



## Testimony before the Texas House Committee on Public Education

by Emily Sass, Policy Analyst

Chairman Huberty and Committee,

My name is Emily Sass, and I am the K-12 education policy analyst at the Texas Public Policy Foundation. Thank you for the opportunity to speak today. The charges before you concern some of the most promising developments in education. As a former teacher, I look forward to the day when teachers have a clear career path that rewards excellence and encourages taking on challenges. And the greatest joy a teacher can have is seeing a student succeed, especially against great odds. The innovation that charter schools have brought to Texas education is giving students across the state a new vision for their futures. I focus my remarks on the funding, performance, and expansion of charter schools.

Charter schools are funded based on the state average adjusted allotment. That average, as intended, factors in funding adjustments given to small- and medium-size districts. Charter schools are not to blame for the fact that in Texas the average M&O per-student funding is higher than the median M&O per-student funding; that average is higher through intentional formula adjustments.

When considering only M&O revenue, charter schools on average receive more funding per student than districts do. However, except in the case of some new access to the Existing Debt Allotment available to some charter operators, that is the only bucket of funding they receive. Charter schools have no tax base and therefore no I&S revenue. All expenses must come out of that one revenue stream. When all funds per student are considered, charter schools receive approximately \$600 less on average per student. Further, traditional public schools possess substantial advantages that charter schools do not; they have existed within the community for many years and often garner enormous community support, have existing facilities, and exercise taxing authority.

Despite overall lower funding, charter schools hold their own and even exceed statewide performance, especially for low-income students. Results from the 2017 NAEP (the national assessment administered by the U.S. Department of Education) found Texas charters making impressive gains and equally impressive scores. When compared with other states nationally, Texas charters rank sixth in the nation in eighth-grade math. In other words, an 85-percent minority school sector outperformed states such as Vermont by national assessments.

High-performing charter schools are also pulling well beyond their weight to get Texas to its 60x30 goal. Nationwide, only 9 percent of students in the bottom 20 percent of family income are expected to graduate college within six years of high school graduation. Leading charter networks across the nation have begun to follow up with their students after they graduate high school. For a student in that bottom quintile, attending a high-performing charter school appears to increase their chances of successfully graduating college by 3 to 5 times.

College graduation is only one pathway to success beyond high school, but it is one that has remained blocked to many Texas minority and economically disadvantaged students. Charter schools are opening those doors.

Currently the authorization process for charter schools is onerous and cost-prohibitive to many applicants. We would respectfully recommend that the application and authorization process for charter schools be streamlined and consolidated in order to encourage more qualified applicants. This obstruction is perhaps most damaging to smaller start-ups with few initial resources. Texas is also developing a reputation for being closed to high-performing, out-of-state networks. Though Texas should be proud that many of the top-performing charter networks in the nation were grown and continue to expand right here in Texas, there are still over 140,000 children on charter school waiting lists. We owe those families options.

To conclude, diseconomies of scale were intentionally accounted for in Texas' method of financing charter schools. Despite a lower average funding level than traditional districts, charter schools consistently provide hope and an opportunity to succeed for students across the socioeconomic spectrum but especially to those students most in need. Texas should ensure that just as it remains open for business, it remains open to innovation.

Thank you for your time and attention. I am happy to answer any questions. ★



**Emily Sass** is a policy analyst with the Texas Public Policy Foundation's Center for Innovation in Education. Before coming to the Foundation, Emily was on Senator Ted Cruz's staff as the deputy regional director for North Texas, serving as the senator's liaison on all policy topics to a fourteen-county region. Previously, she worked as staff in the Texas House of Representatives and on multiple campaigns. Emily holds a B.A. in music from Thomas Edison State University and is a former music teacher.

