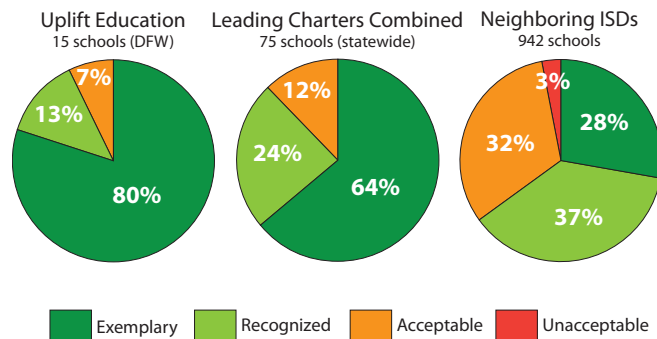




## Addressing Common Charter School Myths and Underlying Policy

Academic results at high-performing charter schools in Texas have continued to meaningfully outperform those seen within their neighboring traditional school districts. In the 2009-10 school year, of the 75 charter schools in Texas operated by Uplift Education, IDEA, KIPP, YES Prep and Harmony, 64% achieved the state's highest ranking of Exemplary. This percentage was more than double the percentage of traditional public schools receiving Exemplary ratings within the ISDs where these charters operate. Graduation rates and college acceptance rates (at or near 100% in each of these Texas charter schools) have also significantly exceeded their ISD counterparts.

**Percentage of Schools by TEA Rating (2010 Ratings)\***



It's important to note that under Texas' inequitable funding formula, charter school districts receive on-average around 80% of the funding a traditional urban district receives per student, making their academic performance all the more notable in terms of strong taxpayer dollar stewardship. With personnel costs representing the largest expense category of public schools, this makes it challenging for charter schools to compete on many salary levels. They also face increased barriers in securing real estate facilities for replication. While generous funders have been willing to bridge this gap during start up, replication and sustainability demand long-term solutions.

Unfortunately, the attempt by many to understand this substantial disparity in academic performance has led to both honest misunderstandings as well as the purposeful spread of misinformation by charter school opponents. These "myths" distract from the numerous substantive reasons for this difference in academic performance: longer school hours and more school days (made possible by flowing a higher proportion of funding from central administration into school operations); a strong and intense focus on leadership development; multiple pipelines of human capital (including alternative certification and Teach for America); and a strong culture created through smaller schools, strong relationships between educators and families, and high-expectations for student achievement. The myths also distract from the underlying policy issues.

*\*Neighboring ISDs includes Arlington, Austin, Dallas, Donna, Edinburg, Houston, Irving, McAllen, Pharr, and San Antonio. Percentage of exemplary and recognized schools for ISDs includes a number of magnet schools that use an application process to determine their student body. None of these high performance public charter networks contain magnet schools.*

# Common Myths About Charter Schools

**MYTH: Charter schools selectively choose, or “cream,” students to enhance the school’s academic performance.**

**FACT: Uplift is an open enrollment, tuition-free, public school system with a highly-regulated public lottery.**

As required by federal and state law, students are admitted via a public lottery when demand for slots exceeds supply. Uplift currently educates 4,600 students with another 4,600+ students on its waiting lists, and there are more than 40,000 children on charter waiting lists statewide.

Charter applications only record the name, age and address of applicants. No other information or academic records are required. Only after a student is admitted to an Uplift school through their winter lottery is additional information requested for summer enrollment. This information helps Uplift understand and serve student needs. This is in contrast to most magnet schools, where selective admissions processes admit students based in part on a review of past academic performance and conduct. In accordance with state and federal charter law, Uplift may choose to decline enrollment for a student who was expelled from their prior school for severe disciplinary reasons. Since charters receive no funding for facilities, it would be cost-prohibitive for them to open facilities similar to the alternative facilities used by ISDs to serve students with these serious disciplinary issues.

Charter critics have also claimed that because motivated parents seek out charters, their children by definition are more academically motivated than their peers who remain in traditional district schools. However, a recent Stanford University study comparing charter applicants who were accepted through the lottery process in New York to applicants who were not chosen (thus removing the motivated parent bias) still showed meaningful academic gains for charter students relative to their peers who failed to be chosen via the lottery.

From a policy stand point, school choice has always existed for the affluent in the form of private schools and suburban neighborhoods. Charters often attract back students of tax payers who originally left public schools. The results of a significant number of low-income and minority students should not be ignored because these students represent less than all students who could be served. Instead, approaches should be studied and best practices should be exported to better serve all students.

**MYTH: Charters represent the privatization of public schools. They take funding from traditional public schools yet are not subject to the same level of regulation and oversight.**

**FACT: Charter schools are subject to almost all of the same state regulations and oversight that applies to every other public school. Their students are subject to all of the same state-testing, and their schools are rated under the same accountability system as traditional public schools.**

Open enrollment, public charter schools are operated by non-profit entities. Their school operations are funded by public dollars similar to a traditional ISD. Traditional district schools and universities also share the right to operate charter schools, and many in fact operate district and university charters today. As with a traditional district, there are no “profits” to shareholders, and employees at Uplift today are paid similar to or less than their counterparts at traditional public schools.

Except as noted in this paper, charter schools are subject to almost all of the same state regulations, oversight and all state testing that applies to every other public school given that they receive public funds to operate and accept students who apply and are chosen through the lottery, regardless of their academic record. This is subject only to our space limitations and students with severe disciplinary problems, as we are a system of open-enrollment, free tuition schools.

Every charter district in Texas receives a per student allocation of public funding based on each student it serves. To date the growth of charter schools in Texas has been limited inasmuch as charter networks receive meaningfully less dollars per student than what a traditional urban district school receives. Under the state’s school funding formula, charter schools do not receive any form of facilities funding or any credit enhancement for facilities, the latter of which results in a significantly higher interest rate for financing charter schools facilities. As a consequence, charters are more reliant on philanthropic funding to grow and their relative academic success is even more noteworthy given this funding inequity.

From a policy standpoint, public taxpayers dollars exist to benefit students—not to maintain delivery methods or institutions.

**MYTH: Because they are generally appointed and not elected, charter boards are not accountable to taxpayers for the public dollars they are responsible for stewarding.**

**FACT: Our board is appointed, but is subject to regulation under the Texas Education and Government Codes similar to an elected ISD board.**

Our ability to appoint board members allows us to bring the best mixture of skill sets and expertise to our board. Numerous members of our board have overseen multi-billion dollar budgets and large, rapidly-growing organizations—skill sets that can be very hard to attract to public service. No taxpayer expense is incurred in creating our board, and per our by-laws, Uplift board members receive no stipends or expense allowances. They are subject to term limitations and perform an annual self-review. We believe that our board is as representative and accountable as local elected boards, which unfortunately are elected by less than 2% of the taxpayers eligible to vote in school board elections. Most importantly, our strong academic results reflect that Uplift and its board are serving our students well academically while concurrently being good stewards of taxpayer dollars.

It is also false to state that the Uplift board is not accountable to taxpayers. Uplift and its board are regulated by the publicly-elected Texas Legislature and the Texas Education Agency. Moreover, true accountability comes from the fact that every student carries with them an allocation of taxpayer dollars when they come to an Uplift school. If Uplift fails to serve both them well, they will choose to leave and take their funding with them. If enough students leave, the school will be forced to close down.

From a policy standpoint, the public's ultimate accountability mechanism with schools of choice is the risk of closure that they face if they fail to serve their students. Poor-performing schools of all types should be closed or re-engineered. This would be more likely if we had enough quality choices in our public school system for all children.

**MYTH: Comparable academic performance is achieved by charters by selectively forcing out weak academic students.**

**FACT: Uplift's average continuer rate, after a school's initial start-up, is not materially different from neighboring ISDs.**

There can be elevated attrition in the first couple of years following a school's establishment, especially at the high school level as students seek out extracurricular activities that charters cannot afford to provide. Students may also opt out and re-enter the public school system for a number of other academic reasons. We also experience attrition when parents move, given that Uplift currently offers only seven campuses across the DFW area and lacks funding to provide bus transportation. Despite these factors, Uplift's average continuer rate after a school's initial start-up phase is not materially different from the surrounding district. From September 2009 to September 2010, roughly 9% of Uplift students left one of our schools and were replaced by students on our wait list. Reasons cited for leaving included the following: 36% wanted the features of a larger school (sports, gym, etc.), 14% entered a magnet school, 28% moved or no longer had transportation, and 10% specifically disliked the rigor of our program. The remaining 12%, or roughly 1% of total beginning enrollment, withdrew because of discipline issues.

From a policy standpoint, creating schools of choice encourages families to become astute consumers of education. In light of differing desires and needs, some students may opt to participate in charter schools because of their culture, approach and priorities. This ability to move between educational options has always existed for affluent segments of our population.

**MYTH: Charter schools don't have to educate the same students as local public schools, particularly with regard to special populations such as special education or handicapped children.**

**FACT: Charters cannot screen for students with special needs in the application process.**

Understandably, some families with special education students opt not to choose a new, small startup school for their child given its lack of a track record in serving children with a wider range of special needs. During the years following an Uplift school's opening, however, we find that special populations grow significantly as the school's academic success and relationship-driven culture becomes established and well-known in the community. In the 2009-10 school year, our special populations are within 2% of the state target.

From a policy standpoint the charter world is studying and addressing these issues even at this early point in its evolution because it matters to the families and children they serve.

**MYTH: Academic performance in charter schools overall is no different than that seen in traditional school districts.**

**FACT: High-performing charters, like Uplift, KIPP, Yes Prep, IDEA and Harmony, have meaningfully outperformed traditional districts in their academic results and continue to replicate these results as they expand throughout Texas.**

There are cases of generally smaller charter operators who have not served their students well and whose performance tends to reduce the average performance of charters across the board. However, because larger charter operators have met the needs of their students while being good stewards of taxpayer funding, they have been able to replicate and grow. The responsibility for closing or limiting the growth of poor performing schools of all types is with the Texas Education Agency, the State Board of Education and the Texas Legislature. It is highly misleading to say that because all charters (including those focused on dropout recovery) don't collectively exceed the performance of traditional district schools, that high performance charters should not be replicated. Our graduation rates, Commended TAKS scores, and college-readiness indicators, all exceed neighboring schools—especially for low-income, minority students. In 2010, 93% of our graduates were admitted into a four-year college, and 100% were admitted into a two- or four-year college.

From a policy standpoint, the performance of these schools serve as an example of what can be accomplished with the right combination of human capital, culture and expectations for students, regardless of socio-economic background.

**MYTH: Uplift has difficulty hiring and retaining experienced teachers.**

**FACT: Charter schools have increased freedom in the area of human resources and are more likely to use this freedom to utilize highly selective hiring, evaluation and retention processes.**

After its first two to three years of operation, data shows that charter schools exhibit very similar employee retention rates to traditional public schools. Charter schools have increased freedom in the area of human resources, however, and this often translates into highly selective hiring, evaluation and retention processes. Uplift measures both the percentage of teachers offered the ability to teach the following year as well as its retention of those teachers that are asked to return based in part on student achievement results. For the school year 2010-11, Uplift made offers to 92% of its teachers from the prior year, and 95% of these offers were accepted. These percentages are very consistent with other industries. We believe that teachers are the primary driver of educational outcomes and that our human capital component can always be improved through thoughtful reviews and development of our staff and, where necessary, the removal of those teachers who are least effective.

We strongly believe that without the best teachers, we cannot become the area's best public school system. We recruit our teachers one-by-one and invest in professional development to help grow and retain great talent in the classroom. Uplift employs 315 teachers, reflecting an average teaching experience of five years. Roughly 25% of our teachers have taught six or more years in the classroom. We received more than 660 applications for the 74 new teaching spots filled in 2010-11—evidence that our culture of supporting strong educators who are committed to serving students is attractive to many.

If academic success for students is the ultimate outcome by which all schools should be measured, the fact that 88% of our students attended an Exemplary-rated Uplift school in 2009-10, and 100% of our graduates since 2002 have been accepted to college should be evidence that our teaching force and "no excuse" approach are serving students and taxpayers well. From a policy standpoint the primary indicator of success should be student performance, not adult agendas, given the achievement gaps that exist today and threaten the future of our community.

**MYTH: Charter schools exist in part to provide high compensation to their executive staff, who are not educators and receive high salaries at the expense of children in the classroom.**

**FACT: Under its 2010-11 board-approved budget, only 9% of Uplift's projected annual revenues of \$44 million are directed toward its central overhead, leaving 91% of every taxpayer dollar directed toward the classroom.**

Given that charter revenues are on average only 80% of what a traditional urban district receives on a per student basis, this level of central overhead approximates only 7% of the revenues of what a traditional urban district would receive. This number is far less than central office allocations for any surrounding ISD.

From a policy standpoint, with limited public funds and rising taxes facing each Texas citizen, the return on investment of successful and sustainable charters operators needs to be studied carefully.