

Privately Managed, College Preparatory Charter Schools: A Common Approach and a Common Result - Graduates Underperform in College

By: William J. Gumbert

Without any notices or disclosures, the Texas Legislature has been experimenting with students in public education for 25 years. The experiment allows a separate system of taxpayer funded, privately managed charter schools (“State Charters”) to recruit students from locally governed school districts. In this regard, the State provides approximately \$10,000 for each student that a State Charter recruits from local school districts. In total, the State has diverted over \$25 billion of taxpayer funding from local school districts to fund its separate system of privately managed State Charters.

With State Charters receiving taxpayer funding for recruiting students to attend a low-performing school and with the flexibility to relocate underperforming schools to another community, it is not surprising that State Charters are rapidly expanding. It is also not surprising that many State Charters are targeting the enrollment of low-income, minority students. In low-income communities across the State of Texas, the “sales pitch” is the same and it goes like this:

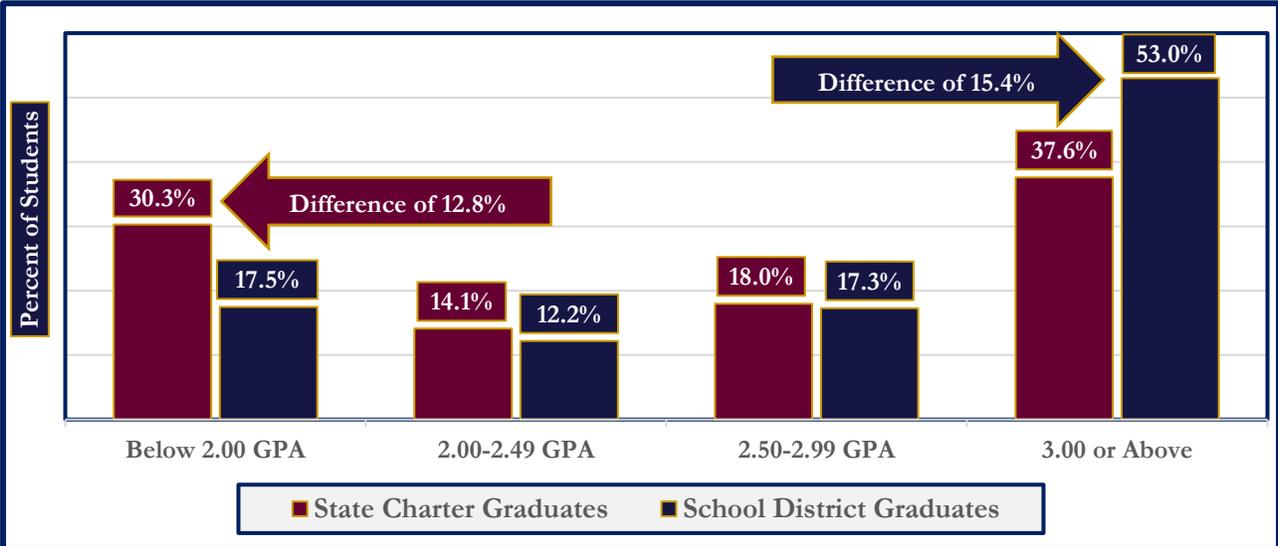
“Because school districts offer limited high-quality educational options, privately managed charters were created to provide a tuition free, college preparatory education to close the achievement gap for low-income and minority families. As highlighted in our recruiting brochures, our schools are nationally recognized and 100% of the graduates are accepted to college every year. We are a non-profit organization with a mission to ensure that all students get in and through college. With limited seats, please contact our full-time staff of student recruiters to assist with the submission of an application”.

However, these promotions are disingenuous and “very economical with the truth” as the facts document that school district graduates, from Dallas to Houston to the Rio Grande Valley, outperform State Charter graduates upon enrolling in college.

Results in First Year of College Indicates Probability of Graduation: Many studies have indicated that students with a low-grade point average (“GPA”) in their first-year college are less likely to persist in college and graduate. According to the published article: *“First Semester GPA a Better Predictor of College Success than ACT Score”* by the University of Illinois at Urbana-Champaign, students with a first semester GPA below 2.33 were half as likely to graduate from college in comparison to higher performing students. For low-income students, a GPA below 2.0 (a “D” average or below) has the potential added consequence of losing their student loans or financial scholarships/grants that make college an option. The consequences of a failing GPA for low-income students are a reminder that college acceptance is one thing and succeeding in college is another. As such, prior to college enrollment it is vital for students to be academically, emotionally, and socially prepared to succeed. If not, students are being set-up to fail.

State Charters and School District Graduates – Comparison of College GPAs: Given the relationship between first year GPA’s and college graduation, the Texas Higher Education Coordinating Board (“THECB”) tracks the first year GPA’s of Texas students that enroll at a 4-year public university. The table below compares the GPA’s of State Charter and school district graduates within the Class of 2018 that enrolled in a 4-year public university in 2019. As shown, almost 30.3% of State Charter graduates had a failing GPA versus 17.5% of school district graduates. In addition, the percentage of State Charter graduates achieving a GPA or 3.0 or above lagged school district graduates by 15.4%.

**Comparison of Student GPA’s Upon Enrolling in a 4-Year Public University in 2019:
State Charter and School District Graduates**

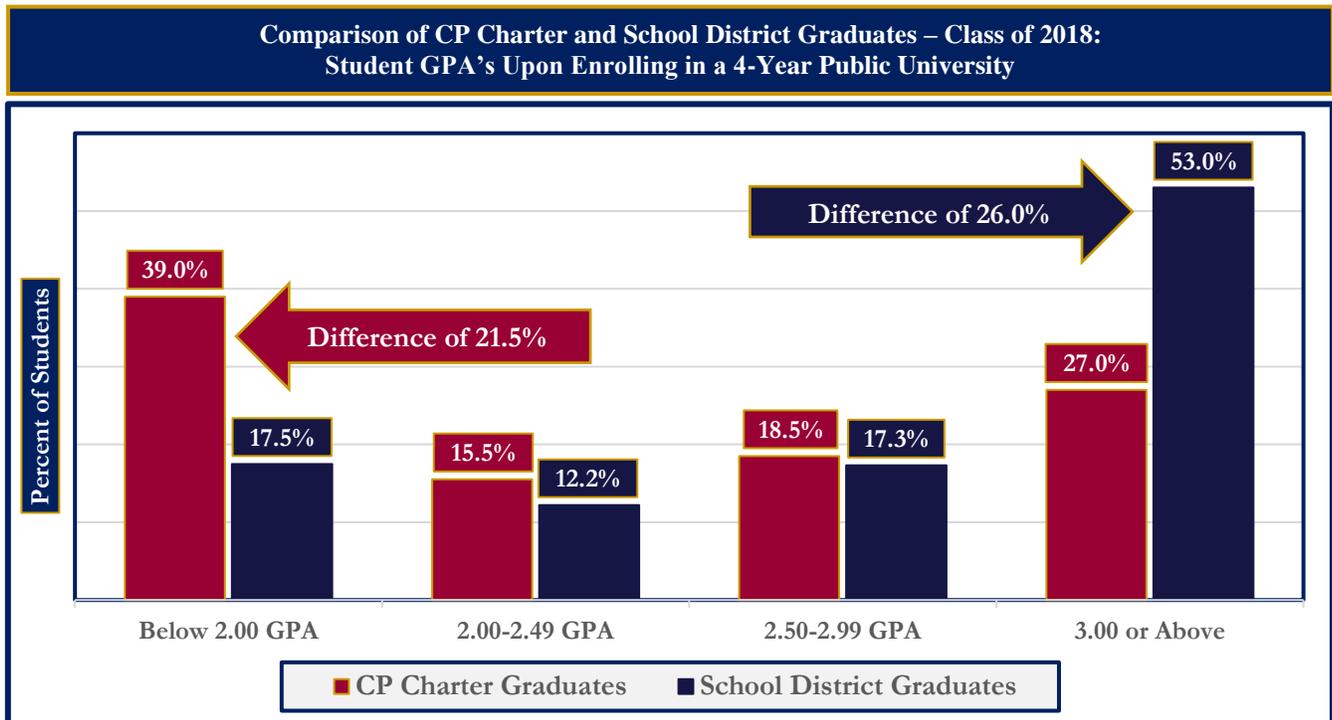


College Preparatory State Charters Targeting Low-Income, Minority Families: There are 4 primary State Charters in Texas that target the recruitment of low-income, minority students with the allure of a “college preparatory” education (referred to as the “CP Charters” herein). As shown in the table below, the enrollment at CP Charters is 115,791 students (which is approximately 33% of the enrollment in all State Charters) and over \$1.0 billion of taxpayer funding will be provided in the current year. It is noteworthy that after 20 years, CP Charters produced 3,338 high school graduates in 2018. In comparison, Humble ISD with an enrollment of 43,441 produced a comparable number of high school graduates and it will receive \$403 million of taxpayer funding this year.

Summary of CP Charters Recruiting Low-Income, Minority Students				
Charter	Year Charter Granted	Student Population:	2018 Graduates	Taxpayer Funding: 2020/21
IDEA Public Schools	2000	54,459	851	\$ 573,160,256
KIPP Texas Public Schools	1995-2003	28,186	804	\$ 302,080,724
Uplift Education	1996	20,269	655	\$ 217,322,061
YES Prep Public Schools	2000	12,877	1,028	\$ 139,555,788
Total: CP State Charters	--	115,791	3,338	\$ 1,031,796,768
Humble ISD	--	43,441	3,018	\$ 402,925,083

CP Charter Graduates Underperform in College: Although touted as “tuition-free” college preparatory schools, 39.0% of CP Charter graduates had a GPA below 2.0 upon enrolling in a 4-year public university in 2019. In comparison, only 17.5% of school district graduates had a similarly low GPA. In addition, 27.0% of CP Charter graduates excelled with a GPA of 3.0 or above, which is about half of the 53.0% of school district graduates with a GPA of 3.0 or above.

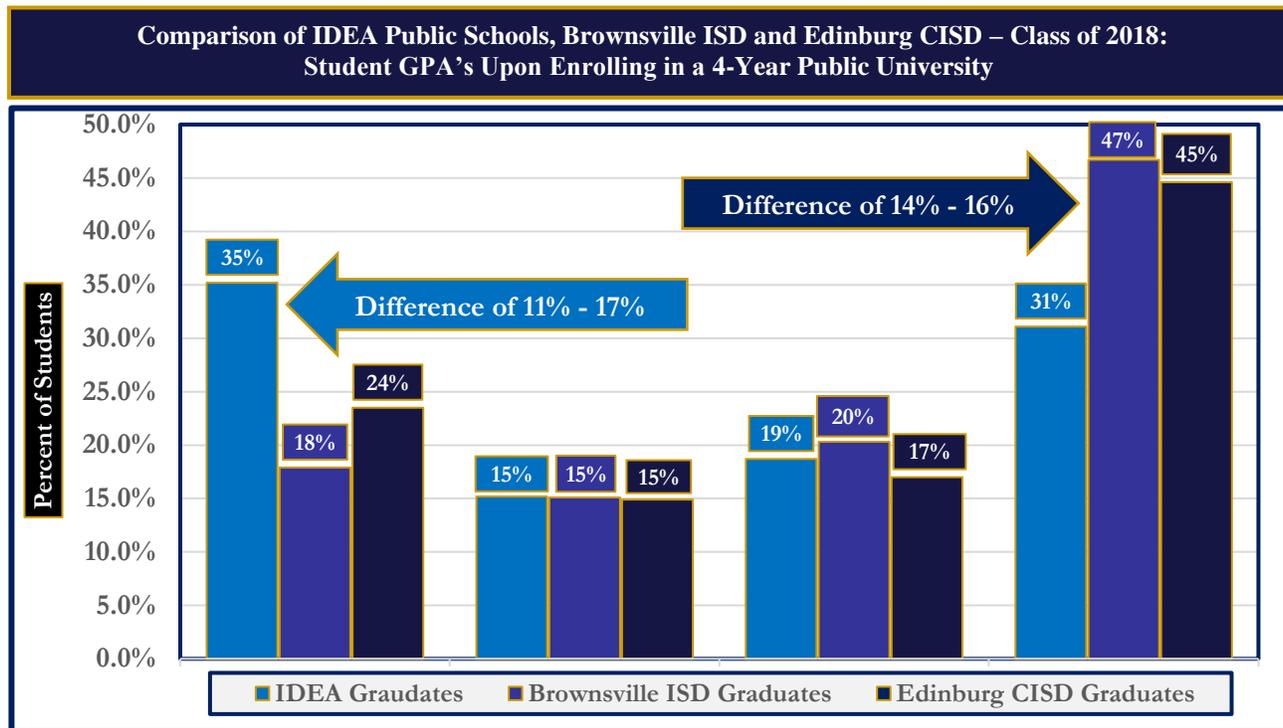
While this general comparison of college GPA’s does not account for the difference in the student populations that are enrolled at CP Charters and school districts, it does indicate that CP Charters are not successfully closing the “achievement gap” for the low-income, minority students that are actively recruited.



Comparison of College GPA's – IDEA Public Schools, Brownsville ISD and Edinburg CISD: To compare the postsecondary success of CP Charter and school district graduates that serve similar student populations, a comparison of IDEA Public Schools ("IDEA"), Brownsville ISD ("BISD") and Edinburg CISD ("ECISD") is included below. IDEA Public Schools currently enrolls 7,972 students within BISD and ECISD and each school system had a similar percentage of economically disadvantaged graduates within the Class of 2018. For purposes of comparison, we will ignore that both BISD and ECISD had a higher number of graduates and a higher percentage of "At Risk" and "Special Education" graduates.

Summary of the Class of 2018: IDEA Public Schools, Brownsville ISD and Edinburg CISD				
Description	Number Enrolling at 4-Year Public University	At Risk	Economically Disadvantaged	Special Education
IDEA Public Schools	531	36.8%	85.9%	4.6%
Brownsville ISD	983	54.4%	96.3%	8.8%
Edinburg CISD	691	43.4%	83.7%	7.4%

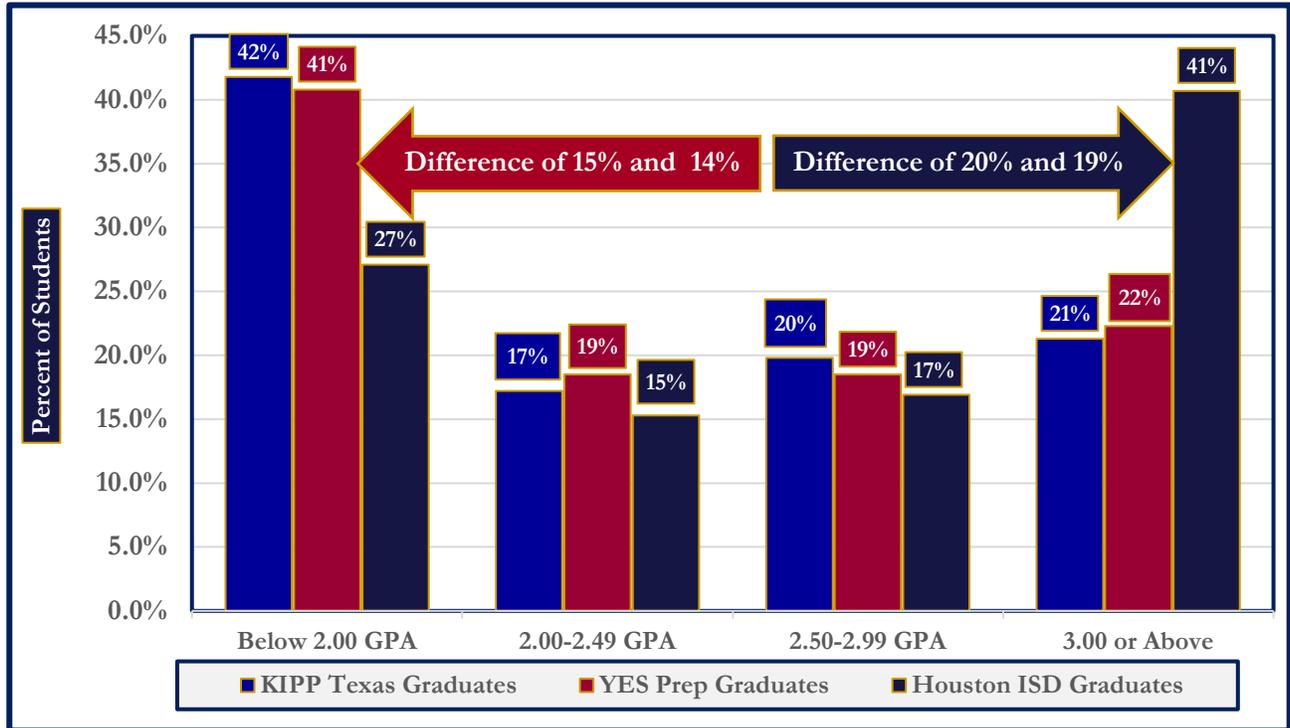
As highlighted in the graph below, the college GPA's of BISD and ECISD graduates are similar. But despite serving a comparable student population, the GPA's of IDEA graduates are well below BISD and ECISD graduates. For instance, 35% of IDEA graduates had a GPA below 2.0 versus only 18% of BISD graduates. In addition, the percentage of IDEA graduates that earned a GPA of 3.0 or above was 14% - 16% lower than ECISD and BISD graduates.



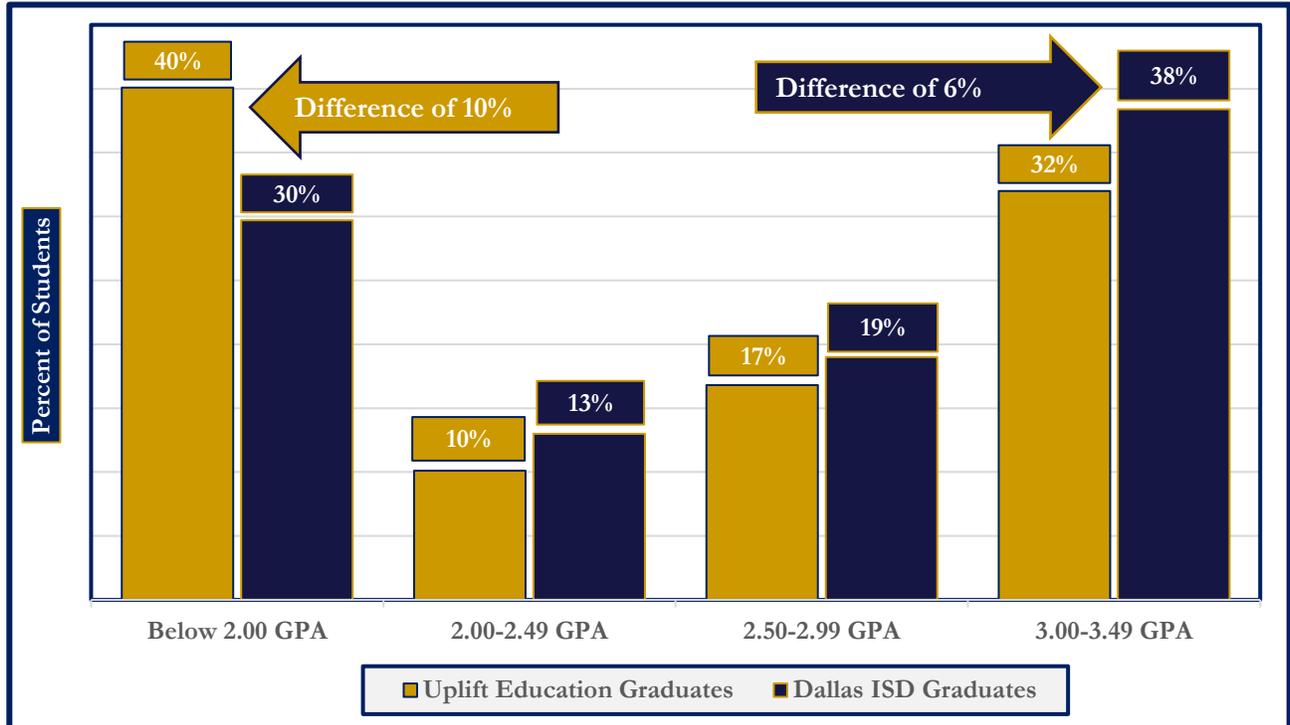
Comparison of GPA's – KIPP Texas, YES Prep and Uplift Education: To further compare the GPA's of CP Charter graduates to school district graduates with similar student populations, the GPA's of KIPP Texas and YES Prep graduates are compared to Houston ISD graduates on the following page. KIPP Texas and YES Prep collectively enroll 20,957 students within Houston ISD. In addition, a comparison of the GPA's of Uplift Education graduates and Dallas ISD graduates is included. Uplift Education currently enrolls 9,549 students within Dallas ISD.

The results of these comparisons are consistent with previous GPA comparisons, as a significantly higher percentage of KIPP Texas, YES Prep and Uplift Education graduates had a GPA below 2.0 as compared to Houston ISD/Dallas ISD graduates that enrolled in a 4-year public university. In fact, at least 40% of KIPP Texas, YES Prep and Uplift Education graduates had a GPA below 2.0 upon enrolling in a 4-year public university in 2019. Furthermore, the percentage of KIPP Texas and YES Prep graduates that earned a GPA of 3.0 or higher was equal to about half of the Houston ISD graduates that obtained a comparable GPA.

**Comparison of KIPP Texas, YES Prep and Houston ISD:
Class of 2018 - Student GPA's Upon Enrolling in a 4-Year Public University**



**Comparison of Uplift Education and Dallas ISD – Class of 2018:
Student GPA's Upon Enrolling in a 4-Year Public University**



Common Attributes of CP Charters: With the strikingly similar low postsecondary performance of CP Charter graduates relative to school district graduates, there are numerous other commonalities among CP Charters that may be contributing to these results as discussed below.

Funded and Directed by Special Interests: Every CP Charter has received millions of dollars from private foundations to expand in local communities. A few of the private foundations that are financially supporting CP Charters is included below. To maintain ongoing influence on public education in local communities and to oversee their financial investments, it is common for trustees of private foundations to be appointed to the governing boards of CP Charters. For example, Ms. Victoria Rico, Chairwomen of the George W. Brackenridge Foundation, has served on the Board of IDEA Public Schools and Ms. Carrie Walton Penner, a Board member of The Walton Family Foundation, serves on the Board of KIPP.



Expenditure Model: Prior studies have indicated that higher funding for student educational programs improves student outcomes. But each CP Charter deploys a conflicting “expenditure model” that devotes fewer dollars for student programs/services. In comparison to the state average of all public schools, CP Charters allocate up to \$928 less per student for student “Instruction/Instructional Resources”, while allocating as much as \$1,014 more per student for “Administration/Leadership” costs as summarized in the table below.

CP Charters: Comparison of Certain Per Student Expenditures – 2018/19					
Per Student Expenditure	IDEA	KIPP	Uplift	YES Prep	State Average
Instruction/Instructional Resources	\$ 4,777	\$ 4,742	\$ 5,218	\$ 4,863	\$ 5,670
Administration/Leadership	\$ 1,925	\$ 1,874	\$ 1,090	\$ 1,582	\$ 911

To illustrate the magnitude of the difference in the expenditures that CP Charters deploy to serve primarily low-income and minority families, the table below compares the “Instruction/Instructional Resources” and “Administration/Leadership” expenditures of IDEA Public Schools to the state average. Based upon the enrollment of 54,459 students, IDEA annually devotes \$48.6 million less for student “Instruction/Instructional Resources” than the average public school in Texas and \$55.2 million more for “Administration/Leadership”. To put it another way, if the 54,459 IDEA students were enrolled in a school district, an additional \$48.6 million would be annually directed to support the instructional needs of students from low-income homes and \$55.2 million fewer taxpayer dollars would be siphoned to pay the administrative costs of the private organizations within the State’s separate system of State Charters.

IDEA Public Schools vs. State Average: Difference in Total Expenditures for Enrollment of 54,459 Students					
A	B	C	D	E	F
Expenditure	IDEA: Per Student	IDEA: Total - 54,459 Students	State Average: Per Student	State Average: Total - 54,459 Students	Expenditure Difference (C-E)
Instruction/Instructional Resources	\$ 4,777	\$ 260,150,643	\$ 5,670	\$ 308,783,530	(\$ 48,632,887)
Administration/Leadership	\$ 1,925	\$ 104,833,575	\$ 911	\$ 49,612,149	\$ 55,221,226

Teacher Staffing Model: There have been multiple studies concluding that teachers with more experience and lower teacher turnover improve student achievement. This includes information published by “*tpier-Texas Education Reports*” that is co-managed by the Texas Education Agency (“TEA”). According to “*tpier-Texas Education Reports*”, teachers with 1-3 years of experience have 6% fewer students that pass the State of Texas Assessment of Academic Readiness (“STAAR”) test than teachers with 10 years of experience. Despite these findings, CP Charters impose an unorthodox approach that does not value teacher experience, teacher certifications, or teacher persistence. As demonstrated in the table below, as much as 87% of the teaching staffs at CP Charters have fewer than 5 years of experience, and in some cases, almost 60% of teachers are “non-certified”. In addition, with an annual teacher turnover rate of over 25% - 35%, the ability of CP Charters to implement consistent instructional practices and develop long-term, nurturing relationships with students is diminished relative to school districts.

CP State Charters: Teaching Staff – 2018/19					
Description	IDEA	KIPP	Uplift	YES Prep	State Average
Teachers: 5-Years of Experience or Less	64.8%	75.4%	85.4%	87.0%	35.9%
Average Teacher Experience	5.1 Years	4.1 Years	3.2 Years	3.1 Years	11.1 Years
Teacher Turnover	25.1%	35.6%	27.0%	27.4%	16.5%
Percentage of Non-Certified Teachers	58.7%	51.5%	29.8%	42.9%	6.5%

Families Transfer from CP Charters to Another Texas Public School at High Rates: CP Charters recruit new families by marketing the perception that students will be enrolled in a prestigious and nationally acclaimed, tuition-free private school. But upon acceptance and witnessing the educational experience offered by CP Charters, 13.5% of the student enrolled in CP Charters in grades 7-12 transferred to another Texas public school in 2019/20. Comparatively, the student transfer rate at Brownsville ISD and Edinburg CISD that have been bombarded with the expansion of State Charters is 6.1% and 5.8%, respectively. This revolving door means that up to 75% of the students enrolled at a CP Charter in grade 7 are not enrolled in grade 12. This high transfer rate is concerning given the growing evidence that academic outcomes can be negatively impacted as students change schools.

If a restaurant or local business were required to replace 75% of its customers every 5-years, it would likely indicate a flawed business model and the restaurant or local business would be forced to close. But the business model of CP Charters anticipates the loss of students. Which is why CP Charters devote millions of dollars each year to develop a “wait list” of new families to replace those that transfer to another Texas public school each year.

CP Charters: Students in Grades 7-12 Transferring to Another Texas Public School in 2019/20				
CP Charter	Grades 7-12: 2018/19 Enrollment (Less 2019 Graduates)	Grades 7-12: Students Transferring To Other Texas Public Schools in 2019/20	Grades 7-12: Percent of Students Transferring to Other Texas Public Schools in 2019/20	Annualized Percentage of Students Transferring Over 5-Years
IDEA Public Schools	12,915	1,941	15.0%	75.0%
KIPP Texas Public Schools	8,215	1,210	14.7%	73.5%
Uplift Education	6,993	1,042	14.9%	74.5%
YES Prep Public Schools	8,279	725	8.8%	44.0%
Total – CP Charters	36,402	4,918	13.5%	67.5%

Limited CP Charter Graduates Have Earned a 4-Year College Degree: While each CP Charter has been operating in Texas for at least 20-years, the number of graduates that have earned a 4-year college degree remains very limited. According to *“tpeir – Texas Education Reports”*, the table below summarizes the number of graduates from the Classes of 2007-2012 at IDEA Public Schools, Uplift Education, and YES Prep Public Schools that earned a 4-year college degree by 2018 (i.e. 6 or more years after high school graduation). It is noted that KIPP Texas was excluded from the table as only 13 graduates were shown to have earned a 4-year college degree and that appeared to be potentially misleading. From the 6 graduating classes in years 2007 – 2012, a total of 458 CP Charter graduates earned a 4-year college degree. For perspective, the number of CP Charter college graduates represents 0.0014% of the total graduates within the State of Texas that earned a 4-year college degree during this time and the number of CP Charter college graduates is 6.3X lower than Ysleta ISD in El Paso.

The point is not to criticize the number of CP Charter graduates that have earned 4-year college degrees. Rather, it is to highlight that the State continues to permit CP Charters to rapidly expand and recruit additional low-income families, despite the limited evidence that CP Charters are adequately preparing students to be successful in college.

CP Charters – Classes of 2007-2012 That Earned a 4-Year College Degree						
Description	IDEA Public Schools	Uplift Education	YES Prep Public Schools	Total CP Charters	Ysleta ISD	State of Texas
Students: 4-Year Degrees	144	178	136	458	2,901	314,476

Conclusion: In our public schools, students are taught to use the “scientific method” to analyze and answer questions. In this regard, students perform extensive research, formulate a hypothesis, conduct an experiment to test the hypothesis, analyze the data, and draw an evidence-based conclusion.

However, to establish public education policies the Texas Legislature does not rely upon research to form its hypothesis that privately managed State Charters will produce better student outcomes than locally governed school districts. For the last 25 years, the State has conducted a \$25 billion taxpayer funded experiment to test its hypothesis about State Charters. The data produced by the State’s experiment documents that State Charters have consistently produced lower student outcomes than school districts as measured by the State’s own academic metrics. These metrics include results of the STAAR test, district and campus academic ratings, graduation rates, financial standards, etc. The difference in the postsecondary outcomes of State Charter and school district graduates referenced herein is further evidence.

So why does the State ignore the facts of its privatization experiment and continue to support the rapid expansion of State Charters in local communities? To answer that question, I conducted my research, formed a hypothesis, analyzed the facts of the experiment, and formed an evidence-based conclusion that the State’s separate system of privately managed State Charters is not about improving student outcomes for low-income and minority students. Rather, the State’s separate system of privately managed State Charters is to please the billionaire, political donors that desire to transfer the governance and taxpayer funding of public education to private organizations.

With fewer resources and a limited political profile, the initial recruitment of low-income and minority families provided the path of least resistance to establish the State’s separate system of privately managed State Charters. With the State approving more and more State Charter expansions in suburban school districts such as, Conroe ISD, Frisco ISD, Hays CISD, New Braunfels ISD, Prosper ISD, Round Rock ISD, Sherman ISD, and Whitewright ISD to name a few, the next phase of the State’s efforts to privatize public education is well underway.

It is your students, your children, your grandchildren, your tax dollars, and your community. It is time for the State to serve students with the basic principles that our taught in our public schools: honesty, integrity, morality, equality, and the scientific method.

DISCLOSURES: *This material solely reflects the opinions of the author and the author has not been compensated in any manner for the preparation of this material. The author is a voluntary advocate for public education. The material herein is based upon various sources, including but not limited to, the Texas Education Agency, Texas Academic Performance Reports, Public Education Information Management System, tpeir-Texas Education Reports, The Texas Higher Education Coordinating Board, and other publicly available information. While the author believes these sources to be reliable, the author has not independently verified the information. All readers are encouraged to complete their own review of the State’s separate system of privately managed charter schools in Texas, including the material referenced herein and make their own independent conclusions.*