northeast campuses did not have high enough ratings and thus all three schools are ineligible to receive facilities funding. Similarly, Bay Area Charter School has three campuses under its charter (101809). The Elementary campus in El Lago was rated Recognized in both 2005 and 2006, the other two campuses (Bay Area Middle School and Ed White Memorial High School) did not have high enough ratings and thus all three schools are ineligible to receive facilities funding. Accelerated Interdisciplinary Academy has six campuses under its charter (101849); while one of its campuses, Accelerated Interdisciplinary Charter School, was rated Recognized in 2005 and 2006, and another, Accelerated Interdisciplinary Academy, was rated Exemplary in 2005 and Recognized in 2006, the ratings of its other four campuses disqualify all six schools from receiving facilities funding.

The bill's stipulation that each campus of a charter district meet all requirements in order to receive facilities funding, as well as the natural volatility in school's test scores and accountability ratings from year to year, could potentially make it difficult for schools to plan for financing facilities over the long term if their funding is immediately revoked after earning an Academically Unacceptable rating. For example, La Amista Love & Learning Academy went from Exemplary in 2004 to Academically Unacceptable in 2005, then back to Exemplary in 2006. The facilities funding is also subject to the state Commissioner's discretion and budgetary capacity. Also, as the bill is currently worded, there is no floor to the amount of funding that eligible districts could receive; therefore, in theory, an eligible charter could receive as little as \$1 per pupil in facilities funding.

Blue Ribbon Pilot Program

The bill creates a Blue Ribbon Pilot Program allowing charter districts with at least one campus that has been rated Recognized or Exemplary for at least five years to replicate without going through the chartering process. In addition, the education program must have been running for seven years and must already have "successfully" replicated its program (it is not clear what constitutes "success"). The Commissioner can only grant three charter holders the ability to do this, and charter holders given this authority may only grant two blue ribbon charters each. However, it is unclear whether the Commissioner may only grant Blue Ribbon status to a total of three schools over the course of the pilot program, or whether the Commissioner may grant Blue Ribbon status to three charters in each year of the pilot. Furthermore, it is unclear how the Commissioner would select Blue Ribbon charters if more than three charters met the eligibility criteria.

If/when the Commissioner grants this authority to eligible charters, only AW-Brown and North Hills would meet all the criteria based on the latest available accountability ratings. If YES College Prep--Southeast receives at least a Recognized rating for 2007, it too would become eligible for the Blue Ribbon pilot program, and these three charters could use up all three of the pilot program's allowed spots.

Charters Currently Eligible for Blue Ribbon Pilot Program²

School	2001 Rating	2002 Rating	2004 Rating	2005 Rating	2006 Rating
A.W. BROWN— FELLOWSHIP CHARTER SCHOOL	Exemplary	Exemplary	Recognized	Recognized	Exemplary
NORTH HILLS SCHOOL	Exemplary	Exemplary	Recognized	Recognized	Recognized

² The following schools would be eligible for the Blue Ribbon Program based on the TEA rankings and number of years in operation criteria: Alief Montessori, A.W. Brown-Fellowship Charter School, North Hills School, and Seashore Learning Center Charter. (Note: TEA did not rate schools in 2003 because of the TAKS re-design.) However, Alief Montessori and Seashore Learning Center have never replicated themselves and therefore do not meet the "successful replication" criterion.

The following schools would be eligible if they receive an Exemplary or Recognized rating in 2007: Yes College Prep - Southeast Campus and Burnham Wood Charter School. They both have an Exemplary or Recognized rating for the last four years of TEA ratings and have been operating for the required number of years. Again, however, only YES College Prep-Southeast would qualify, because Burnham Wood has never replicated its program.

Licensure

Under SB 4, each open-enrollment charter school operating or holding a charter to operate would be dissolved on August 1, 2008. In order to obtain a license to continue to operate, those schools holding a charter granted before September 1, 2002, must meet the following criteria:

- For fiscal year 2006, the charter had total assets that exceeded total liabilities, as determined by its annual audit report;
- At least 25 percent of all students enrolled at the charter school and administered an assessment instrument performed satisfactorily in mathematics for the 2006-2007 school year; and
- At least 25 percent of all students enrolled at the charter school and administered an assessment instrument performed satisfactorily in reading or English language arts for the 2006-2007 school year.

Assessment results for fewer than five students would not be considered. Charters would be automatically revoked after two years of unacceptable academic or financial ratings. Charters whose licenses are revoked do not have the right to a hearing or an appeal, unless granted by the Commissioner.

TAKS scores for 2007 will not be available until at least this summer. Based on test score data from 2006, 57 of the 307 current state-authorized charter schools (19%) would not have meet the test score criteria for licensure; 56 campuses (18%) had too few test scores to be publicly reported, due to the Texas Education Agency's (TEA) privacy policy.

TAKS Performance for All State-Authorized Charters

TAKS Scores	State-Authorized Charter Campuses (N=307)
25% or More Passed Math and Reading	194 (63%)
Less than 25% Passed Math and Reading	57 (19%)
No Data Reported by TEA	56 (18%)

However, there is a safe harbor provision in the bill for charters with at least 85% of students residing in a residential facility and for charters which began operating on or after September 1, 2002. Therefore, nine residential charters and 13 charters formed on or after September 1, 2002, would retain their license and not be forced to shut down. *A total of 32 state-authorized charters (10%) that did not meet the TAKS test score requirements and are not covered under safe harbor would then be shut down based on the latest scores, if the bill were currently in effect. (This estimate does not include those that would be impacted by the financial accountability criterion, which could inflate this figure.)* Below are the names and the corresponding pass rates for the charters that would be forced to close if the bill passes.

Charters That Would Have Closed Under SB 4 Based on Latest Test Scores

	School Name	2006 % Passing TAKS Reading	2006 % Passing TAKS Math	City	TEA Accountability Status	2006 Accountability Rating
1.	ACADEMY OF CAREERS AND TECHNOLOGIES CHARTER SCHOOL	50	1	San Antonio	AEC of choice	Academically Acceptable
2.	ALPHONSO CRUTCH'S LIFE SUPPORT CENTER	33	1	Houston	AEC of choice	Academically Unacceptable
3.	AMERICAN YOUTHWORKS CHARTER SCHOOL—SOUTH	62	11	Austin	AEC of choice	Academically Unacceptable
4.	CHILDREN OF THE SUN	53	5	Raymondville	AEC of choice	Academically Acceptable
5.	DALLAS CAN! ACADEMY CHARTER	57	12	Dallas	AEC of choice	Academically Acceptable
6.	DALLAS CAN! ACADEMY CHARTER—OAK CLIFF	60	23	Dallas	AEC of choice	Academically Acceptable
7.	DR. M. L. GARZA-GONZALEZ CHARTER SCHOOL	55	19	Corpus Christi	AEC of choice	Academically Acceptable
8.	EAGLE ACADEMY OF BEAUMONT	57	13	Beaumont	AEC of choice	Academically Acceptable
9.	EAGLE ACADEMY OF LAREDO	44	23	Laredo	AEC of choice	Academically Acceptable
10.	EAGLE ACADEMY OF TRINITY	61	23	Trinity	AEC of choice	Academically Acceptable
11.	EL PASO ACADEMY	60	16	El Paso	AEC of choice	Academically Acceptable
12.	EL PASO SCHOOL OF EXCELLENCE MIDDLE SCHOOL	60	22	El Paso	Standard (Non-AEC)	Academically Unacceptable
13.	ERATH EXCELS ACADEMY INC	65	10	Stephenville	AEC of choice	Academically Unacceptable
14.	FORT WORTH CAN! ACADEMY	70	20	Ft. Worth	AEC of choice	Academically Unacceptable
15.	GEORGE GERVIN CHARTER	74	19	San	AEC of choice	Academically Acceptable
16.	GULF SHORES HIGH SCHOOL	31	10	Houston	AEC of choice	Academically Acceptable
17.	HOUSTON CAN! ACADEMY CHARTER SCHOOL	67	13	Houston	AEC of choice	Academically Acceptable
18.	I AM THAT I AM ACADEMY	54	10	Dallas	AEC of choice	Academically Acceptable
19.	MID-VALLEY ACADEMY—MCALLEN	63	18	McAllen	AEC of choice	Academically Acceptable

20	NORTH HOUSTON HIGH SCHOOL FOR BUSINESS	50	16	Houston	Standard (Non-AEC)	Academically Unacceptable
21	ONE STOP MULTISERVICE CHARTER SCHOOL	64	23	Edinburg	AEC of choice	Academically Acceptable
22	PASO DEL NORTE ACADEMY	52	11	El Paso	AEC of choice	Academically Unacceptable
23	POR VIDA ACADEMY CHARTER HIGH SCHOOL	53	10	San Antonio	AEC of choice	Academically Acceptable
24	POSITIVE SOLUTIONS CHARTER SCHOOL	64	14	San Antonio	AEC of choice	Academically Acceptable
25	RICHARD MILBURN ACADEMY—MIDLAND	70	12	Midland	AEC of choice	Academically Acceptable
26	RICHARD MILBURN ALTER HIGH SCHOOL—LUBBOCK	91	24	Lubbock	AEC of choice	Academically Acceptable
27	SOUTH PLAINS ACADEMY	48	21	Lubbock	AEC of choice	Academically Acceptable
28	SOUTHWEST PREPARATORY SOUTHEAST CAMPUS	64	16	San Antonio	AEC of choice	Academically Acceptable
29	TEKOA ACADEMY OF ACCELERATED STUDIES	65	20	Port Arthur	Standard (Non-AEC)	Not Rated
30	TEXAS SERENITY ACADEMY	30	18	Conroe	Standard (Non-AEC)	Academically Unacceptable
31	THE EDUCATION AND TRAINING CENTER	62	13	San Antonio	AEC of choice	Academically Acceptable
32	THERESA B. LEE ACADEMY	57	18	Ft. Worth	Standard (Non-AEC)	Academically Unacceptable

In no case did a school miss the 25% cut off point in both subjects. Interestingly, 23 out of the 33 schools that would be closed (69%) based on the latest available test scores were rated Academically Acceptable in 2006, due to the different test score thresholds of the Alternative Education Accountability (AEA) system.³

³ In addition, based on data from CSPI's forthcoming typology of Texas charter schools, closures would hit "risk recovery" charters the hardest (e.g., those serving pregnant teens, students in residential treatment facilities, and credit recovery programs), even though our analysis shows that these charters are performing no better or worse than their counterparts in the traditional public school system.

AEC Charter Schools that Would Potentially Close

Of the 32 schools that would potentially close under SB 4, five schools (16%) are rated under the standard accountability system, and 28 (88%) are registered as Alternative Education Campuses (AEC). The TEA classifies AECs as either "Residential Facilities" or "AECs of Choice." According to Part 2 of the *Texas 2006 Accountability Manual*, an AEC of Choice is a school where "at-risk students enroll...to expedite progress toward performing at grade level and high school completion." A Residential Facility is a school where "educational services are provided to students in residential programs and facilities operated under contract with the Texas Youth Commission (TYC), students in detention centers and correctional facilities that are registered with the Texas Juvenile Probation Commission (TJPC), and students in private residential treatment centers." Schools must be registered as an AEC before they can be rated under the Alternative Education Accountability (AEA) system. Of the approximately 160 charter campuses across the state that are registered as AECs, 18% would potentially close under this bill.

However, it is unclear whether AECs would actually have to meet same 25% criteria in math and reading overall as charters in standard accountability, or if they would be allowed to meet a lower threshold or use alternative indicator (e.g., the TAKS Progress Indicator for AECs only gives one score overall and does not disaggregate by math and reading).

Safe Harbor for Licensure Under SB 4

Below are lists of all charters which did not meet the 25% TAKS test score criteria for licensure yet would not be closed if the law were in effect this year, due to the safe harbor provisions for residential charters and charters opened on or after September 1, 2002.

Residential Charters Under Safe Harbor in SB 4

	School Name	2006 % Passing TAKS Reading	2006 % Passing TAKS Math	City	TEA Accountability Status	2006 Accountability Rating
1.	DALLAS COUNTY JUVENILE JUSTICE	57	17	Dallas	Residential Facility	Academically Acceptable
2.	GEORGE I. SANCHEZ CHARTER HIGH SCHOOL—SAN ANTONIO	60	14	San Antonio	Residential Facility	Academically Acceptable
3.	HARRIS COUNTY JUVENILE DETENTION	33	1	Houston	Residential Facility	Academically Acceptable
4.	JAMIE'S HOUSE CHARTER SCHOOL	59	20	Houston	Residential Facility	Academically Acceptable
5.	RAVEN SCHOOL	64	6	Waverly	Residential Facility	Academically Acceptable
6.	UNIVERSITY CHARTER SCHOOL—LAUREL RIDGE	59	1	San Antonio	Residential Facility	Academically Acceptable
7.	UNIVERSITY CHARTER SCHOOL—SAN MARCOS TREATMENT CENTER	63	7	San Marcos	Residential Facility	Academically Acceptable
8.	TRINITY CHARTER SCHOOL—NEW LIFE	67	20	Canyon Lake	Residential Facility	Academically Acceptable
9.	TRINITY CHARTER SCHOOL	50	1	Katy	Residential Facility	Academically Unacceptable

Charters Opened On or After September 1, 2002 Under Safe Harbor in SB 4

	School Name	2006 % Passing TAKS Reading	2006 % Passing TAKS Math	City	TEA Accountability Status	2006 Accountability Rating
1.	AUSTIN CAN! ACADEMY CHARTER SCHOOL	54	10	Austin	AEC of choice	Academically Acceptable
2.	BRAZOS SCHOOL FOR INQUIRY & CREATIVITY— GANO STREET	60	17	Houston	Standard (Non-AEC)	Academically Unacceptable
3.	EAGLE ACADEMY OF TYLER	63	24	Tyler	AEC of choice	Academically Acceptable
4.	EAGLE ACADEMY OF WACO	66	13	Waco	AEC of choice	Academically Acceptable
5.	EL PASO ACADEMY WEST	68	24	El Paso	AEC of choice	Academically Acceptable
6.	EVOLUTION ACADEMY CHARTER SCHOOL	58	20	Richardson	AEC of choice	Academically Acceptable
7.	HOUSTON CAN ACADEMY HOBBY	62	16	Houston	AEC of choice	Academically Acceptable
8.	MID-VALLEY ACADEMY	72	14	Mercedes	AEC of choice	Academically Acceptable
9.	RICHARD MILBURN ACADEMY—ECTOR CO	69	13	Odessa	AEC of choice	Academically Acceptable
10	RICHARD MILBURN ACADEMY— SUBURBAN HOUSTON	55	21	Houston	AEC of choice	Academically Acceptable
11	RICHARD MILBURN ACADEMY— BEAUMONT	54	10	Beaumont	AEC of choice	Academically Acceptable
12	SAN ANTONIO CAN HIGH SCHOOL	58	18	San Antonio	AEC of choice	Academically Acceptable
13	SENTRY TECHNOLOGY PREPARATORY SCHOOL	38	16	Brownsville	AEC of choice	Academically Acceptable
14	TEXANS CAN! ACADEMY AT PAUL QUINN	52	14	Dallas	AEC of choice	Academically Acceptable
15	TEXANS CAN! AT CARROLLTON- FARMERS BRANCH	57	21	Farmers Branch	AEC of choice	Academically Acceptable

Senate Bill 4 would only apply to state-authorized charter schools; therefore, the following home-rule/district-authorized charters which did not meet the 25% TAKS test score criteria for licensure would not be affected, based on the latest available test scores.

**Charters That Would Have Closed If SB 4 Applied
to Home-Rule/ISD-Authorized Campuses**

	School Name	2006 % Passing TAKS Reading	2006 % Passing TAKS Math	ISD	TEA Accountability Status	2006 Accountability Rating
1.	ALTA ACADEMY	61	13	Houston ISD	AEC of choice	Academically Acceptable
2.	NEWCOMER CHARTER SCHOOL	5	5	Houston ISD	Standard (Non-AEC)	Academically Unacceptable
3.	REACH CHARTER	1	39	Houston ISD	Standard (Non-AEC)	Academically Unacceptable
4.	WALLACE ACCELERATED HIGH SCHOOL	13	93	Colorado ISD	Standard (Non-AEC)	Academically Unacceptable

Summary of Other SB 4 Provisions

- The bill codifies the wage increase for charter employees which was passed in the 3rd Special Called Legislative Session of the 79th Legislature.
- The bill would enable the Commissioner to make grants to school districts and public charter districts to implement or expand kindergarten and pre-K programs by operating an existing half-day kindergarten or pre-K program on a full-day basis, or implementing a pre-K program at a campus that does not already have one.
- The bill would allow charters to give enrollment preference to a child or grandchild of a member of the governing body of the charter holder at the time the district's charter was first granted; the child of an employee of the district or the charter holder; or a sibling of a student who is enrolled in the district.
- The bill would prohibit current charter holders from combining multiple charters.
- The bill would allow a charter district to require students to wear school uniforms and establish a same-sex campus or classroom.
- The bill continues the authority for a college or university to create a charter school upon application to the State Board. The charter started by a college or university is not considered against the cap.