Texas Public Policy Foundation **Keeping Texas Competitive**A Legislator's Guide to the Issues 2013-2014



School Choice

The Issue

School choice is expanding nationwide. Numerous charter, voucher, and virtual education programs have become operational over the last decade. Unfortunately, Texas is lagging behind in this important area of education reform. As states such as Ohio, Indiana, and Wisconsin all either expanded or enacted new

school choice legislation in 2011, the 82nd Legislature made no significant legislative moves to expand school choice in Texas. In 2013, Texas lawmakers will have an opportunity to drastically improve freedom of education for Texas students.

If school choice is to flourish in Texas, the state must first remove policies that hinder growth in its existing choice programs. Texas currently sits comfortably in the middle of its second decade of operating open enrollment charter schools within its public education system. Though the number of operating charters in the state has grown since 1995, Texas still has a hard cap of 215 open enrollment charter schools, a limitation that prevents a large number of Texas students from having access to alternative education. The Texas Charter School Association estimated that in 2011, there were more than 120,000 students on wait lists for charter schools in Texas.

Charter schools are not the only vehicle for school choice in the public education system, but they are one of the few models that Texas actually has in place. Shifting portions of school funding from district control to parental control is another means of implementing choice. Broadly referred to as "vouchers," these measures can include giving parents direct control over how state funds are spent on their students, including using the funds to send their child to a private school of their choosing, or to shift their child from one school district to another. Despite the documented academic and civic successes of San Antonio's Edgewood ISD voucher program, which ran from 1998 to 2008, there are currently no voucher laws on the books in Texas.

A second, similar option in this arena is education tax credits. There are typically two types of education tax credits: personal-use tax credits, which reimburse parents for educational expenses spent on their children; and donation tax credits, which give a tax credit to individuals or corporations who donate to an education scholarship fund. Education tax credits and tax deductions have several advantages. Tax credits save the state and taxpayers money, have a broad base of support that appears to be growing, and are less vulnerable to attacks in court as they have never been declared unconstitutional at a state or federal level despite several court challenges.

There is no reason for Texas not to be a leader among the other states in this area. In 2013, lawmakers must examine carefully the benefits of expanding school choice, both for the benefit of students and parents who want more options, and for the state which must find ways to make public education more fiscally efficient. More school choice is an option that fits from both perspectives.

The Facts

- The number of students on wait lists for Texas charter schools has expanded substantially over the last few years, from 45,000 in 2009 to 56,000 in 2010, up to 120,000 in 2011.
- Texas has a hard cap of 215 on its open enrollment charter schools, which serves as a direct limitation for expanding school choice in Texas.

KEEPING TEXAS COMPETITIVE: A LEGISLATOR'S GUIDE TO THE ISSUES

- Many states have made substantial expansions and improvements to their choice programs over the last few years. Texas remains reluctant to enact school choice policies of its own.
- Presently, Texas has no active voucher program or education tax credit program in place.
- Improving school choice options in Texas will not only serve to satisfy the demands of a number of Texas parents, but could result in an improvement in fiscal efficiency in the Texas public education system.

Recommendations

- Remove the hard cap of 215 open enrollment charter schools in Texas. This will allow the state to more easily address the large number of students on wait lists for charter schools in the state.
- Enact policies that allow for voucher and education scholarship programs to operate in Texas. Such policies would create more freedom for Texas students, and could save the state a substantial amount of education funding.
- Allow more aggressive options, i.e., allowing partial enrollment in Texas public schools, which would create tremendous flexibility for parents seeking the maximum amount of choice in regards to their child's education, allowing them to participate in a potential mix of traditional public, online, and even home-school based learning resources.
- Create an environment that allows Texas public schools to operate with minimal top down interference from the state.

Resources

School Choice in Texas: Where We Are, Where We Should Be by James Golsan, Texas Public Policy Foundation (Oct. 2011).

Helping Parents Pay for Education: Examining Education Tax Credits and Deductions by Brooke Dollens Terry, Texas Public Policy Foundation (Apr. 2010).

Charter Schools 101 by Brooke Dollens Terry, Texas Public Policy Foundation (Mar. 2010).

