

# **NEPC REVIEW: TIME TO CHANGE COURSE: RECLAIMING THE POTENTIAL OF TEXAS CHARTER SCHOOLS (EXCELINEd AND TEXAS PUBLIC POLICY FOUNDATION, JUNE 2018)**



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## Acknowledgements

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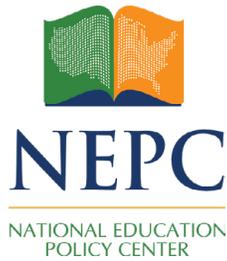
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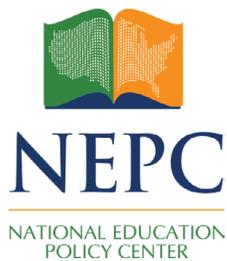
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### **Executive Summary**

A recent policy paper from *ExcelinEd* and Texas Public Policy Foundation examines the charter-school authorizing process in Texas. After surveying past Texas authorizing policies, the study claims Texas had been a leader in creating high-performing charter schools and that a low barrier of entry into the market was a contributing factor to this success. The study then contends that a 2013 legislative policy change has made the authorization process too restrictive, thus reducing the number of applicants and stifling innovation. The paper concludes with recommendations to create an easier authorization process to increase the number of charters granted and thereby to foster innovation. While the report is billed as a case study, it does not employ case study methodology. Moreover, the report fails to review or cite relevant research; it instead relies on unsubstantiated claims, anecdotes, misleading statements, and even demonstrably false statements to advance a particular viewpoint. In short, this paper is an ideological advocacy paper masquerading as a case study. Policymakers would be well advised to skip this paper and look for a more evidence-based review of the Texas charter authorizing process.



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## I. Introduction

This review examines the report entitled *Time to Change Course: Reclaiming the Potential of Texas Charter Schools* by Adam Jones and Amanda List and funded by ExcelinEd and the Texas Public Policy Foundation.<sup>1</sup> The report is billed as a case study of the charter school authorization processes employed in Texas and the relationship between this process and the number of new charters accepted by the authorizer—in this case, the Texas Education Agency (TEA). The report is an explanatory study in that it attempts to identify a causal relationship between the authorizing process and the number and characteristics of approved charter schools.

The authorization process for charter schools is important because the process serves as the gatekeeping function for entry into the education marketplace.<sup>2</sup> Some states have an authorization process that focuses on increasing the number of charter schools in operation while other states have an authorization process that focuses on ensuring the viability and quality of the school rather than on the sheer number of schools.<sup>3</sup> There has been—and continues to be—a tension between providing flexibility, which results in lower barriers to entry into the school market, and ensuring accountability, which focuses on employing a rigorous authorization (and review) process that creates higher barriers to entry.<sup>4</sup>

Three studies provide relevant context to this review—a study of the authorization process in New Orleans, Louisiana,<sup>5</sup> in Texas,<sup>6</sup> and across the nation.<sup>7</sup> From the New Orleans charter study, three findings are relevant to this review. First, the study found the rankings of charter school applications by an external reviewer were weakly, but positively, related to charter school performance. Second, the study found the number of applications and number of approvals declined after an initial surge. The authors explained this trend as the nat-

ural decline in applications as the charter market matured. Finally, the authors argue that increased competition as evidenced by relatively low approval rates are an important component of an efficient and effective charter school market that balances demand for more charter schools (either by politicians or parents) and quality charter schools.

The case study of Texas by National Association of Charter School Authorizers (NASCA) focuses on the authorization process in Texas. The study used interviews with a variety of stakeholders, document reviews, media reviews, reviews of publications on Texas charter schools, and a review of Texas charter school closure data. The report makes several noteworthy conclusions. First, the authors note that, “Every stakeholder interviewed by NASCA reported that it was considered very easy to obtain a charter in Texas prior to the 2013 legislative changes.”<sup>8</sup> Second, the authors note that stakeholders perceived the policy changes of 2013 to be focused on improving charter schools and student outcomes rather than solely on increasing the number of charter schools. Finally, the authors conclude, the adoption of a more challenging authorization process was an appropriate step as a means to increase the odds that new charter schools would be able to adequately meet the needs of the children attending the school.

The third contextual study, the Fordham Institute’s national review of the charter authorization process, found that through 2006, charter authorizers were adopting more stringent application and approval processes. This resulted in increasingly more difficult applications, and a lower percentage of applications were approved.<sup>9</sup>

## **II. Findings and Conclusions of the Report**

This report includes 15 pages of text, with one page dedicated to an Executive Summary, three pages on a review of the charter school authorization process in Texas from 1995 through 2018, four pages on the current process, and one page on the report’s conclusions. The study focuses on the authorization process in Texas and is billed as a case study.

The paper begins with a historical review of the charter authorization process in Texas and documents the ebb and flow of the ease with which applicants could be authorized to begin a charter school. In the early years, almost 100% of applicants were approved and within five years there were more than 200 individual charter schools. The study characterizes this rapid expansion as a crucial mistake in that charters were granted with little discernment, which led to a number of problematic charter schools that tainted the public’s perceptions of charter schools.

In response, the state began the “regulatory era” in 2001 and this era continued through 2013. The report considers this the regulatory era because legislation imposed new caps on the number of charter schools and adopted new regulations that targeted some of the problematic areas that became glaringly evident with the first wave of charters. However, according to the report, the initial process adopted to ensure the authorization process reduced the number of bad actors became increasingly “rigid and cumbersome” (p. 8) to the point that,

“Far from being laboratories of innovation, the public charter schools produced through this authorizing system tended to follow familiar, well-worn educational paths” (p. 8). Moreover, the report contends that the application paperwork “grew to hundreds of pages” (p. 8) thus, “making it very difficult for lean start-up teams to apply” (p. 8). From the report’s perspective, The Texas Education Agency (TEA) stymied the innovative nature of charter schools and placed a roadblock to new talent entering the schooling market and this was caused by TEA’s focus on avoiding any additional public crises around charter schools and the need to “protect basic educational services for students” (p.8).

The report notes the next policy change occurred in 2013 after the passage of a new law by the state legislature and ushered in the “good government” era that has extended into the current year. This policy change brought increased accountability through both (1) a mandatory closure approach for low-performing charter schools and (2) a lengthier application process coupled with a more rigorous review. Further, the policy change transferred authorization power from the publicly elected State Board of Education to the politically appointed Commissioner of Education, claiming this would remove some of the political dimensions associated with the charter authorization process. The report argues these changes had the same negative effects as during the regulatory era—specifically, creating a disincentive for individuals and organizations to enter the charter school market. For example, the report contends the 2013 policies adopted made locating a charter school in a neighborhood serving students academically behind their peers to be a “poor business decision” (p. 9).

The report then reviews the details of the current authorization process. To begin, the report includes a litany of complaints about the application process such as the use of an electronic pdf form, the length of the submission, and costs associated with the submission. The report concludes, “Completing the phases [of the application packet] is arduous, highly prescriptive, and inflexible” (p. 12). The report also criticizes the external review process that involves having five individuals with expertise in charter schools rate each application and then discarding the lowest and highest scores to arrive at a three-person average score. Further, if an applicant is within five points of the 85 point cutoff, the applicant can appeal the review and a sixth person is tasked with reviewing the application. Using scores from two charter applicants, the report claims the scoring of applications is arbitrary and essentially meaningless. Moreover, the report decries the lack of involvement of the Commissioner of Education, arguing that a politician should be re-inserted into the process.

Finally, the last section of the report presents analysis and recommendations. In general, the report concludes there exists a “missed opportunity” for increasing the number of charter schools in Texas and creating more innovation which, in turn, helps improve the educational outcomes of students. This conclusion is based on the findings of the prior individual sections of the report. The report makes numerous specific suggestions to increase the number of charters as well as to incentivize greater innovation.

### **III. The Report’s Rationale for Its Findings and Conclusions**

From a research perspective, there is no acceptable rationale for the findings and conclusions included in this report. While the report calls itself a case study, the report does not

employ accepted case study methods. Further, as noted below, the study does not review or cite the research literature pertinent to the topics included in the report. Instead of employing accepted research methods or extensively reviewing appropriate literature, the study relies on unsubstantiated claims, anecdotes, misleading statements, and arguably false statements to advance a particular view.

Indeed, the report is based almost entirely on the personal perspectives of the authors and unsubstantiated perceptions of charter operators and advocates, only one of whom is quoted or associated with specific statements. For example, the report states, “Often, moreover, even relatively open-minded SBOE members mistreat out-of-state applicants with respect to their provenance and level of familiarity with Texas curriculum standards“ (p.15). This statement is made without any identification of particular Board members or charter schools nor does the report cite newspaper accounts or quote any individuals. Similarly, the report states that one non-Texas charter management organization decided not to submit an application because, “...the tortuous application process was indicative of the state’s inhospitable charter climate” (p. 15). The report does not identify the charter organization nor does the report quote anyone to substantiate this claim. Such unsubstantiated claims are strewn throughout the report.

Even the descriptive statistics included in the study are incomplete. For example, while the report claims that the number of applications has decreased over time, the report does not actually present the number of applicants across time. Further, when attempting to discredit the external review process in which five reviewers score each application and then TEA removes the highest and lowest score, the report relies on the scores from only two charter applications of likely more than 50 submitted since 2013. Unlike actual research studies, the report makes no effort to determine if the two examples are illustrative of the process or are outliers.

Finally, the study could have employed some, or all, of the methods employed in other case studies of charter school authorization. For example, the study could have followed the example of the case study of the Texas charter school authorization process by the National Association of Charter School Authorizers<sup>10</sup> or the case study of charter school authorization and performance in New Orleans by Bross and Harris.<sup>11</sup>

#### **IV. The Report’s Use of Research Literature**

This report did not include a single citation of any research and the only citations included in the report reference government documents and newspaper stories about charter schools. There are, in fact, a number of studies that examine the charter authorization process, including one focused on the Texas charter authorization process.<sup>12</sup>

The report makes a wide array of assumptions and unsubstantiated claims that could have been informed by a review of extant research. There are a few areas of research that should have been included in this study. I briefly describe those areas and some of the most pertinent research below.

## **Charter Schools and Innovation**

The report repeatedly asserts a greater number of charter schools should be approved because charter schools spur innovation. However, the report does not substantiate the claim nor does it cite any research about charter school innovation. One recent high-quality study of a nationally representative set of schools concluded charter schools were not any more innovative than traditional public schools.<sup>13</sup> A similar conclusion was reached in a 2015 study of charter schools across the nation.<sup>14</sup> Moreover, they found more flexible and lenient authorization procedures were not associated with a greater innovation of any type.<sup>15</sup>

## **Charter School Performance in Texas**

While the report mentions that charter school quality is important, the report never examines any of the studies on the actual student performance of charter schools in Texas. There are at least two high-quality studies that should have been reviewed. First, Baude, Casey, Hanushek, and Rivkin examined student performance in Texas charter schools between 2001 and 2011. They found charter school performance had improved over the time period, partially as a result of more being more selective in granting charters and the expansion of “no excuses” charter schools. Second, the Center for Research on Education Outcomes (CREDO) completed a study of charter performance in Texas from 2011 to 2014.<sup>16</sup> While there have been valid critiques of the methodology employed by CREDO, the study found that charter school performance improved over the 2011 to 2014 time period.<sup>17</sup> These two studies suggest that charter schools in Texas have improved their academic performance from 2011 through 2014, partially as a result of having a more stringent authorization process. One would think that the report under review would want to mention that a strong authorization process has helped improve the quality of charter schools as measured by improvements in student achievement.

## **V. Review of the Report’s Methods**

This study is billed as a case study. Yet, the study does not include the basic elements of a case study. A typical case study includes a set of research questions, a description of how the case is bounded or defined, a set of research methods, a description of the research methods, a description of the data collected, and in certain types of case studies, a rich description of how the findings relate to the outcome under study.<sup>18</sup> Yet, the report does not clearly define the purpose of the study, list the research questions, describe what data was collected, or explain how the data was collected and analyzed. For example, while the reader can assume that the report relied on document analysis and interviews of some unidentified individuals, the report never explicitly states that this was the case. Importantly, with only one exception, the report never describes the people interviewed and does not include any quotes. Instead, the report includes statements such as, “...charter proponents report that the new law has had an untended chilling effect on innovation and outreach...”<sup>19</sup> and “Naturally, charter operators are nervous about a process that leaves little room for contextual

considerations...”<sup>20</sup> The reader does not know from whom or where these generalizations were derived. The report also includes statements such as, “Completing the phases is arduous, highly prescriptive, and inflexible.”<sup>21</sup> Yet, this conclusion appears to be the perspective of the authors.

The study does rely on document analysis to describe the history of charter schools in Texas, yet there is no description of how documents were collected or analyzed. The study also uses some descriptive statistics to document the scoring process of charter school applications, but the analysis is limited. The study does not attempt to determine if the scoring described in the analysis is similar to the scoring for other charters, or if it describes outliers that are not representative of the scoring process.

In sum, the report relies on unsubstantiated anecdotes, a few simple descriptive statistics, and persuasion to make conclusions about the current charter school application, review, and acceptance process.

## **VI. Review of the Validity of the Findings and Conclusions**

Validity refers to the degree to which the findings and conclusions are reasonable and supported by evidence. Given the lack of research evidence in the paper as well as the failure to collect and analyze data pertinent to the authorization of charter districts, the findings and conclusions of this paper lack validity.

When conducting a case study, there are a number of strategies to increase the validity of the findings. One such strategy is triangulating the data.<sup>22</sup> This is a typical strategy in which researchers collect multiple sources of evidence and compare the results to ensure accuracy.<sup>23</sup> In particular, researchers should interview a wide array of subjects with differing perspectives on an issue to ensure the researchers’ conclusions are valid.<sup>24</sup> There is no evidence in this particular study that triangulation of data occurred.

As noted before, the study under review is an explanatory study. According to Yin,<sup>25</sup> an explanatory case study tries to establish a causal link between an action and an outcome. In this case, the report attempts to connect the change in the charter authorization process and the number and characteristics of charter school applications and approvals. In such case studies, authors must explore “plausible, rival explanations” to rule out alternative explanations other than the one proposed by a study.<sup>26</sup> The report under review does not explore any plausible, rival explanations. For example, one plausible, rival explanation to any perceived decline in the number of charter schools is the development of a mature market. For example, Bross and Harris<sup>27</sup> suggest that the decline in the number of charter school applications and approvals is explained by the normal maturation of the market.

Moreover, the report never examines if the trends in charter applications and approvals in Texas are similar to or different from the patterns in other states despite easily available evidence. For example, the Center for Reinventing Public Education published an online report on charter school growth that documented a downward trend in charter school authoriza-

tions across the country.<sup>28</sup> Moreover, it found that Texas was the only state of the four states with the largest number of charter schools to experience an actual increase in the number of charter schools from 2011 to 2016.<sup>29</sup> While the number of charter schools does not directly equate to the number of charters authorized in Texas, the available data suggests two conclusions. First, there is a national downward trend in the number of newly authorized charter schools and, according to Robin Lake, there may be multiple potential underlying reasons for this slowdown.<sup>30</sup> Second, the slowdown has affected Texas to a lesser degree than other states with large numbers of charter schools.<sup>31</sup> After exploring the potential causes of this slowdown, Lake correctly declines to identify any single cause of the slowdown absent additional information. The approach taken by Lake—and by NASCA in the Texas case study—exemplify the notion of exploring rival, plausible explanations and not identifying a single cause of a trend.

## **VII. Usefulness of the Report for Guidance of Policy and Practice**

While the study does identify some specific components of the authorization and approval process that should be reviewed by TEA, the findings and conclusions of the paper are not supported by either research or evidence and, thus, do not provide useful guidance for policymakers.

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