

# Education

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# FACTS ABOUT EDUCATION IN TEXAS

## Challenges Facing the 78<sup>th</sup> Texas Legislature

- ★ In 2003, the 78<sup>th</sup> Texas Legislature will face the challenges of increasing high school graduation rates, preparing more students for post-secondary education, eliminating achievement gaps between different student populations, and ensuring classrooms are led by qualified teachers.
- ★ Texas' population has climbed almost 30 percent in the past ten years, while public school enrollment has increased 20 percent.
- ★ Texas public schools serve the second-largest student population in the nation, with over four million students.
- ★ 12 percent of students in Texas are enrolled in Special Education programs, and 13 percent lack proficiency in English.

## Academic Achievement in Texas

- ★ Scores of the Texas Assessment of Academic Skills (TAAS) show a dramatic and steady increase in the average passing rates for all students since 1994.

- ★ Subject-area proficiency tests, as measured by the National Assessment of Educational Progress (NAEP), also suggest that the average proficiency of Texas students has increased slightly above the minimum skills level.
- ★ The most striking NAEP gains are posted by Texas African-American and Hispanic students who outscored their peers throughout the nation in 4th grade mathematics and 8th grade writing.
- ★ Few students in Texas are currently enrolled in the Recommended High School program, the state's college preparatory curriculum.
- ★ At present, state curriculum standards established for high school courses fail to prepare students for college. A study published by the Texas Higher Education Coordinating Board indicates that 60 percent of students completing courses for the Recommended High School Diploma failed to pass the state's test of college readiness (the Texas Academic Skills Program-TASP).
- ★ The College Board's SAT test shows that Texas students' average scores have actually fallen from 996 in 1995 to 992 in 2001. Texas students are

posting the fifth-lowest average scores in the nation.

- ★ The percentage of Texas students taking the SAT and ACT exams has declined.
- ★ While the Texas high school dropout statistics are disputed, the broad consensus indicates that Texas has a serious problem.
- ★ The calculation of dropouts is the most debated aspect of the Texas Accountability System and the greatest failure of the reform of Texas public schools. The problem lies in how dropouts are identified and counted.
- ★ The National Center for Education Statistics reports that Texas has the second-lowest high school completion rate in the nation (outflanked only by Nevada). The Texas high school completion rate was 80 percent in 1990-1992. It has fallen to 79.4 percent today.
- ★ Only four other states bridge fewer students from high school to college. Today, Texas has the third-lowest college completion rate in the nation.

### **State Assessments & Student Accountability**

- ★ As schools focus instruction on state assessments, classroom learning is limited to the subset of expectations for learning and the minimum level of proficiency measured.

- ★ TAAS will be replaced in 2003 by the latest generation of state assessments – the Texas Assessment of Knowledge and Skills (TAKS).

- ★ TAKS will test a limited part of the required state curriculum standards; fail to identify mastery of grade-level requirements at the grade the test is administered; measure and set standards for proficiency that are below state expectations for learning at the grade level tested; and measure and set standards for proficiency that are one to three grades below standards established by commercial tests commonly used throughout the nation such as the Iowa Test of Basic Skills and the Stanford 9.

### **Social Promotion**

- ★ The practice of social promotion is scheduled to be phased out of Texas public schools in 2003.
- ★ There is significant research detailing the negative effect of social promotion on student achievement and school completion. There is also substantial research showing that grade-level retention increases the likelihood that a student will drop out of school.

### **School Ratings & Accountability**

- ★ At present, 50 percent of students in each racial/ethnic group must pass all state assessments for a school to be accredited and rated as "Acceptable."

- ★ Since 1995, the number of Recognized and Exemplary schools has tripled while the number of schools performing below acceptable standards has declined by 60 percent.
- ★ Schools may be permitted to exempt themselves out of the "regular" school accountability system and become accredited according to lower passing rates on student assessments and lower requirements for school completion.
- ★ There is no single accountability system for Texas public schools; nor is there one standard to which all students and schools are held.

### **Education Freedom & School Choice Options in Texas**

- ★ In 2001, the Texas Legislature curtailed the charter school program in response to criticism about the under-performance and fiscal difficulties of some charter schools. H.B. 6 caps the number of charter schools at 215, and authorizes the Commissioner of Education to establish operational, fiscal, governance, and administrative regulations over charters that exceed regulations presently imposed on traditional public schools.
- ★ Today, Texas is home to 180 charter schools. Only three states – Arizona, California, and Michigan – host a larger number of charter schools.
- ★ Charters are schools of choice for economically-disadvantaged parents

with children who have been underserved by traditional public schools.

- ★ Although state assessment scores are generally lower in charter schools, improvement in test scores is greater than that of students in public schools.
- ★ Subsidized private school choice is also growing in Texas. Private vouchers are offered to low-income families in San Antonio, Dallas, Fort Worth, and Houston.
- ★ The federal government's latest report on private schools indicates that 227,645 Texans presently attend private elementary and secondary schools.
- ★ Home schooling is the education of choice in Texas as well; approximately 100,000 families educate approximately 300,000 children in homes throughout Texas.

### **Texas School Finance**

- ★ Although Texas spends more on education than on any other government service, few Texans understand the funding and management of their public schools.
- ★ Research clearly does show that spending more money on public education is not a reliable way to improve student achievement.
- ★ A major obstacle to expanding effective programs is that districts and

campuses often expend new resources to fund existing practices.

- ★ The combined effects of a slowing economy, a budget deficit, and the fact that nearly half of Texas school districts have reached or are fast approaching statutory limits on property tax rates will severely curtail both individual districts' and the state's capacity to spend more on public education.
- ★ It is unlikely that current finance formulas and budgeting practices will be sufficient to sustain the next round of education reform.
- ★ Expenditures for public education in Texas will exceed \$52 billion for the 2002-03 biennium.
- ★ In the 2002-03 biennium, state taxes are expected to provide approximately 44 percent of total revenues, versus 53 percent from local school district property taxes.
- ★ In terms of revenues for school districts' Maintenance and Operations, the Texas system is among the most equitable in the nation.
- ★ Many of the weights and adjustments in the formulas are outdated and do not reflect the true costs of operating schools. The system contains no adjustment for inflation.
- ★ The "Robin Hood" system refers to a state requirement that any school district with property wealth per weighted pupil greater than \$300,000

(the Equalized Wealth Level for 2001-02) reduce its wealth using one of five recapture options. The recapture system applies to approximately 100 school districts out of 1,040.

- ★ It is difficult – if not impossible – to eliminate the "Robin Hood" system for two reasons: the recapture represents a substantial amount of money, approximately \$1.5 billion for the current biennium; and the Texas Supreme Court has ruled on multiple occasions that a constitutional school finance system cannot allow concentrations of resources in property-wealthy districts to be insulated from being taxed to support the public education system.
- ★ Major reforms to the school finance system are usually the result of litigation. Legal challenges have mostly focused on considerations of equity, defined in terms of the distribution of funds available to districts.
- ★ Future school finance litigation will shift towards the question of whether the system provides adequate funding for schools to achieve the educational standards defined by the Legislature.
- ★ Small changes to the school finance formulas can have significant effects on the equity of the system.
- ★ A comprehensive overhaul of the Texas school finance system is extremely unlikely in the next legislative session, and – in the absence of research describing the true costs of

achieving the state's academic goals – would probably be unwise.

### Dispelling School Choice Myths

- ★ Public schools rarely represent a broad cross-section of the American population, and there is little evidence to suggest that schools-of-choice are less diverse than public schools.
- ★ The phrase “separation of church and state” does not exist in any founding document of the United States. It was part of a letter that Thomas Jefferson wrote to the Danbury Baptist Association.
- ★ The U.S. Supreme Court has consistently defended the right and responsibility of parents to direct the education of their children.
- ★ The U.S. Supreme Court and state Supreme Courts have declared that school choice does not violate the Establishment Clause of the First Amendment.
- ★ Food stamps and Medicaid are examples of voucher programs through which recipients use government money at the grocery stores or hospitals of their choice.
- ★ Competition ensures that all schools are ultimately accountable to those who matter most – parents and students.

★ Students who are behind or not being served in their assigned public school are the ones most likely to exercise choice.

★ Most choice plans actually reduce overhead administrative expenditures and increase the availability of more public money.

★ Parents who are able to make active choices in the education of their children report greater satisfaction with their children's academic achievement, and studies have shown a positive correlation between parental involvement and student performance.

★ 81 percent of families with incomes over \$75,000 choose public schools for their children; only 32 percent of private school families earn such incomes.

★ Families in San Antonio's HORIZON program have an average annual income of \$13,460, with an average family size of 3.4 people. Only 17 percent rely solely on public assistance.

★ 13 percent of all U.S. families choose private schools for their children, 17 percent of all school teachers make that choice for their children.

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# THE NEXT STEPS FOR EDUCATION REFORM IN TEXAS

## Overview:

Educating youth is the highest concern of Texans and a major focus of every session of the Texas Legislature. In 2003, the 78<sup>th</sup> Texas Legislature will face the challenges of increasing high school graduation rates, preparing more students for post-secondary education, eliminating achievement gaps between different student populations, and ensuring classrooms are led by qualified teachers.

### **Challenges Facing the 78<sup>th</sup> Texas Legislature**

By the close of 2001, the Texas Legislature had filed 1,404 bills to improve education. Compared to the number of bills filed to address other policy areas, it is clear that education policy dwarfs almost every other state government activity (Table 1).

<b>Table 1 Bills Filed by Subject 77<sup>th</sup> Texas Legislature</b>	
Education	1,404
Crime	790
Health Care	407
Tax	329
Source: Compiled from the Texas Legislature's web site, bill search by subject at <a href="http://www.capitol.state.tx.us/tlo/billsrch/subject/77/r/subjectcode.htm">http://www.capitol.state.tx.us/tlo/billsrch/subject/77/r/subjectcode.htm</a>	

Despite these efforts and more than two decades of sweeping educational reform, Texas continues to face numerous challenges to creating a world-class educa-

tional system. Some of the most pressing challenges are:

- ★ The achievement gap between student groups, high dropout rates, and inadequate college readiness point to a clear need for more rigorous academic instruction for all students.
- ★ State assessments fail to measure important skills – the skills that students need, that the state requires, and which are necessary to prepare for college or skilled vocational training.
- ★ The school accountability system provides limited information about educational outcomes and limited rewards and punishments for results.
- ★ Demand for more alternatives to public schools is increasing while public school choice is decreasing.

### The Next Steps for Reform

The next step must be to raise the bar for all students, not just under-performing students, by:

- ★ setting higher expectations for student achievement.
- ★ developing more informative measures of student achievement.
- ★ introducing early academic interventions to increase school completion.

- ★ expanding educational freedom.

If education reform achieves high standards, fulfilling state goals for excellence and equity, public schools will become schools of choice for all Texans.

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# UNIQUE CHALLENGES FACING TEXAS' EDUCATIONAL SYSTEM

## Overview:

Texas' rapid population growth, large proportion of student lacking English proficiency, and high number of public school students living in economically disadvantaged households poses unique challenges to education reform efforts. Rather than using these challenges as an excuse for failure, Texas has met these challenges head-on with reforms to deliver high-quality education to all students.

### **Population Growth**

Texas' population is rapidly growing. According to the latest estimates, 21.3 million people live within our borders.<sup>1</sup> Texas' population has climbed almost 30 percent in the past ten years,<sup>2</sup> while public school enrollment has increased 20 percent.<sup>3</sup>

Today, Texas public schools are serving the second-largest student population in the nation.<sup>4</sup> Serving over four million

students,<sup>5</sup> Texas has 1,040 school districts, 7,519 school campuses, and 159 charter schools.<sup>6</sup>

### **Special Student Services**

Texas also provides special student services to a large number of students. Texas public schools have the third-largest student population receiving linguistic services in the nation;<sup>7</sup> 12 percent of students in Texas are enrolled in Special Education Programs,<sup>8</sup> and 13 percent lack proficiency in English.<sup>9</sup>

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<sup>1</sup> Mike Cox. State Capitol Highlights in the Memphis Democrat, Memphis, TX, April 24, 2002 (data taken from the Texas Legislative Budget Board's 2002 Texas Fact Book).

<sup>2</sup> Carlos Guerra. Elected officials must lead, win war against undereducation in the San Antonio Express-News, San Antonio, TX, March 12, 2002.

<sup>3</sup> Snapshot 2000, Texas Education Agency, Austin, TX, 2001, pg. 6.

<sup>4</sup> Table 1-Number of public elementary and secondary schools with membership and percentage of students in membership, Overview of Public Elementary and Secondary Schools and Districts: School Year 1999-2000, Education Statistics Quarterly, Vol. 3, Issue 3, Fall 2001 and

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Pocket Edition, Texas Public School Statistics 2000-2001, Texas Education Agency, Austin, TX.

<sup>5</sup> Pocket Edition, Texas Public School Statistics 2000-2001,

<sup>6</sup> Ibid.

<sup>7</sup> Education Statistics Quarterly, National Center for Education Statistics, U.S. Department of Education, Washington, DC, Volume 3, Issue 3, Fall 2001, pg. 53.

<sup>8</sup> Snapshot 2000, pg. 6.

<sup>9</sup> Pocket Edition Texas Public School Statistics 2000-2001.

## No Excuses Education

Rather than use Texas' unique challenges to excuse failure, Texans reject the notion that economic status and a lack of English skills prevent teaching and learning. As a result, all Texas students have an opportunity to receive a quality education. Texas has introduced rapid, dramatic, and systemic changes in public education, despite the challenges posed by

surging population growth, language barriers and economic disadvantage, demonstrating its commitment to a "no excuses" educational system.

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# ACADEMIC ACHIEVEMENT:

## Mixed Results Indicate That More Work Must Be Done

### The Issue:

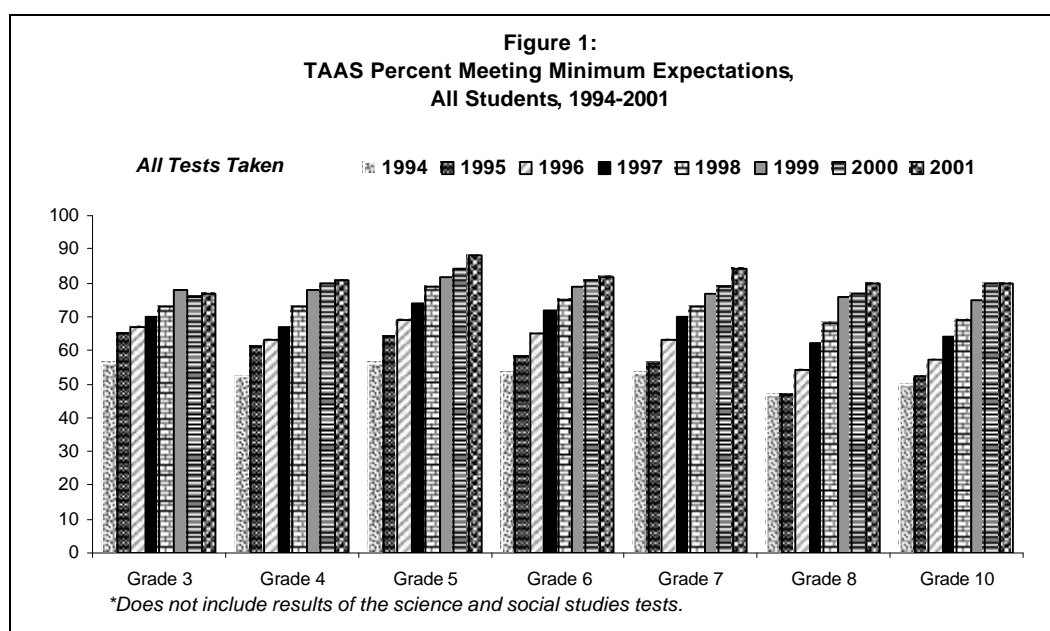
Texas' education reforms have significantly improved student achievement in early school grades. However, there are reliable indications that Texas must raise academic achievement in high schools, increase high school completion, improve college readiness, and reduce the pervasive achievement gap between ethnic and racial groups.

### Achievement in the Early Grades

Texas' educational reforms challenge conventional notions about the difficulty of educating disadvantaged students and stimulating rapid changes in large student populations. Student achievement has dramatically improved

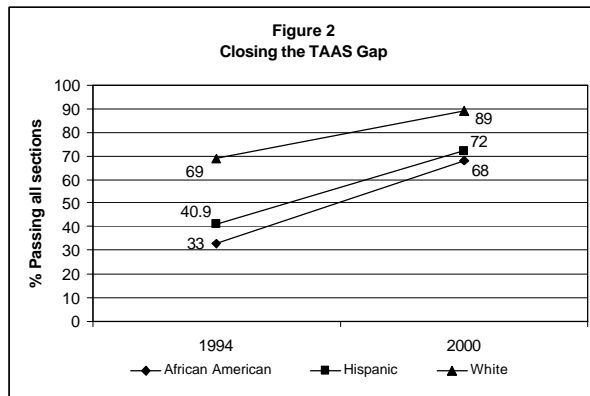
in recent years as evidenced by a variety of assessments.

Scores of the Texas Assessment of Academic Skills (TAAS) show a dramatic and steady increase in the average passing rates for all students since 1994, rising from 56 to 82 percent (Figure 1).



Source: 2001 Comprehensive Annual Report on Texas Public Schools, Texas Education Agency, Austin, TX, 2002, pg. 20.

While some experts dispute the belief that the achievement gap is narrowing, scores on the TAAS indicate a dramatic decline in the achievement gaps between all student groups.<sup>10</sup> The gap between average passing rates of African-American and of Anglo students has fallen from 36 to 21 percent, and the Hispanic-Anglo gap has closed from 28 to 17 percent (Figure 2).<sup>11</sup>



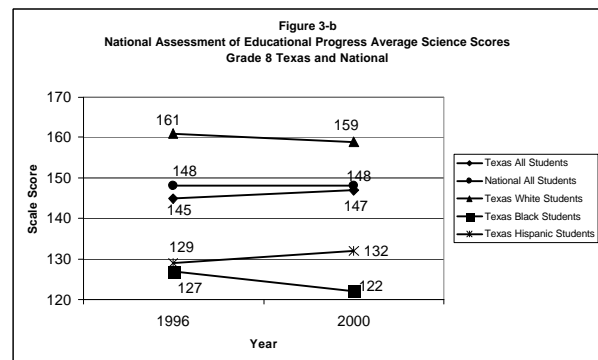
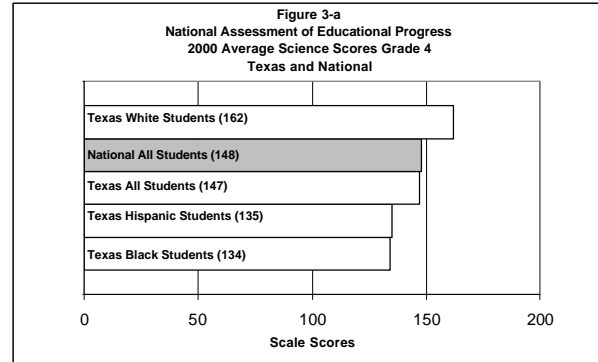
Subject-area proficiency tests, as measured by the National Assessment of Educational Progress (NAEP), also suggest that the average proficiency of Texas students has increased slightly above the minimum skills level. More importantly, the percentage of Texas students scoring at or above the proficient level on NAEP has increased significantly since 1990 with one notable exception – grade 8 mathematics.<sup>12</sup> (See

<sup>10</sup> Craig D. Jerald. *Real Results, Remaining Challenges: The Story of Texas Education Reform*, The Education Trust, Washington, DC, 2001, pg. 11.

<sup>11</sup> Figure 2 was reproduced from *The Education Trust's Real Results, Remaining Challenges: The Story of Texas Education Reform*. The closure of achievement gaps demonstrated by TAAS is contradicted by other assessments such as the National Assessment of Educational Progress (NAEP).

<sup>12</sup> The Nation's Report Card, State Science 2000, Re-

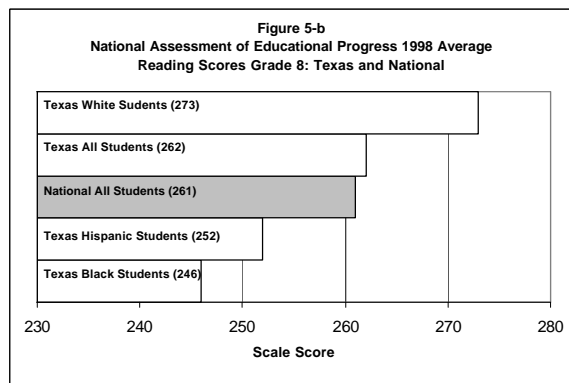
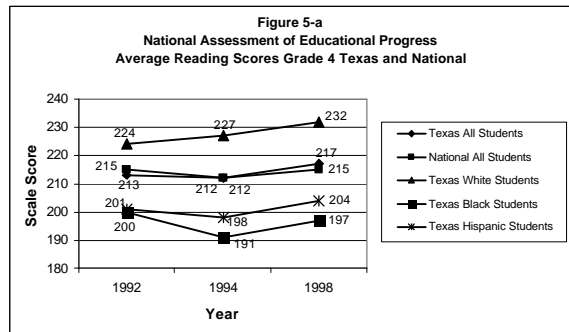
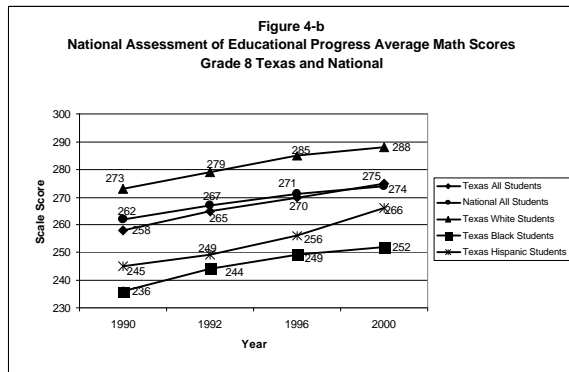
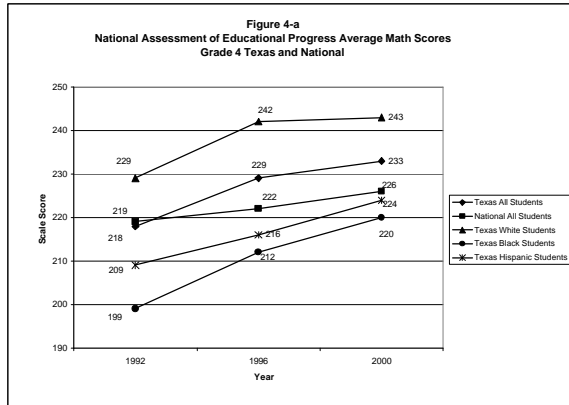
Figures 3-a and 3-b, 4-a and 4-b and 5-a and 5-b.)<sup>13</sup> Perhaps the most striking gains are posted by Texas African-American and Hispanic students, who outscored their peers throughout the nation in 4<sup>th</sup> grade mathematics and 8<sup>th</sup> grade writing.<sup>14</sup>



port for Texas, National Assessment of Educational Progress, U.S. Department of Education, Washington, DC, 2002, pgs. 21 & 22; The Nation's Report Card, State Mathematics 2000, 2001, pg. 29; NAEP 1998 Reading State Report for Texas, 1999, pg. 27; and NAEP 1998 Writing State Report for Texas, 1998, pg. 114.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid; and Alan Richard. *Achievements in Education Give Southern States Reasons to Brag in Education Week*, February 13, 2002.



These important academic gains for Texas students are also confirmed by their scores on the Third International Math and Science Study (TIMSS). Eighth grade students in Texas scored second-highest of the 13 states participating in the study on both the math and science tests. They also scored above the international average on the science exam.<sup>15</sup>

## High School Achievement

For all of the recent successful reform efforts in the early grades, measures of high school achievement do not demonstrate that education reforms have met the state's goals. After over 20 years of reform, there is no indication that more students are graduating from high school or that more students are graduating who are better prepared for college or highly-skilled jobs. On the contrary, all independent measures of college readiness indicate that high school students in Texas are graduating with diminished academic proficiency. (For more on academic proficiency in high school, see pages 14 - 15).

<sup>15</sup> Education in Review, Texas Education Agency, Austin, TX, 2001 and Craig D. Jerald. Real Results, Remaining Challenges, The Education Trust and The Business Roundtable, Washington, DC, 2001, pg. 29.

## New Texas Curriculum Requirements

Recognizing the weak academic proficiency of Minimum High School Program graduates, the Texas Legislature passed a law in 1999 making the Recommended High School Program the “default” curriculum for all students. State law now requires all students entering high school in the Fall of 2004 to enroll in the Recommended High School Program, unless students and their parents choose to substitute either the Minimum High School Program or Distinguished Achievement Program for the Recommended Program.

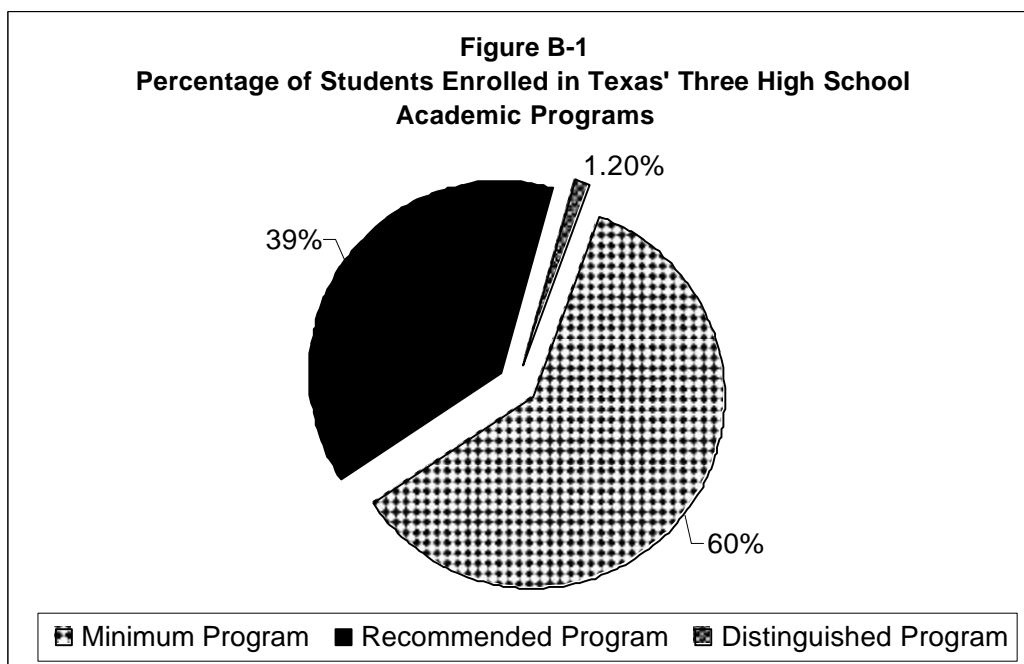
Today, high school students can choose from three academic programs, each culminating in different graduation diplomas from Texas public schools:

- Minimum High School Program – 22 credits, including
  - 3 credits in English (English I, II, III & IV)
  - 3 credits in Math (including Algebra I)
  - 2 credits in Science (one from Biology, Chemistry or Physics)
  - 3.5 credits in Social studies (selected from Economics and choice of World History, World Geography, U.S. History and U.S. Government)
- Recommended High School Program – 24 credits, including
  - 4 credits in English (English I, II, III & IV)
  - 3 credits in Math (Algebra I & II & Geometry)
  - 3 credits in Science (selected from Integrated Physics & Chemistry, Biology, Chemistry & Physics)
  - 4.5 credits in Social Studies (World History, World Geography, U.S. History, U. S. Government & Economics)
  - 2 credits in Foreign Language
- Distinguished Achievement Program – Same 24 credits and courses as the Recommended Program, but additionally includes
  - 3 credits in Foreign Language
  - Advanced measures such as passing Advanced Placement Tests, original research, and credits earned from college coursework.

Distressingly few students are currently enrolled in the Recommended High School program, the state’s college preparatory curriculum, as shown in Figure B-1.<sup>16</sup>

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<sup>16</sup> Pocket Edition 2000-2001 Texas Public School Statistics.



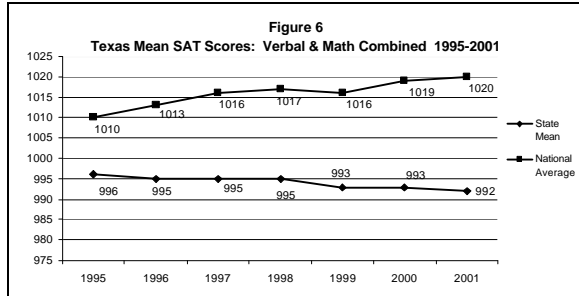
However, transitioning into the more academically-demanding Recommended High School Program will place considerable stress on Texas public schools over the next several years. The capacity of schools to offer college preparatory courses must be expanded by 60 percent; additional courses must be added, additional instructional materials must be procured and qualified teachers must be recruited or trained for student success.

At present, state curriculum standards established for high school courses fail to prepare students for college. A study published by the Texas Higher Education Coordinating Board indicates that 60 percent of students completing courses for the Recommended High School Diploma failed to pass the state's test of college readiness (the Texas Academic Skills Program-TASP).<sup>17</sup> Reports published by ACT also reveal longstanding academic weakness in the college preparatory high school curriculum established by Texas. Students in Texas score significantly lower on ACT exams than their peers throughout the nation who take the same "core" college preparatory courses.<sup>18</sup> Success of the Recommended High School Program will depend on the capacity of schools to improve the quality of academic courses.

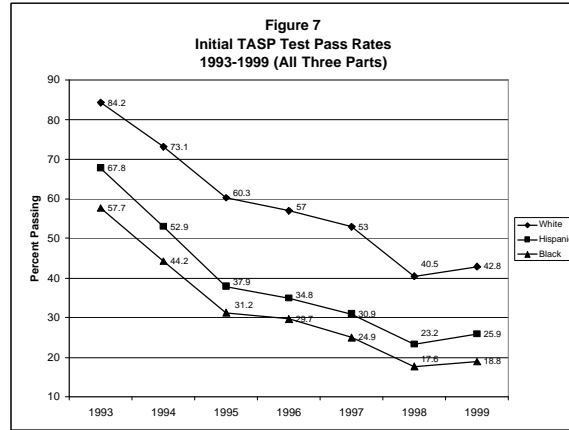
<sup>17</sup> Omar S. Lopez. The Relationship of the Texas High School Curriculum to College Readiness, Texas Higher Education Coordinating Board, Austin, TX, 1999, page 12.

<sup>18</sup> Performance on Mathematics for Those Taking Core or More Graduating Class of 2000, ACT Information for Life's Transitions, National ACT Profile, 2000, page 3, Table 1.

The College Board's SAT test shows that Texas students' average scores have actually fallen from 996 in 1995 to 992 in 2001.<sup>19</sup> Today, Texas students are posting the fifth-lowest average scores in the nation (Figure 6).<sup>20</sup> Meanwhile, the percentage of Texas students taking the SAT and ACT exams has declined.<sup>21</sup>



These disappointing high school outcomes are substantiated by the state's own test of college readiness, the Texas Assessment Skills Program (TASP). The percentage of students passing the TASP has sharply declined from 52 to 34 percent in the past six years (Figure 7).<sup>22</sup>



High school completion rates are equally disappointing. While Texas high school dropout statistics are disputed, the broad consensus indicates that Texas has a serious problem.<sup>23</sup> (For more on dropout rates and school completion, see pages 20 – 21).

It is important to remember that low high school graduation rates and insufficient readiness for college also adversely affect students' chances to complete college. Only four other states bridge fewer students from high school to college.<sup>24</sup> Today, Texas has the third-lowest college completion rate in the nation.<sup>25</sup>

<sup>19</sup> Texas, State SAT Scores, 1988-2001, The College Board, New York, NY, 2001.

<sup>20</sup> Ibid.

<sup>21</sup> 1994-2001 State AEIS Reports, Texas Education Agency, [www.tea.state.tx.us/perfreport/aeis](http://www.tea.state.tx.us/perfreport/aeis).

<sup>22</sup> Report of Student Performance, Pass Rates by Race/Ethnicity and Test Area, 1994-1998 High School Graduating Classes, Texas Higher Education Coordinating Board, Austin, TX, 2000.

<sup>23</sup> Analyzing Texas High School Graduation Rates, Just for the Kids, Austin, TX, 2002; Jay P. Greene. High School Graduation Rates in the United States, Manhattan Institute for Policy Research prepared for the Black Alliance for Educational Options, New York, NY, 2002; Attrition Rates in Texas Public Schools by Race-Ethnicity, Intercultural Development Research Association, San Antonio, TX, 2002.

<sup>24</sup> Measuring Up 2000, The State-by-State Report Card for Higher Education, National Center for Public Policy and Higher Education, San Jose, CA, 2001, pg. 168.

<sup>25</sup> Ibid, pg. 170.



## Why the Mixed Results Between Early Grades & High School?

Many explanations have been offered for Texas' failure to improve academic achievement in high school. The most likely explanation is that the reforms, to date, have focused on basic skills and minimum proficiency. As a result, resources are diverted away from the "regular academics" instruction that prepares students for college or skilled vocational training. The Texas experience would seem to corroborate the growing body of research suggesting that a focus on minimum proficiency actually depresses high levels of performance, particularly in the higher grades.<sup>26</sup>

The inverse relationship between improvements in minimum proficiency, as demonstrated by rising scores on Texas assessments and erosion of higher academic proficiency, is clear in Figure 8. In Texas public schools, the percentage of students taking Algebra, taking college readiness tests, scores on advanced placement courses and scores on college readiness tests have all declined as the percentage of students passing TAAS increased from 60 to 82 percent.<sup>27</sup> Figure 9 shows how this inverse and adverse relationship is replicated in school districts such as Aldine, a district often cited as a

model for school improvement.<sup>28</sup> The reforms that have been successful in the early grades do not translate into achievement in high school.

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<sup>26</sup> John H. Bishop et al. The Role of End-of-Course Exams and Minimum Competency Exams in Standards-Based Reforms, Center for Advanced Human Resource Studies, Working Paper Series 00-09, Cornell University, Ithaca, NY, 2002.

<sup>27</sup> State Performance Reports, 1994-2002, Academic Excellence Indicator System.

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<sup>28</sup> Aldine Independent School District Performance Reports, 1994-2001, Academic Excellence Indicator System.

Figure 8

**Statewide Performance Measures  
Texas Public Schools  
1994-2001**

School Year	Passing All TAAS Grades 3-10 (%)	Grade 8 Math Passing (%)	Algebra 1 Students Taking/Passing (%)	TASP Passing (%)	Percent Taking SAT/ACT	Mean SAT Score State/Nation	Mean ACT Score State/Nation	Percent Taking AP Tests	Percent Passing the AP Tests
1994-1995	60.7	57.3	n/a	n/a	64.8	891 1010	20.0 20.8	6.8	56.2
1995-1996	67.1	69	17.8 28.0	48.1	64.7	993** 1013	20.1 20.9	7.6	60.6
1996-1997	73.2	76.3	18.3 35.0	43.3	63.6	992 1016	20.1 21.0	8.6	59.2
1997-1998	73.1	83.8	17.4 39.0	31.8	61.7	992 1017	20.3 21.0	9.7	57.4
1998-1999	78.1	86.3	18.0 43.4	34.2*	61.8	989 1016	20.2 21.0	11	55.7
1999-2000	79.9	90.2	17.6 43.9	n/a	62.2	990 1019	20.3 21.0	12.7	53.9
2000-2001	82.1	92.4	17.2 49.2	n/a	n/a	n/a n/a	n/a n/a	14.3	50.1
Data Source	1	1	1 and 2	3	1	1 and 4	1 and 5	1	1

Data Sources:

- 1- AEIS Annual Reports from 1995 to 2001
- 2- Houston Chronicle, 8/20/98, K. Walt, "Algebra Scores Blamed on Unqualified Teachers"
- 3- Texas Higher Education Coordinating Board, Annual TASP Reports 1994-1999
- 4- The College Board, State Report 2000
- 5- ACT, 2000 Report

\* New alternative tests introduced

\*\* SAT scores are recentered in 1995

"n/a" means not available from TEA / THEC

Figure 9

**Aldine Independent School District Math and Related Performance Measures 1994-2000**

School Year	Grade 3 Passing %	Grade 5 Passing %	Grade 8 Passing %	Algebra 1 Passing %	Algebra 1 Taking	TASP Passing %	SAT/ACT Taking %	Mean SAT Score
1994-95	80.1	66.2	57.3	n/a	n/a	n/a	60.1	808
1995-96	80.3	76.9	69.0	n/a	15.9	43.9	63.2	921
1996-97	89.8	87.0	76.3	n/a	23.0	34.6	54.9	911
1997-98	85.9	90.9	83.8	n/a	18.4	22.8	54.5	890
1998-99	84.3	88.5	86.3	47.9	16.7	n/a	53.6	865
1999-2001	81.9	90.3	90.2	57.2	16.1	n/a	n/a	n/a

Data Sources:

1. AEIS Annual Reports from 1995 to 2001
2. Texas Higher Education Coordinating Board, Annual TASP Reports, 1994-1999

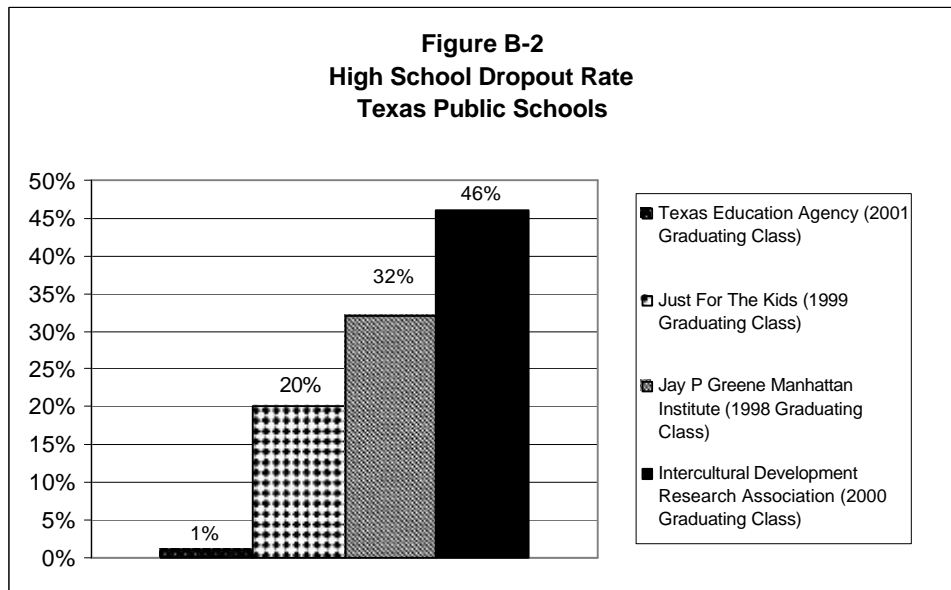
## High School Dropouts and School Completion

The calculation of dropouts is the most debated aspect of the Texas Accountability System and the greatest failure of the reform of Texas public schools.

The problem lies in how dropouts are identified and counted:

- ★ The Texas Education Agency does not count students who are awarded General Education Diplomas (GEDs), but fail to graduate, as dropouts.
- ★ The Agency does not identify lost students as dropouts but instead assumes they transferred to another school.
- ★ The Agency does not count students as dropouts if they complete high school coursework, even though they fail the high school graduation exam.

A number of different, reputable organizations produce very different and very grim calculations of the dropout problem in Texas public schools. Figure B-2 shows the wide disparity between numbers produced by the Texas Education Agency, Austin's Just for the Kids, San Antonio's Intercultural Development Research Association (IDRA), and the Manhattan Institute. Their calculations of the Texas dropout problem range from 1 to 46 percent.



In 2000, the State Auditor's Office and the Legislative Budget Board called for the Texas Education Agency to replace or supplement the current calculation of dropouts with an identification of school completion rates.<sup>29</sup> At the end of 2001, the State Board of Education passed a resolution calling for the Agency to identify high school completion rates, as well as calculating dropouts, starting in the 2003-2004 school year.

Unlike dropout rates, completion rates offer a measure that is directly related to tracking a specific class of students, and require no determination of who should count in the calculations. The National Center for Education Statistics (NCES), the data collection arm of the U.S. Department of Education, calculates both completion and dropout rates. Using numbers collected from the U.S. Department of Commerce, U.S. Census Bureau, and Current Population Survey (not the Texas Education Agency), NCES reports that Texas has the second lowest high school completion rate in the nation (outflanked only by Nevada).<sup>30</sup> The Texas high school completion rate was 80 percent in 1990-1992. It has fallen to 79.4 percent today.<sup>31</sup>

The problem with high school dropouts underscores both the best and worst of the Texas accountability system:

The worst: The dropout problem reveals the vulnerability of accountability systems. The numbers that come out at the end of a calculation are only as reliable as the numbers that go in. In data collection and analysis, the devil truly is in the details. Oversight and audits are essential to ensure that systems are generating meaningful information. These functions are particularly critical when the agents designing measurements and reporting data are also held accountable for specific outcomes (i.e. the good news), presenting a strong argument for direct oversight by elected representatives of the public. Bad accountability systems, systems that mask failure, pose real danger to public schools.

The best: The dropout problem reflects the comprehensive information about student performance and schools that is fully, freely, and immediately accessible to all members of the public. The Texas accountability system represents government at its finest – a transparent, useful resource for citizens.

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<sup>29</sup> Resolution calls for an alternative to dropout reporting, Texas Education Today, Texas Education Agency, Austin, TX, November/December 2001, pg. 8.

<sup>30</sup> Dropout Rates in the United States:2000, National Center for Education Statistics, U.S. Department of Education, Washington, DC, 2001, pg.54.

<sup>31</sup> Ibid.

### Recommendations:

- ★ Prepare students adequately for post-secondary education by establishing higher academic expectations for the Recommended High School curriculum.
- ★ Refocus special initiatives that supplement regular instruction for low-performing students to help them reach high levels of achievement, not just minimum proficiency.
- ★ Enroll all students in the regular academic program unless physical impairment interferes with instruction, decreasing the number of students assigned to academically substandard programs of special education, alternative education, and disciplinary education.
- ★ Improve college readiness by incorporating measures of college readiness into criteria for rating and accrediting high schools.
- ★ Raise student proficiency by attaching academic accountability to supplemental instruction (such as Compensatory Education) and special instructional initiatives (such as the Student Success Initiative), and require the Texas Education Agency to hold schools responsible for results (not merely collecting information).
- ★ Reduce dropouts by introducing dropout prevention in elementary schools that focuses on academics (not on the methods of delivering instruction), conducting frequent diagnostic testing, and immediate academic interventions.
- ★ Identify the extent of school dropouts by enacting a statutory definition of dropout for school accountability, and create an auditing function for holding schools accountable for responsible reporting.
- ★ Increase curriculum equity by establishing criteria to rate schools by measuring the difference between school grades and scores on state assessments.
- ★ Establish a high school diploma that identifies college readiness, as measured by the ACT and SAT, and add this to criteria used to rate schools.
- ★ Increase the capacity of schools to improve student performance by establishing higher, more specific academic qualifications for certifying teachers, and expand routes for alternative certification.

★★★

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# STATE ASSESSMENTS & STUDENT ACCOUNTABILITY

## The Issue:

As schools focus instruction on state assessments, classroom learning is limited to the subset of expectations for learning and the minimum level of proficiency measured. Texans are growing increasingly concerned that assessments do not test important skills – the skills that students need (and the state requires) – to prepare for college or skilled vocational training.

**THADEUS & WEEZ**

by Charles Pugsley Fincher

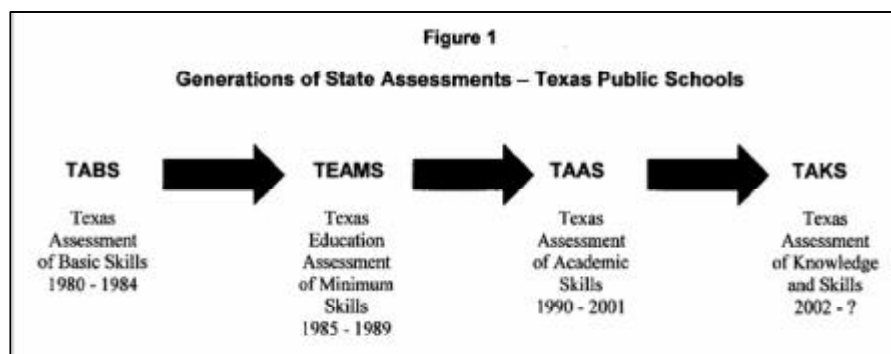


Reprinted with permission. Charles Pugsley Fincher. Thadeus & Weez in the Austin American-Statesman, January 13, 2002.

## About the State Assessments

In 1980, Texas began administering the first of a series of state-developed as-

sessments, widely known as the acronyms – TABS, TEAMS, and TAAS (Figure 1).



The Texas Education Agency based the first assessments on its expectations for classroom learning. Subsequently, when the State Board of Education adopted the Essential Elements as state curriculum standards, assessments were revised to measure student mastery of those standards.<sup>1</sup> Assessments administered today, the TAAS, measure mastery of new curriculum standards (the Texas Essential Knowledge and Skills-TEKS) that were adopted by the State Board of Education in 1997. TAAS will be replaced in 2003 by the latest generation of state assessments – the Texas Assessment of Knowledge and Skills (TAKS).

Different subject area assessments are administered in grades 3 through 8. The high school exit-level test is first administered in grade 10 (but may be retaken at least eight times if students fail the assessment). End-of-course assessments, first administered in 1994 and eliminated at the end of Spring 2002, have been offered to high school students in Algebra, Biology, English, and U.S. History (Figure 2).

New Assessment Program - SB 103									
Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	
<b>ENGLISH-VERSION ASSESSMENTS</b>									
Reading	Reading	Reading	Reading	Reading	Reading	Reading	ELA	ELA	
	Writing			Writing					
Math	Math	Math	Math	Math	Math	Math	Math	Math	
		Science					Science	Science	
					S. Studies		S. Studies	S. Studies	
<b>SPANISH-VERSION ASSESSMENTS</b>									
Reading	Reading	Reading	Reading						
	Writing								
Math	Math	Math	Math						
		Science							
<b>READING PROFICIENCY TESTS IN ENGLISH FOR LEP STUDENTS</b>									
RPTE	RPTE		RPTE		RPTE				
<b>ALTERNATIVE ASSESSMENTS FOR SPECIAL EDUCATION STUDENTS</b>									
Reading	Reading	Reading	Reading	Reading	Reading	Reading			
	Writing			Writing			ELA		
Math	Math	Math	Math	Math	Math	Math	Math		

Figure 2

Source: Texas Education Agency.

Three years in the making, the Texas Assessment of Knowledge and Skills (TAKS) will be introduced to classrooms in the Spring of 2003. The public will be unable to see the new assessments until 2006 unless the Texas Legislature votes to disclose tests earlier than is currently scheduled by law. The Texas Education Code requires the Texas Education Agency to release assessments and answer keys annually after the initial three years.<sup>2</sup>

## Concerns Over TAKS

Based on substantial information currently available about TAKS (including test objectives, test blueprint and sample test questions), TAKS will replicate many of the design flaws of TAAS tests. From TAAS to TAKS: A Progress Report on New Assessments for Texas Public Schools, a detailed analysis written by Chris Patterson and published by the Texas Public Policy Foundation, indicates that TAKS will:

- ★ Test a limited part of the required state curriculum standards;
- ★ Fail to identify mastery of grade-level requirements at the grade the test is administered;
- ★ Measure and set standards for proficiency that are below state expectations for learning at the grade level tested; and
- ★ Measure and set standards for proficiency that are 1 to 3 grades below

<sup>1</sup> Texas Public School Education: Aiming for Excellence, Texas Education Agency, Austin, TX, 1993, pg. 18.

<sup>2</sup> Texas Education Code, Section 39.023 (e) and (k).



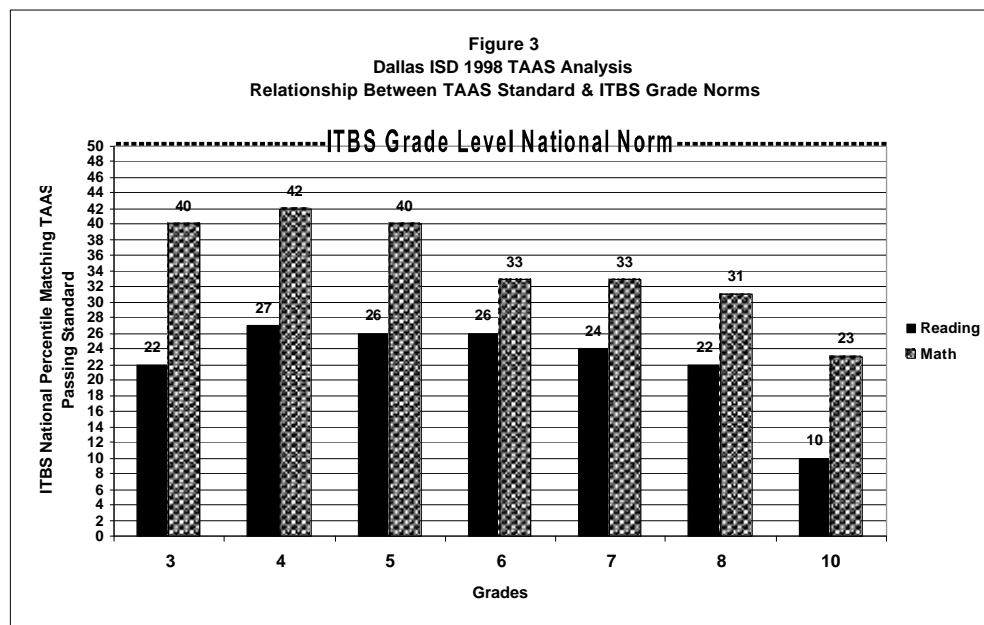
standards established by commercial tests commonly used throughout the nation such as the Iowa Test of Basic Skills and the Stanford 9.

These flaws have profoundly negative effects on student learning as schools tailor classroom instruction to state assessments. Because state assessments are designed as minimum competency exams, "teaching to the test" focuses classroom instruction on minimum skills.

The power of standards-based reform to focus schools on test results has the perverse effect of creating a ceiling on high achievement – instead of supporting the state's goal of high achievement – be-

cause tests and schools focus on minimum achievement. Consequently, student achievement in Texas public schools falls below national standards established for grade-level competency. Figure 3 depicts what it means to pass Texas assessments, and is based on a study conducted by Dallas Independent School District, correlating TAAS with the Iowa Test of Basic Skills.

While assessments serve an important purpose, they can also serve to undermine student achievement when educational goals are to "teach the test" rather than focus on student achievement and academic preparedness.



In 1998, Dallas ISD determined what it means to pass the TAAS by correlating the performance of students who scored at the passing standard on TAAS with their score on the Iowa Test of Basic Skills (ITBS). Students who score at 70 on state assessments perform significantly below the level of proficiency identified as "grade level" by the ITBS. As marked by the broken line in Figure 3, grade level for the ITBS is 50 percentile, but third grade students in Dallas who passed the TAAS scored only at 22 percentile in reading and 40 percentile in math.

Source: TEA position on using TAAS data and TAAS norm-referenced comparisons, Dallas Public Schools, Education Committee, Dallas, TX, 1999, pgs. 5-6.

## Recommendations

- ★ Refocus schools on high levels of instruction and raise student proficiency by crafting assessments that primarily measure academic knowledge (instead of classroom skills), and measure ranges of achievement, both high and low.
- ★ Identify and reduce the achievement gap between racial and ethnic groups by requiring assessments to be designed with sufficient sophistication to measure discrete levels of achievement.
- ★ Improve readiness for college by developing assessments that measure student progress toward college readiness beginning in third grade.
- ★ Expand classroom instruction to cover all of the state requirements for learning by establishing assessments

that measure all of the Texas Essential Knowledge and Skills.

- ★ Increase information available about student achievement by administering a national norm-referenced test (such as the Iowa Test of Basic Skills) as a supplement to the state criterion-referenced assessment to provide national benchmarks of student achievement and validate state assessments.
- ★ Increase public access to state assessments by recently enacted state law that shields state assessments from public view for the first three years of administration (until 2006 for TAKS).

★★★

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# THE END OF SOCIAL PROMOTION

## The Issue:

In 1999, the Texas Legislature passed Senate Bill 4, a bill requiring students to pass state assessments for their grade before advancing to the next. In 2001, the Legislature was challenged with efforts to derail S.B. 4. While social promotion is unjustifiable, parents, educators, and policy leaders express concern that this law will cause large numbers of students to be retained in grade and will increase the likelihood of a student dropping out of school.

## **The New Requirements**

The controversial practice of social promotion is scheduled to be phased out of Texas public schools in 2003 when third grade students must pass the state's reading assessment to advance to fourth grade. In 2005, fifth grade students must pass both math and reading assessments for grade-level advancement, and eighth grade students must pass both math and reading in 2008.

However, state law does permit a failing student to be promoted if three conditions are met: the parent requests promotion, the teacher and principal agree, and the student is likely to meet requirements of the next grade.

## **A Balanced Approach**

While there is significant research detailing the negative effect of social promotion on student achievement and school completion, there is also substantial research

showing that grade-level retention increases the likelihood that a student will drop out of school.

The research suggests the best way to end social promotion is by academic intervention and prevention – conducting early, frequent diagnostic testing followed with immediate, intensive instruction.

Texas developed the Student Success Initiative to reduce the likelihood a student will be retained. This initiative requires schools to administer early, periodic diagnostic tests to identify reading deficits, and to furnish supplemental instruction for students at risk of failing state assessments of reading.

Additionally, the Texas Education Agency has developed a schedule for new state assessments that will provide multiple (at least three) opportunities for students to take and pass TAKS before being barred from grade-level advancement. Schools will offer free remedial and

summer instruction to students who initially fail state assessments to minimize the risk of retention.

### **Recommendations**

- ★ Diminish the risk of student retention by developing a system of early, frequent diagnostic tests, beginning in first grade, that can be administered by both educators and parents. Establish immediate, intensive and specific academic interventions with proven programs – such as Saxon Mathematics and SRA Reading.
- ★ Encourage schools to use academically effective and proven interventions by making state funding for supplemental and compensatory instruction contingent on the use of curricular programs and instructional methods that have been proven by the National Institutes of Health and other scientific communities.
- ★ Increase opportunities for students to secure effective academic intervention by awarding “intervention

vouchers” for private tutoring or private non-religious instruction – such as Sylvan Learning Center and Kumon mathematics, for low-performing students who demonstrate deficits on periodic diagnostic tests.

- ★ Establish incentives for schools to use effective intervention by creating “inter- and intra-district vouchers” covering tuition and transportation for students with academic deficits that have not been resolved by a school within one instructional year. Allow students to transfer to schools with more qualified teachers and effective instructional programs, and require schools to accept vouchers.

★★★

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# SCHOOL RATINGS & ACCOUNTABILITY

## The Issue:

The school accountability rating system, which is based on several measures of student performance, indicates that public schools have dramatically improved student achievement. However, how much students and schools have improved is unclear because regulations permit considerable latitude regarding which students are tested, which tests are given to students, what test scores count, and how much test scores count.

## Background

While Texas attached high stakes to assessments for students in 1984, schools were held harmless until 1993 when the public school accountability system was created by the Texas Legislature. The system establishes performance standards for accrediting schools that are based on the percentage of students passing assessments and requires schools to meet these standards for different racial/ethnic groups. Student attendance and dropout rates were also configured in the original calculations for accreditation; however, attendance was recently eliminated as an accountability measure. The Commissioner of Education is authorized to set performance levels for the standards and establish rules for the school accountability system.

## The Rating System

At present, 50 percent of students in each racial/ethnic group must pass all state

assessments for a school to be accredited and rated as "Acceptable." To earn a rating of "Recognized," 80 percent of all student groups must pass state assessments, and a 90 percent passing rate is required to earn "Exemplary." Schools must also meet dropout standards. To be accredited, schools must demonstrate a dropout rate below 6 percent for each student group. The "Recognized" rating can be earned with a dropout rate of 3.5 percent or less, and a school with a dropout rate of 1 percent or less can earn "Exemplary."

Since 1995, the number of Recognized and Exemplary schools has tripled while the number of schools performing below acceptable standards has declined by 60 percent.<sup>1</sup> At the end of the last school year, 61 percent of Texas schools earned a rating of Recognized or Exemplary; over 54 percent of students in Texas attend

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<sup>1</sup> Press Release, Office of the Governor Rick Perry, Text of Gov. Rick Perry's Remarks on State of Education in Texas.

schools where at least 80 percent of students pass state assessments.<sup>2</sup>

## Two Accountability Systems

Many people are not aware that schools are permitted to participate in one of two different accountability systems, each with very different standards for rating schools. Schools may be permitted to exempt themselves out of the "regular" school accountability system and become accredited according to lower passing rates on student assessments and lower requirements for school completion.

The Texas Education Agency created the Alternative Accountability System in 1993 for schools that serve "students at risk of dropping out of school" by "non-traditional methods of instructional delivery."<sup>3</sup> Schools in the Alternative Accountability System must only meet a 30 percent passing rate on student assessments and a 6 percent school completion rate to be accredited. Of the 340 schools enrolled in Alternative Accountability at the end of the 2001 school year, 85 schools did not meet State requirements for accreditation.<sup>4</sup> Over 86,000 students are enrolled in Alternative Education, accord-

ing to the latest statistics provided by the Texas Education Agency.<sup>5</sup>

## Assessment Exemptions: Special Education

Schools are also permitted to exempt certain students from testing; exemptions can apply to students receiving Special Education Services who are ostensibly unable to take the state's Alternative Assessments, students with language difficulties, and students who enroll in schools after a designated date in the school year. Only 85.5 percent of the students tested were included in state accountability ratings, according to the state's most recent analysis of test-taking.<sup>6</sup> Because four percent of students in Texas public schools were not tested and 15 percent of student scores were not used, schools are not accountable for fully 20 percent of students.

There is a strong correlation between the percentage of students that a school exempts from assessments and the school's accountability rating. School ratings increase proportionally as the number of students taking assessments declines, according to a study conducted by the University of Texas at Austin.<sup>7</sup> This study

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<sup>2</sup> Rising scores, declining dropout rate means Texas reaches recognized level, Press Release, Texas Education Agency, Austin, TX, August 16, 2001.

<sup>3</sup> 2000-2001 Alternative Education Accountability Manual, Texas Education Agency, Austin, TX, 2002, pg. 6.

<sup>4</sup> Rising scores, declining dropout rate means Texas reaches recognized level.

<sup>5</sup> Telephone conversation between Texas Public Policy Foundation and Kathy Billingsley, April 2002.

<sup>6</sup> 2001 Accountability Manual, Part 2. Section XIV. Accountability System Facts, Texas Education Agency, Austin, TX, 2002, pg. 164.

<sup>7</sup> Ed Fuller. Special Education Exemption Ratings and School Accountability Ratings in Selected Texas Public Schools for the 1997-98 and 1998-99 Academic Years, Charles A. Dana Center, The University of Texas at Austin, Austin, TX, 2000.

indicates that the percentage of students exempted from state assessments on the basis of Special Education disqualifications has increased 5 to 7 percent annually. It also identifies schools that attained Exemplary ratings by exempting over 30 percent of students enrolled in Special Education. Because 12 percent of students in Texas public schools are enrolled in Special Education,<sup>8</sup> and the percent grows annually, the percentage of exemptions used in calculating school ratings is a critical consideration.

### **Assessment Exemptions: Disciplinary**

Not counted in either the Alternative Accountability System or the "regular" accountability system are the students enrolled in Disciplinary Alternative Education Programs (DAP). In 1995, the Texas Legislature enacted a law requiring all school districts to have an alternative education setting for behavioral management. The law allows schools to place students in Alternative Programs if they engage in felonious conduct or commit serious school offenses. Today, 89,532 students are enrolled in DAP.<sup>9</sup> Although designed to create ways for schools to address violent and criminal behavior, only 25 percent of students in DAP today are guilty of the major offenses specified by the law.<sup>10</sup>

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<sup>8</sup> Pocket Edition 2000-2001, Texas Public School Statistics.

<sup>9</sup> Summary of Chapter 37 Discipline Program Statistics for 3 Years Through School Year 2000-2001, Texas Education Agency Division of Safe Schools, Texas Education Agency, Austin, TX, 2002

<sup>10</sup> Disciplinary Alternative Education Programs in Texas

### **What Does Accountability Mean?**

In short, there is no single accountability system for Texas public schools; nor is there one standard to which all students and schools are held. Although the fractured system provides only limited information about educational outcomes, it does shape the performance of many students and many schools.

Because the school accountability system rewards schools that meet established expectations (monetary awards and regulatory exemptions), and sanctions underperforming schools (developing improvement plans, assigning monitors, and reconstituting school staff), the system has demonstrably changed the performance of schools. If redesigned, the accountability system has the potential to stimulate schools to provide students with the instruction required to meet state goals for educational excellence and equity.

### **Recommendations**

- ★ Restore the integrity of the accountability system by incorporating all schools into one system, holding all schools to the same standards.
- ★ Improve the validity of information generated by the accountability system by closing the loopholes (such as Special Education Exemptions) by testing all students, counting all tests, and counting all test scores.

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– What is Known; What is Needed, Intercultural Development Research Association, San Antonio, TX, 2002.

- ★ Increase the power of accountability to stimulate school improvement and raise student achievement by extending the same standard for performance to all students who are physically capable of enrolling in regular instruction.
- ★ Increase the reliability of information generated by the school accountabil-

ity system by charging the Texas Education Agency to audit and enforce accountability regulations.

★★★

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# EDUCATIONAL FREEDOM & SCHOOL CHOICE OPTIONS IN TEXAS

## The Issue:

Over the past decade, the Texas Legislature has responded to public dissatisfaction with public schools by creating school choice, the ability of parents to select the school best suited to the needs of their children. Despite the growing popularity of school choice, legislative proposals to provide parental choice by establishing vouchers for students in low-performing schools were filed but did not become law in either 1999 or 2001, and the creation of charter schools was capped.

### **Freedom and Choice**

Texas parents and their children have a variety of educational options - public education grants, charter schools, subsidized private school choice, home schooling, and intra-district public school (only within a district) choice. Its progress in this area was noted by the Manhattan Institute's Education Freedom Index which awarded Texas 7<sup>th</sup> place in the nation. This rating was largely based on the regulatory freedom that Texas provides to parents who choose home schooling, and the large number of Texans who exercise this responsibility. The variety and status of each available option are examined in turn.

### **Public Education Grants**

Texas provides public school vouchers to students in failing schools. In 1995, the Public Education Grant (PEG) program was established to give parents the op-

portunity to remove their children from schools that fail to meet state standards for accreditation. PEG allows students in schools rated as Low Performing (with less than 50 percent of students passing state assessments) for several years to transfer to another school district without paying tuition fees; however, the law fails to require school districts to accept PEG transfers. Last year, 141,000 students were eligible for transfer but less than 200 were able to find public schools that would allow them to enroll.<sup>1</sup> Unfortunately, recent legislative efforts to expand vouchers for students in low-performing schools have failed to gain approval.

### **Charter Schools**

Texas offers charter schools as a form of public school choice. In 1995, when the PEG was passed, the Texas Legislature

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<sup>1</sup> Joshua Benton. School transfer program provides a choice but few options in the Dallas Morning News, Dallas, TX, February 2, 2002.

approved a pilot program for charter schools, granting the State Board of Education authority to establish 20 "open enrollment" charters (schools developed by nonprofits, universities and government agencies) and granting authority to local school districts to establish an unlimited number of "home rule" charters (schools developed by parent and teacher petition that require school board approval).

In 1997, the Legislature expanded the number of Open Enrollment charters that the State Board could authorize to 120 but granted the Board authority to open an unlimited number of charters for at-risk students. In 2001, however, the Texas Legislature curtailed the program in response to criticism about the underperformance and fiscal difficulties of some charter schools. H.B. 6 caps the number of charter schools at 215, and authorizes the Commissioner of Education to establish operational, fiscal, governance, and administrative regulations over charters that exceed regulations presently imposed on traditional public schools. The law did, however, open a new avenue for charter school creation by authorizing universities to open an unlimited number of schools.

Today, Texas is home to 180 charter schools.<sup>2</sup> Only three states – Arizona, California, and Michigan – host a larger number of charter schools.<sup>3</sup> There are

<sup>2</sup> Telephone communication with Patsy O'Neill, Charter School Resource Center of Texas, San Antonio, TX, March 1, 2002.

<sup>3</sup> Education Statistics Quarterly, National Center for Education Statistics, U.S. Department of Education. Washington, DC, Vol. 3, Issue 3, Fall 2001,

two university charter schools – one operating at the University of Texas at Austin and the second operating at the University of Dallas; both schools were created prior to H.B. 6.<sup>4</sup> Today, charter schools serve 50,000 students.<sup>5</sup> As shown in Table 1,<sup>6</sup> the population of charter schools differs markedly from traditional public schools.

**Table 1**  
**Student Demographics**  
**Texas Charter Schools, 2000**

Student Group	Charter Schools	Traditional Public Schools
African American	38.7%	14.2%
Anglo	22.0%	43.2%
Asian	1.3%	2.6%
Hispanic	37.7%	39.5%
At-Risk	56.1%	36.6%
Special Education	6.7%	12.1%
Limited English Proficiency	4.1%	14.0%
Economically Disadvantaged	59.3%	48.9%

These numbers reveal that charters are schools of choice for economically-disadvantaged African-American and Hispanic parents with children who have been underserved by traditional public schools. The explosive growth of charter school populations and the waiting lists maintained by charters attest to public interest in school choice.

<sup>4</sup> Telephone communication with Patsy O'Neill.

<sup>5</sup> Ibid.

<sup>6</sup> Data excerpted from Navigating Newly Chartered Waters: An Analysis of Texas Charter School Performance by Timothy Gronberg and Dennis Jansen, Texas Public Policy Foundation, San Antonio, TX, 2001, Table 5, pg.12.

Navigating Newly Chartered Waters: An Analysis of Texas Charter School Performance, published by the Texas Public Policy Foundation in 2001, describes the educational advantage that charters provide to academically-disadvantaged students. Although state assessment scores are generally lower in charter schools, improvement in test scores of a matched cohort (students with similar socioeconomic characteristics) is greater for charter students than their peers in traditional public schools after students have completed one year in the charter school.<sup>7</sup> After three years, student achievement is higher in charter schools than the public school cohort.

### **Subsidized Private School Choice & Intra-District Freedom**

For Texas, innovative public school choice is concentrated in the Houston Independent School District. In 1996, Dr. Rod Paige, then-district superintendent and now U.S. Secretary of Education, introduced a plan to place students from over-crowded public schools into private schools at district expense.<sup>8</sup> In 1998, Houston approved a plan to give vouchers to students in schools rated by the state as low performing that could be used at any accredited, non-religious school (including private institutions).<sup>9</sup> Additionally, the district granted parents

"intra-district" choice, the ability to select any school within the district.

Subsidized private school choice is also growing in Texas. In 1992, the Children's Educational Opportunity Foundation (CEO) opened one of the nation's first voucher programs in Bexar County. Today, CEO furnishes vouchers to 700 children from low-income families, with over 600 students on a waiting list.<sup>10</sup> In 1998, with the assistance of CEO, the Horizon Program was founded as the nation's largest fully-funded voucher program. Horizon has made \$50 million in vouchers available to every student in the Edgewood School District in San Antonio; in the 2000-01 school year, Horizon provided vouchers to 1,139 students.<sup>11</sup> Private vouchers are also offered in Dallas, Fort Worth and Houston for low-income children; in 1998, the Children's Scholarship Fund awarded scholarships to 1,641 students to the 46,286 applicants from the three cities.<sup>12</sup>

### **Home Schooling & Private School Enrollment**

Private schools are also schools of choice in Texas. The federal government's latest report on private schools indicates that 227,645 Texans presently attend private elementary and secondary schools.<sup>13</sup> At-

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<sup>7</sup> Ibid, pg. 3.

<sup>8</sup> School Choice 2001: What's Happening in the States, edited by Robert E. Moffit et al., Heritage Foundation, Washington, DC, 2002, pg. 214.

<sup>9</sup> Ibid.

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<sup>10</sup> Telephone conversation with Teresa Treat, Children First America, San Antonio, TX, May 13, 2001.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid, pg. 217.

<sup>13</sup> Private School Universe Survey: 1999-2000, National Center for Education Statistics, U.S. Department of Education, Washington, DC, 2001, pg. 26.

tendance in Texas private schools has increased 7 percent since 1994 but remains below the percentage of students educated in private schools in Pennsylvania, Florida, New York, Illinois, Ohio, and California.<sup>14</sup>

Home schooling is education of choice in Texas as well; approximately 100,000 families<sup>15</sup> educate perhaps 300,000 children in homes throughout Texas. Texas home schooling laws allow greater freedom for parents to teach at home than do other states.

### **Educational Freedom**

Commitment to educational freedom remains high among Texans. Many Texans look to school choice to rescue their children from failing schools. Exactly how many children remain in failing schools is difficult to determine, but 45,520 students were enrolled in the 100 schools identified as low performing for the 2001 school accountability system.<sup>16</sup> When considering the students presently attending the 246 schools that participate in the Alternative Accountability System, the number of students in truly failing schools may be as high as 250,000.<sup>17</sup>

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<sup>14</sup> Ibid.

<sup>15</sup> Tim Lambert. A Home School History Lesson, Texas Home School Coalition at <http://www.thsc.org>.

<sup>16</sup> 2001 Statewide Rating Summary, Campuses with a 2001 Accountability Rating of Low Performing, Texas Education Agency, Austin, TX, 2002.

<sup>17</sup> 2001 Statewide Rating System, Campuses with a 2001 Accountability Rating of Acceptable, Needs Review, Not Rated, and Commended, Texas Education Agency, Austin, TX, 2002.

### **Recommendations**

- ★ Increase the opportunity for students to secure adequate schooling by providing vouchers to all students who fail state assessments and require schools to admit students with vouchers or to pay private school costs.
- ★ Expand the opportunity for parents to select schools that best fit their children's needs by enabling parents to enroll their children in any public school of their choice within the school district or state.
- ★ Extend more opportunity for parents to enroll their children in charter schools by removing the cap on the number of charter schools that can be created; increase the opportunity for charter schools to introduce educational innovations by eliminating regulations over curriculum, instruction, operations, administration, and governance; replace regulation of charter schools with greater disclosure requirements regarding financial stability, curricula, and teacher preparation.

★★★

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# TEXAS SCHOOL FINANCE:

## Ten Things Every Candidate Should Know

### The Issue:

Although Texas spends more on education than on any other government service, few Texans understand the funding and management of their public schools.

School finance is the most technical – and the most mysterious – area of education policy. Although Texas spends more on education than on any other government service, few Texans understand the funding and management of their public schools. This briefing paper outlines ten basic points that every candidate should know about Texas public school finance. It focuses on larger policy issues, rather than the details of the system. For those who want to dig deeper, the Legislative Budget Board's "Financing Public Education in Texas: Kindergarten through Grade 12: Legislative Primer (Third Edition)" (available at [www.lbb.state.tx.us](http://www.lbb.state.tx.us)) provides a more comprehensive discussion of the structure of the Texas school finance system.

### **#1: Money matters ... sometimes.**

Two persistent myths often shape policy discussions of school finance. On one side is the argument that differences in race, income, and family background are such powerful determinants of academic performance that it is unfair to hold disad-

vantaged students to high standards unless the state provides massive resources to offset their disadvantages.<sup>1</sup> On the other side is the argument that simply by adopting higher standards and holding schools accountable for meeting those standards, states can get disadvantaged children to perform as well as middle class children.<sup>2</sup> Both of these positions are overly simplistic and distort the relationships among standards, accountability, and fiscal resources.

What research clearly does show is that simply spending more money on public education is not a reliable way to improve student achievement.<sup>3</sup> That said,

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<sup>1</sup> See Elizabeth Anderson, "What is the Point of Equality," *Ethics* 1999, 109(2), pp. 287-337. Anderson offers a devastating philosophical critique of the egalitarian argument that the point of equality is to compensate people for underserved bad luck.

<sup>2</sup> Although this position is often associated with conservatives, a leading liberal advocacy group, The Education Trust, has recently advanced the same argument. See their "New Frontiers for a New Century." *Thinking K-16* Volume 5, Issue 2, Spring 2001. This report is available online at <http://www.edtrust.org/main/main/index.asp>.

<sup>3</sup> On this issue, see Eric A. Hanushek, "Money Might

there are a variety of programs and practices for which there is strong evidence that they can improve student achievement and reduce performance gaps between different subpopulations of students. These include: investments in improving and rewarding quality teaching;<sup>4</sup> targeted, academically-intensive pre-kindergarten programs;<sup>5</sup> class-size reduction in early grades for disadvantaged children;<sup>6</sup> and supports for low-achieving students to help them succeed in rigorous academic programs.<sup>7</sup> A major obstacle to expanding effective programs is that districts and campuses often expend new resources to fund existing practices. Consequently, many campuses and school districts lack readily available

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Matter Somewhere: A Response to Hedges, Laine, and Greenwald." *Educational Researcher* 23(4): 5–8. See also Lawrence A. Picus, "Does Money Matter in Education? A Policymaker's Guide." *Selected Papers in School Finance*, 1995, pp. 19–35.

<sup>4</sup> On this issue, the classic study is William L. Sanders and June C. Rivers, "Cumulative and Residual Effects of Teachers on Future Student Academic Achievement: Research Progress Report," University of Tennessee Value-Added Research and Assessment Center, Knoxville, Tennessee, November 1996. See also "Pay-for-Performance in Education: An Issue Brief for Business Leaders," The Business Roundtable and the National Alliance of Business, 1999.

<sup>5</sup> See S. Barnett, "Long-term Effects of Early Childhood Programs on Cognitive and School Outcomes," *Long-term Outcomes of Early Childhood Programs*, 5(3).

<sup>6</sup> See A. Krueger, "Understanding the Magnitude and Effect of Class Size on Student Achievement," Washington, D.C.: Economic Policy Institute. See also J. Finn & C. Achilles, "Tennessee's Class-Size Study: Findings, Implications, Misconceptions." *Educational Evaluation and Policy Analysis*, 21(2) 97–109.

<sup>7</sup> See H. Mehan, et. al, *Constructing School Success: The Consequences of Untracking Low-Achieving Students*. Cambridge University Press, 1996.

funds on which they can draw to implement innovative programs and practices.

**Why this is important.** Texas is entering a new phase of education reform. In 2003, the state will implement new testing requirements for high school. Individual students will also be more accountable, with promotion to 4th grade, as well as high school graduation, being contingent on satisfactory performance on state tests. In 2004, the default high school plan for every student will be the Recommended High School Program, a college preparatory program including more courses in mathematics and science.<sup>8</sup> Texas is raising the bar, increasing accountability, and aiming to prepare more students for higher education. However, the combined effects of a slowing economy, a budget deficit, and the fact that nearly half of Texas school districts have reached or are fast approaching statutory limits on property tax rates will severely curtail both individual districts' and the state's capacity to spend more on public education.<sup>9</sup> In the short term, tight budgets may facilitate some much-needed minor reforms. But given that the fiscal capacity of the current system is nearly exhausted, it is unlikely that current finance formulas and budgeting practices will be sufficient

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<sup>8</sup> For more information on the Recommended High School Program and associated college scholarships like the Texas Grant program, see <http://www.texasscholars.org/>.

<sup>9</sup> For 2001–02, 591 school districts have adopted M&O tax rates of at least \$1.40, 431 of which have adopted M&O rates of at least \$1.45. A downloadable Excel file containing school district tax rates for 2001–02 is available at [http://people.txucom.net/jfs/TX\\_Tax\\_Rate.xls](http://people.txucom.net/jfs/TX_Tax_Rate.xls).

to sustain the next round of education reform.

## **#2: The system is huge.**

Excluding federal aid, most of which is earmarked for specific programs, expenditures for public education in Texas will exceed \$52 billion for the 2002-03 biennium. The K-12 system serves more than 4 million students in 1,040 school districts and 159 charter schools.<sup>10</sup> In other words, in school finance, unlike many other areas of public policy, it takes enormous amounts of money to make meaningful change, because \$100 million is a round-off error. By the same token, if good policy can make the system even one percent more efficient, more than \$250 million would be available every year to invest in innovative, research-based practices, or to provide tax relief.

**Why this is important.** Policymakers often underestimate the cost implications of their proposals. For example, a well-meaning legislator might try to promote teacher education by proposing that the state should provide every teacher who attains at least a masters degree with a \$500 salary supplement. After taxes, this program would translate into less than \$40 a month for qualifying teachers. But, given that more than 65,000 Texas teachers hold masters or doctoral degrees, the biennial costs of such a program would exceed \$64 million. For the same amount of money, the state could implement research-based programs that are proven to

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<sup>10</sup> The Texas Education Agency's website, [www.tea.state.tx.us](http://www.tea.state.tx.us) provides easily accessible data on Texas schools.

reduce dropouts and increase college attendance rates in every high school in Texas.<sup>11</sup>

## **#3: The system is leveraged on local property values.**

The majority of revenues for public education in Texas come from local school district property taxes on residential and business property. The state is constitutionally prohibited from levying a state property tax. In the 2002-03 biennium, state taxes are expected to provide approximately 44 percent of total revenues, versus 53 percent from local school district property taxes. The tax base of individual districts varies considerably, however. For example, Boles Independent School District (ISD) has less than \$12,000 in property wealth per pupil, while Kelton ISD has more than \$3.1 million in property wealth per pupil. Therefore, the state guarantees school districts a certain level of yield for local tax effort, which includes adjustments for certain characteristics of the district (such as district size) and the characteristics of the students served. However, any school district with property wealth per weighted pupil greater than \$300,000 is required to reduce its wealth using one of five "Robin Hood" recapture options. Tax revenue generated for debt service, however, is not subject to recapture.

**Why this is important.** The combination of guaranteed tax yields and recapture

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<sup>11</sup> This figure is based on projected costs of establishing AVID or High Schools That Work in 1,644 Texas high school campuses.



substantially reduces the variance among revenues available to school districts for Maintenance and Operations (M&O). For example, if a property-poor district can only generate \$120 per pupil at a local M&O tax rate of \$1 per \$100 of property wealth per pupil, the state will contribute at least \$2,778 per pupil to "make up the difference." On the other hand, if a property-wealthy district can generate \$31,000 per pupil at a local tax rate of \$1, the state will require the district to reduce its wealth until the district is left with approximately \$3,000 per pupil.<sup>12</sup> In terms of revenues for school districts' Maintenance and Operations, the Texas system is among the most equitable in the nation. Property-wealthy districts are, however, still able to generate considerably larger revenues for debt service, which is generally associated with school facilities. In short, property-wealthy districts always have more revenue per penny of tax effort available to them than do property-poor districts.

Because the state guarantees a certain funding level per student, increased costs associated with growth in student populations are generally borne by the state. But, increases in local property values result in a savings to the state, because less money is required to make up differences between guaranteed tax yields and local tax revenues. After a decrease between 1989 and 1994, the total property tax base in Texas has risen steady each year since 1995. And, these value increases have generally carried increased appropriations for public education in recent years.

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<sup>12</sup> This figure is understated, because it does not include per-pupil distributions from the Available School Fund.

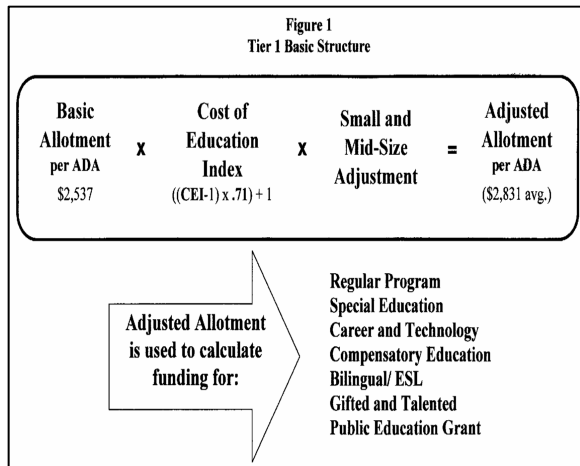
However, the school finance system is highly vulnerable to decreases in property values; a sharp decline in the property tax base would have devastating implications for the state budget.

#### **#4: Most of the factors in the formulas interact.**

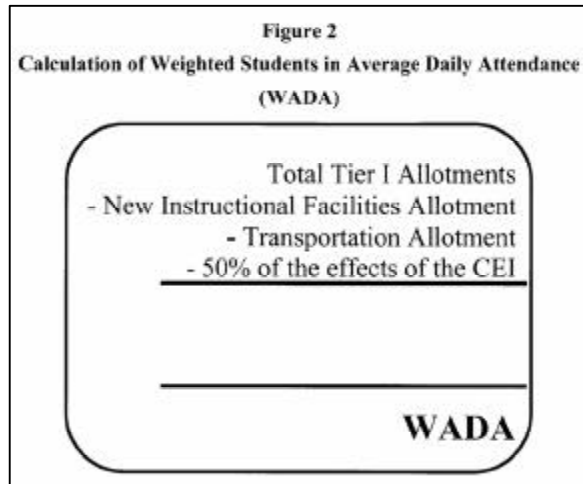
Many metaphors might be appropriate for the Texas school finance system, but to illustrate this point, think of "pick-up sticks." State and local funds for public education are distributed through a system of formulas known collectively as the Foundation School Program. The system consists of three "tiers," including adjustments and weights designed to reflect the additional costs of providing public education in small and/or sparse school districts, in higher-cost areas, and to populations of students that require more intensive services.

As Figure 1 illustrates, calculation of districts' Tier 1 funding begins with the Basic Allotment, which for 2001-02 is set at \$2,537 for \$0.86 of maintenance and operations (M&O) tax effort. The state multiplies the Basic Allotment by the relevant weights and adjustments for each school district, such as the Cost of Education Index (CEI), the Small and Mid-Size District Allotments, the Sparsity Adjustment, and various weights for students enrolled in programs such as Special Education, Bilingual Education, Gifted and Talented, etc.





Calculation of Tier 2 funding, which pertains to M&O tax effort beyond the first \$0.86, up to \$1.50, is based on the number of students in Weighted Average Daily Attendance (WADA). WADA is based on a district's Tier 1 allotments, as illustrated in Figure 2.<sup>13</sup> Tier 3, which pertains to districts' tax effort for debt service (called I&S, for Interest and Sinking), does not interact with Tier 1 and Tier 2.



**Why this is important.** Many of the weights and adjustments in the formulas

<sup>13</sup> WADA = Tier 1 allotments, minus the Transportation Allotment and 50 percent of the effects of the CEI, divided by the Basic Allotment (see Figure 2, above).

are outdated and do not reflect the true costs of operating schools. For example, districts' CEI values, which are supposed to reflect uncontrollable variations in the costs of hiring teachers, are based on data that is more than 12 years old. The formula used to calculate transportation funding has not been updated in more than 15 years. Furthermore, the system contains no adjustment for inflation. Well-meaning legislators sometimes try to address these issues by filing bills that pertain to particular weights and adjustments without fully appreciating the cost implications. For example, simply updating the transportation formula using more current data could cost the state more than \$200 million. Merely increasing the percentages that are used to apply the CEI to the formulas can cost the state up to \$500 million. Furthermore, even relatively minor changes could affect the equity of the system (see below, Respect the safe harbor).

In the short term, some minor revisions to the formulas may be appropriate. For the longer term, however, a more rational approach would be to re-evaluate the system in its entirety. This would require decision makers to engage in fundamental deliberations about the purposes of public schools. For example, rather than deliberate about what sort of linear density formula best approximates transportation costs, it would be better to ask whether and in what circumstances it is appropriate for school districts to operate their own transportation systems, food services, maintenance departments, etc., and to examine market costs for these services.

### **#5: There are uncontrollable cost variations.**

In 1999, the 76<sup>th</sup> Texas Legislature charged UT Austin's Charles A. Dana Center, working with researchers at Texas A&M, the Texas Education Agency, and the Comptroller, to conduct a study of methods of adjusting school district funding to reflect uncontrollable cost variations.<sup>14</sup> This study – the most comprehensive study of this issue ever attempted in any state – found substantial regional variations in the costs of public education in Texas, particularly in the costs of hiring teachers, that are unaccounted for in the current school finance formulas. The study also found important interactions between school district characteristics (such as district size) and the cost of providing services to students with specific needs that are not reflected in the school finance formulas. For example, the additional costs of adding one special education student are considerably higher for a very small district than for a large district.

**Why this is important.** Although the state holds every school to the same academic standards, the costs of operating public schools vary considerably across Texas. Some districts have to pay a teacher with average qualifications in terms of degrees and experience more than a 20 percent premium over the

minimum state teacher salary, due to geography, working conditions, and local economic conditions. These cost variations are not reflected in the current Cost-of-Education Index, which means that many districts in high-cost areas – including both property-poor and property-wealthy districts – are disadvantaged in the market for teachers.

### **#6: The system may be more efficient than you think.**

As noted earlier, the current formulas significantly underestimate the costs of operating schools in certain kinds of circumstances. Some districts have learned to operate at extraordinary levels of efficiency. Others exhibit disturbing patterns of under-serving students who are perceived to be harder (i.e. more expensive) to teach, or have been forced to consolidate with other districts. The easy accessibility of data about school districts' finances and academic performance makes it harder for poorly managed districts to remain anonymous. But, leaving aside issues about how to distinguish poor district management from impossible circumstances, and about how to distinguish small-by-choice districts from small-of-necessity districts, the mere fact that there are disadvantaged schools and districts that meet and exceed the performance standards suggests that the system is not entirely inefficient.

Researchers at the University of Texas at Austin's Dana Center and Texas A&M recently used econometric approaches to estimate how much more or less every Texas school district would be expected

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<sup>14</sup> C. Alexander, et al. "A Study of Uncontrollable Costs in the Costs of Texas Public Education: A Summary Report for the 77th Legislature," November 1, 2000. This study, as well as a corresponding Technical Supplement, is available for download at [www.utdanacenter.org](http://www.utdanacenter.org).

to spend to achieve average levels of performance on three outcome indicators, including TAAS performance, percent of students taking advanced courses, and a measure of SAT and ACT scores.<sup>15</sup> The statistical methods used in this analysis allowed the researchers to control for variations in the prices of teachers, as well as environmental factors that are outside school district officials' control. They also allowed them to examine differences between school districts' current state aid and projected district expenditures. They did not, however, allow the researchers to distinguish how much of the differences was the result of inefficiency versus emphasis on producing outcomes not measured in the analysis. Production analyses in education are always controversial, and this analysis has considerable limitations. In particular, it is keyed to average performance on only three outcome measures. Nevertheless, even if all of the differences were attributed to inefficiency, and aid to districts were reduced accordingly, the researchers estimated the potential savings to the state at less than \$500 million, considerably less than what might have been anticipated.

**Why this is important.** Schools and school districts should be more efficient. Nevertheless, discussions of school district efficiency are often based on popular misconceptions. For example, one popular myth is that substantial amounts of money are misspent on central administration. Sometimes this charge is accompanied by the contention that Texas only

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<sup>15</sup> See Section 3.3 of C. Alexander, et. al.

spends 50 cents of every public education dollar in the classroom. It is true that some districts spend considerably more than comparable districts on administration. Overall, less than 4 percent of total expenditures, totaling less than \$1 billion, were dedicated to central administration in 2000–01.<sup>16</sup> And, while 58 percent of district expenditures totaling nearly \$14 billion were classified as “Instruction,” that percentage only includes expenditures dealing directly with interactions between teachers and students, e.g., salaries for teachers, speech therapists, etc.<sup>17</sup> It does not include expenditures for school principals, school libraries, food service, transportation, or, most significantly, the costs of building and maintaining schools. These misconceptions steer policy discussions away from more substantial questions about what sorts of expenditures – including expenditures that directly affect students, teachers, and classrooms – are appropriate and efficient uses of resources.

### **#7: “Robin Hood” may be unavoidable.**

The only school finance issue on which every candidate will probably be asked for his or her position is the “Robin Hood” system of recapture. Usually, when people refer to the “Robin Hood” system, they mean the state requirement

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<sup>16</sup> Texas Education Agency, 2000–01 AEIS reports, available at <http://www.tea.state.tx.us/perfreport/aeis/2001/index.html>.

<sup>17</sup> “Glossary for the Academic Excellence Indicator System, 2000–01 report, available at <http://www.tea.state.tx.us/perfreport/aeis/2001/glossary.html>.

that any school district with property wealth per weighted pupil greater than \$300,000 (the Equalized Wealth Level for 2001-02) reduce its wealth using one of five recapture options. These options are laid out in Chapter 41 of the Education Code, so districts to which they pertain are sometimes called "Chapter 41" districts.

- ★ **Option 1: Consolidation by Agreement.** School boards of two or more districts may agree to consolidate into a new district in which per-pupil wealth is less than \$300,000.
- ★ **Option 2: Detachment and Annexation by Agreement.** School boards of two or more districts may agree to detach taxable property from one district and attach it to one or more other school districts, provided that the per-pupil wealth for each of the districts involved, after the detachment and annexation, is less than \$300,000.
- ★ **Option 3: Purchase of Attendance Credits.** Districts may purchase "attendance credits" from the state to reduce their per-pupil wealth below \$300,000.
- ★ **Option 4: Contract for Education of Non-resident Students.** Districts with per-pupil wealth above \$300,000 may enter into agreements with other districts to pay the costs of educating students in that district. To provide incentives to districts to enter into such agreements, the state deducts the average entitlement from the receiving district's state aid, and districts are permitted to keep any excess funds.

- ★ **Option 5: Tax Base Consolidation.** School boards of two or more districts may agree to conduct an election to create a consolidated taxing district for M&O of the relevant school districts that has a per-pupil wealth below \$300,000.

Most property-wealthy school districts choose option 3 or option 4, which means that they share their tax revenues with other school districts or with the state. Many districts choosing option 4 have devised intricate methods of gaming the system, however, by requiring receiving districts to send a portion of the additional funds they receive to regional education service centers (ESCs), juvenile justice programs, or appraisal districts that serve the sending district.<sup>18</sup>

The Chapter 41 "Robin Hood" system of recapture only applies to approximately 100 school districts out of 1,040. Another element of the system which is arguably of a similar stripe and which affects every other school district in Texas, however, is that increases in local property values result in a reduction of state aid, which produces a savings for the state. In other words, wealthier districts generally have more access to revenue than do poorer districts. But, in all cases, most of the benefit of local economic development flows to the state, rather than to local school districts.

**Why this is important.** No school finance issue is more hotly debated than this one.

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<sup>18</sup> See J. Jacobs, "Richer School Districts Find Ways to Share Less," *Austin American-Statesman*, Thursday, March 7, 2002.

It is difficult – if not impossible – to eliminate the “Robin Hood” system for two reasons. The first is simply that recapture represents a substantial amount of money, approximately \$1.5 billion for the current biennium. And, like many states, Texas may be facing a budget deficit when the Legislature convenes in January 2003. The second and more challenging reason is that the Texas Supreme Court has ruled on multiple occasions that a constitutional school finance system cannot allow concentrations of resources in property-wealthy districts to be insulated from being taxed to support the public education system. This restriction does not prevent local districts from providing additional educational resources if they opt to pay additional taxes. It does, however, appear to require some sort of recapture of local property tax revenues, unless the state constitution were amended to permit wide disparities in revenues available to school districts for Maintenance and Operations.

It is important to note that the “Robin Hood” system of recapture only applies to part of a school district’s tax revenues. Specifically, it only applies to revenues for M&O; it does not pertain to revenues for debt service, or I&S. This means that property-wealthy districts always have access to considerably more funds than do property-poor districts in terms of revenues for debt service. Therefore, the system provides incentives to property-wealthy districts to tax at lower rates for M&O and to issue more debt – including debt for expenditures that may not be wise over the long term. A better solution might be to adopt a partial system of recapture for M&O, with incentives for dis-

tricts to adopt higher M&O taxes. For example, the Equalized Wealth Level might be keyed to districts’ tax rates, with districts that are willing to tax themselves at higher levels being allowed to keep more local tax revenues.<sup>19</sup>

On the second issue, it is important to note that in recent years, steadily rising property values have generally resulted in revenues sufficient to carry increased legislative appropriations for public education. In the last legislative session, however, as a result of the passage of HB 1200, districts are now allowed to negotiate long-term tax abatements with new businesses that will not count against their state aid. This bill, which was marketed as “The Boeing Bill,” effectively gives local school boards substantial control over the ratio of state aid to local tax revenues that they are eligible to receive. This issue is expected to return to the legislative agenda in 2003. The basic policy question to consider is, “Why shouldn’t local school districts benefit when their property values increase?”

### **#8: Respect the “safe harbor.”**

In Texas, as in most states, major reforms to the school finance system are usually the result of litigation. For the most part, legal challenges have focused on considerations of equity, defined in terms of the distribution of funds available to districts. In the past 25 years, six major suits have been litigated over the structure of school finance in Texas – one federal suit, San

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<sup>19</sup> A creative approach along these lines has been proposed to the Joint Select Committee on Public School Finance by David Thompson.

Antonio v. Rodriguez (1973), and five in the state courts, Edgewood I-IV (1985-1995) and West Orange-Cove Consolidated ISD (2002). Challenges in the state courts have typically focused on Article VII, Section I of the Texas State Constitution, which states, "A general diffusion of knowledge being essential to the preservation of the rights and liberties of the people, it shall be the duty of the Legislature of this State to establish and make suitable provision for the support and maintenance of an efficient system of public free schools."

The Texas Supreme Court struck down previous incarnations of the school finance system on grounds of "efficiency," because the system provided for a diffusion of knowledge that the court called "limited and unbalanced," and most importantly, because it enabled property-wealthy districts to generate substantial tax revenues at low tax rates, while forcing property-poor districts to tax at high rates "merely to spend low."<sup>20</sup> The constitutional standard laid out in Edgewood I is that "There must be a direct and close correlation between a district's tax effort and the educational resources available to it; in other words, districts must have substantially equal access to similar revenue per pupil at similar levels of tax effort."<sup>21</sup> This standard does not require every school district to have access to equal revenues; nevertheless, it sets a high equity standard for the state.

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<sup>20</sup> Edgewood Independent School District et al v. Kirby et al. 1989. 777 S.W.2d 391, 1989.

<sup>21</sup> Edgewood I (emphasis added).

In Edgewood IV, the court finally ruled that the Legislature had created a system that passed constitutional muster. The court did not specify how a constitutional system must be structured. Based on the arguments in this decision, however, school finance experts have identified six key measures that characterize a constitutional system. These measures are collectively known as the "safe harbor."

1. 85 percent of the students in the equalized system (i.e. in districts eligible for Tier II aid).
2. \$600 maximum per-pupil revenue gap between the wealthiest and the poorest districts at \$1.50 tax rate for M&O.
3. 98 percent of the revenue in the system equalized.
4. Debt service for facilities included in the system.
5. School districts retain meaningful discretion to set local property tax rates.
6. Sufficient funds available to districts to meet Chapter 39 accountability requirements.

The first three measures are regarded as the principal equity measures and are included in the Legislative Budget Board's equity analyses. The fourth measure was substantially addressed by SB 4 (76<sup>th</sup> Legislature). The sixth measure refers to the fact that, in Edgewood IV, Justice Cornyn warned that the system would again be unconstitutional if the cost of providing a general diffusion of knowledge were to rise to the point that a school district

could not meet its operational and facilities needs within the equalized program.<sup>22</sup> Furthermore, he warned that what the Legislature today considered 'supplementation' could eventually become necessary for the general diffusion of knowledge. Most school finance experts agree that as a result of this decision, future school finance litigation will shift away from traditional equity considerations and towards the question of whether the system provides adequate funding for schools to achieve the educational standards defined by the Legislature.

The fifth measure concerning "meaningful discretion" was recently the basis of a suit brought by West Orange-Cove, a property-wealthy school district which asserted that the rising costs of educating students, the \$1.50 cap on M&O tax rates, and the system of recapture have forced it to tax at or near the \$1.50 rate, and therefore this rate has become an unconstitutional state property tax.<sup>23</sup> This suit was dismissed by the trial court, and the dismissal was affirmed on appeal because West Orange-Cove failed to produce evidence that it was forced to tax at or near the cap to provide an accredited education as defined by the Legislature. Instead, the court found the district's claim to be merely that it could not provide the

kind of education that it desired to provide.

**Why this is important.** Small changes to the school finance formulas can have significant effects on the equity of the system. These effects can be hard to predict ahead of time, due to the overall complexity of the system, but they must be considered to keep the system out of the courts. Although the composition of the Texas Supreme Court has changed considerably since 1995, there is little interest in re-fighting the Edgewood cases – and with good reason, because courts can be notoriously unpredictable about remedies in school finance cases. For the long term, a better strategy is to focus on policy questions about adequacy, such as "What are the elements of an adequate education that will prepare Texas children for higher education and that will ultimately allow Texas to be competitive in the global marketplace?" and "What sorts of resources are required for an adequate education?"

### **#9: Focus on outcomes.**

It is easy to be overwhelmed by the intricacies of the Texas school finance system. The main problem with the current system, however, is easy to grasp. In short, the current school finance system does little to promote the state's performance goals. There is no formal connection between the state's measures of student achievement, let alone state accountability standards, and the school finance formulas. Furthermore, the current school finance system may actually provide a variety of inappropriate incentives. In

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<sup>22</sup> Edgewood Independent School District v. Meno. 1995. 917 S.W. 2d 717, 1995.

<sup>23</sup> West Orange-Cove Consolidated Independent School District et al v. Alanis. 2002. Contrary to popular mythology, the distribution of tax rates adopted by property-wealthy school districts statewide closely resembles the distribution of tax rates adopted by property-poor school districts.



particular, it may create incentives for under serving both low-achieving and high-achieving students, for offering ill-advised tax exemptions, and for issuing debt to pay for things well beyond major capital expenditures. This is not to say that the improvements in student achievement in Texas over the last decade are unrelated to improvements in the equity of the school finance system. Nevertheless, many of the tax and spending restrictions on school districts operate independently of the educational needs of Texas students. This is a deep problem.

**Why this is important.** Traditionally, policy discussions about school finance in Texas have focused on the equity of the system, measured in terms of funds available to school districts. However, the availability of detailed data on student achievement has increasingly shifted the focus of policy discussions – and litigation – in other states away from considerations of “equity” and towards considerations of “adequacy” for meeting specified levels of student achievement. Justice Cornyn’s decision in *Edgewood IV* – as well as the fact that Texas collects and makes available richer data about the finances and performance of its schools than any other state – suggests that the next round of school finance reform should be framed in terms of adequacy.

A proposal for Texas to conduct a comprehensive study of the costs of adequacy has recently been proposed in the Joint Select Committee on Public School Finance by State Senator Florence Shapiro (R-Plano). If Texas were to conduct such a study, it would represent the largest-scale analysis of this issue ever conducted

in any state. This study would allow researchers to examine the efficiency and productivity of the current public education system. It would also enable state and local policymakers to align school finance formulas with the academic goals of the state.

### **#10: Something can be done in the 78<sup>th</sup> Legislative Session.**

A comprehensive overhaul of the Texas school finance system is extremely unlikely in the next legislative session, and – in the absence of research describing the true costs of achieving the state’s academic goals – would probably be unwise. Nevertheless, there are some minor reforms that could be adopted and that would actually enhance the equity of the system. The following policy options merit serious consideration:

1. **Limit investments in new programs and terminate ineffective programs.** Texas may face as much as a \$5 billion budget shortfall; therefore, new investments should be limited to innovative, research-based programs that are proven to improve student achievement, reduce dropout rates, and increase participation in higher education.

In addition, the next Legislature should consider an evaluation requirement for educational programs and statewide initiatives similar to the “Sunset” requirements for state agencies.<sup>24</sup> Any educational program in

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<sup>24</sup> Information about the Sunset Advisory Commission is available at <http://www.sunset.state.tx.us/>.



which the state invests should have clear, measurable goals and should be required to demonstrate its progress towards meeting those goals after three years of implementation. Ideally, a disinterested third party should conduct these evaluations and submit recommendations for improving programs' efficiency and effectiveness, or for terminating them.

2. **Provide incentives for efficient resource allocation.** A major obstacle to innovation is that schools and school districts often follow established traditions when allocating additional resources. To counter this tendency, the Legislature should provide incentives for schools and school districts to adopt proven, research-based programs and even to experiment with more efficient compensation strategies, such as performance-based pay.
3. **Maximize the use of new federal funds.** Texas will receive considerably more federal funds for education as a result of the landmark No Child Left Behind Act. The Legislature should ensure that these funds are invested wisely in proven, research-based programs. Furthermore, it is worth noting that many federal funds are designated for particular programs and cannot be used to supplant state funds – but not all of them. Several states are much more effective than Texas at capitalizing on federal funds.
4. **Update the Cost-of-Education Index.** The CEI adjusts school district funding to reflect uncontrollable variations in the costs of hiring teachers. If the

recommendations from the Dana Center's November 2000 report were adopted, many districts in high-cost areas would benefit, including Chapter 41 districts. Statewide, recapture from property-wealthy districts in high-cost areas would be reduced by as much as \$59 million.

5. **Set the stage for future discussions.** As noted earlier, the fiscal capacity of the current school finance system is nearly exhausted. The next iteration of the Texas school finance system should respect established equity standards; however, it should also complement the education goals of the state. The idea that methods of funding public schools should be aligned with the educational outcomes they are supposed to achieve may seem obvious. But, this perspective will require a new focus in school finance policy discussions – away from traditional equity considerations in terms of the distributions of resources, and toward considerations of adequacy, in terms of the resources required to meet the needs of all students.

★★★

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# SCHOOL CHOICE MYTHS & FACTS

## The Issue:

The idea of allowing parents greater freedom to choose their children's schools was once considered unnecessary, unrealistic, or even undesirable, but today it has moved front and center in discussions about how to improve the quality of education in Texas and across the nation.

Citizens – whether black or white, rich or poor, urban or suburban, Democrat or Republican – are demanding in increasing numbers the freedom to choose more and better alternatives to their local public schools. They are, in short, demanding greater school choice. Such broad-based support for fundamental educational reform makes it essential that parents, policymakers, teachers, and others concerned with the quality of education understand the facts and the myths surrounding school choice.

### **MYTH #1:**

**School choice will lead to the social, racial, and economic stratification of students in American schools.**

The idea that the current public school system is a “melting pot” of students from diverse backgrounds and that school choice will somehow disrupt it is false. Public schools in fact rarely represent a broad cross-section of the American population, and there is little or no evidence to suggest that schools-of-choice are or will be any less diverse than their public counterparts.

### **THE FACTS:**

- **Public schools are the most segregated schools in America.** The current system – whereby government assigns students to schools based on the neighborhoods in which they live – already has created a stratified school environment. Public schools are stratified by race and income because, as sociologist James Coleman discovered in his research, students are assigned to schools according to where they live.<sup>1</sup> Public schools therefore ensure stratification of students because districts are drawn geographically and neighborhoods are typically organized around socioeconomic factors. School choice removes or reduces the importance of geographic and political boundaries, thereby encouraging greater social, racial, and economic integration of students.

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<sup>1</sup> James S. Coleman and Thomas Hoffer, *Public and Private High Schools: The Impact of Communities* (New York: Basic Books, 1987).

- **Private schools are racially, economically, and socially diversified.** Many inner-city private schools already reflect greater diversity than their government counterparts because their student bodies are not determined by arbitrary political boundaries, but rather by parents of every background seeking the best education for their children. Researchers Jay P. Greene and Nicole Mellow of the University of Texas at Austin found that “private schools tend to offer a more racially integrated environment than do public schools.” In their study, *Integration Where it Counts: A Study of Racial Integration in Public and Private School Lunchrooms*, Greene and Mellow argue that one of the primary reasons for this fact is that public schools tend to replicate the segregation found in their attendance areas while private schools tend to draw from a variety of neighborhoods.<sup>2</sup>

**MYTH #2:**

**School choice violates the separation of church and state.**

School choice is about providing children with the best education available, not supporting one school or religion over another. The current public school system compels religious citizens to support schools that often do not reflect their values and beliefs. School choice will allow parents to exercise their right and responsibility to direct the educational devel-

opment of their children according to their own values, whether religious or secular.

**THE FACTS:**

- **The “separation of church and state” has changing interpretations.** The phrase “separation of church and state” does not exist in any founding document of the United States, but was part of a letter that Thomas Jefferson wrote in 1802 to the Danbury Baptist Association in Danbury, Conn. The Baptists had expressed concerns that the U.S. government might attempt to establish a state church. Jefferson wrote to assuage their fear, stating that the First Amendment had built “a wall of separation between church and state” that prevented the government from establishing a church. Later Supreme Court cases expounded on Jefferson’s letter without citing the context of his statement. It was not until the 1947 U.S. Supreme Court decision in *Everson v. Board of Education* that the phrase “separation of church and state” developed its present-day interpretation, the effects of which have been the virtual removal of religion from public life.<sup>3</sup>
- **Supreme Court decisions have consistently supported parents’ right to direct the education of their children.** The U.S. Supreme Court has consistently defended the right and respon-

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<sup>2</sup> Jay P. Greene and Nicole Mellow, “Integration Where it Counts: A Study of Racial Integration in Public and Private School Lunchrooms,” University of Texas at Austin, 20 August 1998.

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<sup>3</sup> David Barton, “The Foundations of American Government,” A Transcript of the Video and Audio by the Same Title (Aledo, TX: WallBuilder Press, 1993), pp. 8-10.

sibility of parents to direct the education of their children in such decisions as *Pierce v. Society of Sisters* (1925). In this decision striking down Oregon's attempt to ban private schools, the Court ruled that:

the fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the state; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations.<sup>4</sup>

Other Supreme Court decisions affirming parental rights include *Wisconsin v. Yoder* (1972)<sup>5</sup> and *Wolman v. Walter* (1977).<sup>6</sup>

- **The U.S. Supreme Court and state Supreme Courts have declared that school choice does not violate the Establishment Clause of the First Amendment.** In *Mueller v. Allen*, the U.S. Supreme Court enunciated clearly the constitutionality of Minnesota's tax deduction for the costs of schooling, including private and religious education.<sup>7</sup> In *Luthens v. Bair*, a U.S. District Court concluded that the

Iowa tax deduction/tax credit was fully constitutional because "benefits . . . go to the parents of schoolchildren rather than to the schools" and ". . . the nature of the aid is clearly benign in terms of Establishment Clause concerns."<sup>8</sup>

In June 1998, the Wisconsin Supreme Court ruled in *Jackson v. Benson* that parental school choice via taxpayer-funded vouchers was constitutional.<sup>9</sup> The U.S. Supreme Court later let stand the Wisconsin court's decision by voting 8-1 not to review the case. The contested voucher program now provides up to 15,000 poor Milwaukee students with a \$4,000 state voucher to attend private religious schools. This ruling is most notable because of Wisconsin's strict laws on church-state separation.

In 1999, the Arizona Supreme Court upheld a \$500 per year per family tuition tax credit payable to non-profit, tax exempt school tuition organizations in *Kotterman v. Killian*. The court concluded that the tax credit statute violated neither the U.S. nor the Arizona constitution. The Arizona court opined, "According to Black's Law Dictionary, 'public money' is '[r]evenue received from federal state, and local governments from taxes, fees, fines, etc.'" Black's Law Dictionary 1005 (6th ed. 1990). As respon-

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<sup>4</sup> *Pierce v. Society of Sisters*; 268 U.S. 510, 535 (1925).

<sup>5</sup> *Wisconsin v. Yoder*; 406 U.S. 205 (1972).

<sup>6</sup> *Wolman v. Walter*; 433 U.S. 229, 262 (1977).

<sup>7</sup> *Mueller v. Allen*; 463 U.S. 388 (1983).

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<sup>8</sup> *Luthens v. Bair*; 788 F.Supp. 1032 (S.D. Ia. 1992).

<sup>9</sup> *Jackson v. Benson*; 218 Wis. 2d 835, \*; 578N.W.2d 602, \*\*; 1998 Wisc. LEXIS 70; and Matthew Robinson, "School Choice Goes To Court," *Investor's Business Daily*, June 11, 1998, p. A1.

dents note, however, no money ever enters the state's control as a result of this tax credit. Nothing is deposited in the state treasury or other accounts under the management or possession of governmental agencies or public officials. Thus, under any common understanding of the words, we are not here dealing with 'public money.'"<sup>10</sup>

In April 2000, the Illinois tax credit, which allows families to take a credit against state income taxes for 25 percent of expenses incurred on behalf of K-12 students at public and private schools, up to a maximum of \$500 per family, was declared fully constitutional by Judge Thomas Appleton of the 7th Judicial Circuit Court.

"Money is not public until it belongs to the state," Appleton wrote. "As taxes unpaid by taxpayers cannot be found to be money rightfully belonging to the state, any of that money which is used to pay for a child's parochial education is not public money, hence public support does not exist."<sup>11</sup>

- **Other well established, government-funded voucher programs are constitutional.** Food stamps and Medicaid are examples of voucher programs through which recipients can use government money at the grocery stores or hospitals of their choice. Likewise, "public" money already flows to private and religious colleges and univer-

sities through various government loans and grants. And veterans of World War II used the G.I. Bill to attend colleges of their choice – including religious institutions – and the federal government paid the tuition.

### **MYTH #3:**

**Private schools are unaccountable to the public.**

Competition ensures that all schools are ultimately accountable to those who matter most – parents and students. Parents who have choices in education can "vote with their feet" by sending their children to another, better school when their current one is not serving their children's needs. Private schools are also subject to many of the same regulations as are government schools and are routinely held to the same or higher standards of performance than are the government schools.

### **THE FACTS:**

- **Public schools lack real accountability.** Many people, particularly policy-makers, confuse rules and regulations with accountability. While it is true that public schools must adhere to many laws, this fact has failed to make schools answerable to the public. As long as children are unable to escape a school system that is failing to meet their needs, real accountability will never exist in the public schools. Giving parents choices in how and where their children are educated creates a level of accountability that no law will ever generate. It is this fundamental component that prevents public

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<sup>10</sup> Kotterman v. Killian, 1999 WL 27517 (Ariz. 1999).

<sup>11</sup> Toney et al. v. Bower et al., 99 MR 413, IL 1,3, 7<sup>th</sup> jc (2000).

schools from being truly accountable to taxpayers, parents, and children.

- **Schools that answer to parents, not politicians, are most accountable.** In general, parents have their children's best interests in mind more so than does the government or even a caring teacher. Under the current system, parents lack control and influence over the education of their children. With choice, parents have the opportunity to remove their children from a poorly performing or otherwise unsatisfactory school and to place them in other schools. Schools that fail to respond to parental concerns will constantly face the prospect of losing students to other schools that do.
- **Private schools already comply with essential government regulations.** There is no basis in educational experience or research to suggest that regulation creates better schools; even so, private schools already provide essential fire and safety protection, observe compulsory attendance requirements, and cover core mandated subjects such as history, English, math, and science.
- **Private schools are accredited by the same agencies that accredit public schools.** Private schools are at least as accountable as public schools by the government's own measurements of accountability. According to Charles O'Malley, executive director of the National Council for Private School Accreditation, approximately 96 percent of all private school students attend schools that are accredited or

evaluated by national, regional, or state private organizations. The result is that the vast majority of private schools are able to meet public school accreditation requirements.<sup>12</sup>

**MYTH #4:**

**School choice allows only private schools to do the choosing, not parents.**

This argument assumes two things: First, that private schools discriminate more in selecting students than do public schools and second, that public schools are open to all students. But neither of these assumptions is necessarily true. Public schools do not accept every student, and many private schools in fact accept a wide range of students. In addition, parents empowered with choice can select from all types of schools, private or government. Choice provides children with more educational opportunities, not less.

**THE FACTS:**

- **The current government assignment system already makes choices for parents.** Public schools generally accept only those students who live in their districts. Wealthy suburban areas, for example, do not accept poor minority students from the inner city. Some public schools – particularly so-called “magnet schools” – routinely screen students based on academic ability or whether or not they live in the “right” district.

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<sup>12</sup> Charles J. O'Malley, Ph.D., “Who Says Private Schools Aren't Accountable?,” Prepared for Temple University and Manhattan Institute, Western Regional Science Association, October 1995, p. 8.

- **Private schools are not characterized by exclusivity.** Fr. Timothy O'Brien of Marquette University conducted a study of 63 elementary parochial schools and found that no more than one student each had been expelled in 61 percent of the surveyed schools. The study also discovered that more children with academic and disciplinary problems were transferred from public schools to Catholic schools than the other way around.<sup>13</sup> Although some private schools are exclusive, either by high tuition or selective entrance standards, the same can be said of public schools that enroll students only from exclusive or wealthy neighborhoods within their "districts" and reject students from other neighborhoods on the "wrong side" of a district boundary.
- In the HORIZON program in San Antonio, all 14,180 students in the Edgewood Independent School District – a district whose population is 92 percent Hispanic – were offered a privately-funded voucher to attend an out-of-district public or private school of their choice. At first, only 8 percent of the parents took advantage of the program, even though the voucher paid 100 percent of the tuition
- **School choice does not "cream" the best students from the public schools and leave the worst behind.** The experience of charter schools and pub-

licly funded voucher programs demonstrates that students who are behind or not being served in their assigned public school are the ones most likely to exercise choice, not the "best" students. Children who received the HORIZON voucher in San Antonio scored below average on a nationally-normed standardized test and were functioning two grade levels below the grade they were in. Even after a year in the school of their choice, these students continued to struggle to catch up, scoring at the 37<sup>th</sup> national percentile in math and at the 35<sup>th</sup> percentile in reading. This experience, of how lower academic performing students are the first to seek school choice, parallels that of the many school choice programs across the country. Why would the "best" students want to leave a school that is already serving their needs?

**MYTH #5:**

**Parents will use the wrong criteria to choose schools, or they will make bad decisions for their children.**

Implicit in this argument are the assumptions that parents – particularly poor and minority parents – are not smart enough to know what is best for their children, and that government will make better school selection choices than parents. Common sense and experience, however, tell us that most parents in fact do make good decisions with their children's best interests in mind. Some parents may make poor decisions, but this is no argument for denying choice to everyone.

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<sup>13</sup> Danielle L. Schultz, "Lessons from America's Best Run Schools," *The Washington Monthly*, November 1983, pp. 52-53.

**THE FACTS:**

- **The right to make poor choices is legal.** Some people make poor decisions in many areas of life: They choose to eat poor food, watch poor television programs, drive poor cars, and enter into poor relationships. But no one argues that this is an excuse for government to make these decisions for everyone. The right of people to make poor choices in a free society is the same right that allows people to make good choices. Freedom does not come without inherent risks, but freedom is certainly better than being forced to accept the poor choices of others.
- **Minority and lower-income parents can be trusted to make good choices.** Opponents of school choice often presume that minority and lower-income parents do not know the difference between good and bad schools and therefore often will choose bad schools. This condescending assumption ignores the evidence that poor or uneducated parents are just as capable as higher-income, better-educated parents of distinguishing between good and bad schools. The problem is that poor parents are rarely given the opportunity to do so. But when they have the opportunity and are given full information about the choices open to them, they choose well.<sup>14</sup>

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<sup>14</sup> Lawrence Mead, "Jobs for the Welfare Poor," Policy Review, Winter 1988, p. 65.

The Children's Scholarship Fund (CSF), a private organization that offers financial assistance to lower-income students, received over 1.25 million applicants for its four-year, \$1,000 student scholarships. The average income of applying families was under \$22,000 per year, showing that parents are willing to make significant financial sacrifices even for scholarships that pay only part of their children's tuition. CSF CEO and Co-Chairman Ted Forstmann remarked, "Think of it: 1.25 million applicants asking to pay \$1,000 a year over four years. That's \$5 billion that poor families were willing to spend simply to escape the schools where their children have been relegated and to secure a decent education."<sup>15</sup>

- **Parents, who understand their children's needs best, should determine the criteria by which to judge schools.** School choice has been criticized because some parents may decide that a school with an emphasis on team sports is better for their child than one that excels in, say, science. Others may disagree with such criteria for choosing a school, but the disapproval of others is no reason to deny all parents the right to make their own choices.
- **Information will help parents choose the best school.** Competition among schools will cause an information market to arise. Schools themselves will generate informational material,

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<sup>15</sup> Ted Forstmann, "School Choice, by Popular Demand," The Wall Street Journal, 21 April 1999, p. A22.



appealing to parents on the basis of positive features their particular school has to offer and educating parents in the process. Many schools – even public schools – already promote themselves with marketing and advertising campaigns. Parents will have help determining which school will best serve their children's needs, just as consumers today have help (in the form of Consumer Reports and similar publications) understanding which automotive repair shop, restaurant, or grocery store best serves their needs.

**MYTH #6:**

**School choice will encourage the creation of radical or fraudulent schools.**

Critics of school choice often argue that choice will allow “just anybody” to establish a school, leading to a proliferation of schools that are fraudulent or dedicated to radical ideologies. There is no evidence to support this claim. Choice at the college level has not resulted in an excess of fraudulent or radical schools. Additionally, the U.S. Constitution protects even radical ideologies, while laws against fraud and violence protect consumers from criminal activity.

**THE FACTS:**

- **The First Amendment protects freedom of choice.** The same argument against “radical” or fraudulent schools could be used against the freedoms of speech and press: “If we allow anybody to start a newspaper, somebody might print a bad one,” or, “If we let anybody give a speech, somebody might say something we

don't agree with.” The protection of freedom embodied in the U.S. Constitution defends the right of people to make good choices as well as bad ones and to hold popular views as well as unpopular ones.

- **Laws against discrimination and fraud already exist.** Laws against discrimination, corruption, fraud, and other illegal activities protect consumers in other industries. They would apply to education as well.
- **Competition will increase accountability and discourage the creation of radical and fraudulent schools.** Substandard, “radical,” or fraudulent schools could not thrive under a free market in education because parents would have the choice to send their children to other schools. Parents who voluntarily give their money to a school in return for a good education will do so only as long as they are provided with an adequate product or service. It is true that when freedom abounds, the opportunity for abuse exists. However, the key is choice: Many parents may accept what they believe is a substandard education for their children because they have no practical alternatives to their local public school.

**MYTH #7:**

**School choice will bankrupt the already under funded public schools.**

Public schools are a high priority in every state's budget, sometimes receiving more than half of the money taken in taxes. School choice will not de-fund education,

but rather will make it more financially efficient and responsible with the generous resources it already receives.

#### THE FACTS:

- **Education in the United States has become increasingly expensive to taxpayers.** In the 1969-70 school year, every man, woman, and child in the United States contributed \$850 (in 1996-97 dollars) to support public schools. In the 1996-97 school year, they contributed more than \$1,181 to the support of public schools.<sup>16</sup> Some put the expenditures on education at a much higher level. According to research by Merrill Lynch, a global investment firm, the United States annually spends \$740 billion on education, or nearly 10 percent of the nation's gross domestic product. That amount is more than the nation spends on defense and Social Security combined.<sup>17</sup>
- **More money fails to improve academic achievement.** Between 1970 and 1997, total revenues for public schools increased from \$44.5 billion to over \$305 billion. Yet scores on the SAT, a college entrance exam, have dropped by 27 points at the same time.<sup>18</sup>

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<sup>16</sup> U.S. Department of Education, National Center for Education Statistics. Digest of Education Statistics, 1999, NCES 2000-031, May 2000, Table 39.

<sup>17</sup> Michael Moe, Director of Global Growth Research and education analyst at Merrill Lynch, presentation at The Pierre Hotel, New York City, "Freedom and Equal Opportunity in Education: A Moral Imperative and a Call to Entrepreneurs," 12 January 2000.

<sup>18</sup> Digest of Education Statistics..., Table 160 & 135.

In 1985, a federal judge directed the Kansas City, Mo., school district to devise a "money-is-no-object" educational plan to improve the education of black students and encourage desegregation. Local and state taxpayers were ordered to pay for it. The result: Kansas City spent more money per pupil, on a cost-of-living adjusted basis, than any other of the 280 largest school districts in the United States. The money bought 15 new schools, an Olympic-sized swimming pool with an underwater viewing room, television and animated studios, a 25-acre wildlife sanctuary, a zoo, a robotics lab, field trips to Mexico and Senegal, and higher teachers' salaries. The student-to-teacher ratio was the lowest of any major school district in the nation at 13 to 1. By the time the experiment ended in 1997, however, costs mounted to nearly \$2 billion, test scores did not rise, and there was less student integration rather than more.<sup>19</sup>

- **Public schools have many opportunities to be more efficient.** Public schools could save money by privatizing support services such as janitorial, food, and transportation services. Competitive contracting can provide schools with the kind of expertise, flexibility, and cost efficiencies not always available with in-house service provision. Any savings in support services can be used to provide addi-

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<sup>19</sup> Paul Ciotti, "Money and School Performance: Lessons from the Kansas City Desegregation Experiment," Policy Analysis No. 298, Cato Institute, 16 March 1998.

tional resources for the classroom. Properly designed and monitored, contracts between public schools and private providers can help school administrators do more with less.<sup>20</sup>

- **School choice likely will reduce bureaucracy and centralization.** As researcher John E. Chubb explains, "There is every reason to believe that the administrative structure of schools under school choice would be less bureaucratized than today's public school system, and look more like private educational systems, where competition compels decentralization and administrative savings."<sup>21</sup> Most choice plans actually would reduce overhead administrative expenditures and increase the availability of more public money.<sup>22</sup> An analysis of public schools in New York City found that they have about 240 times the number of administrators as do local Catholic schools, but only four times as many pupils.<sup>23</sup> Competition will reduce the waste that exists in the current system.

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<sup>20</sup> Janet R. Beales, *Doing More With Less: Competitive Contracting for School Support Services*, Mackinac Center for Public Policy and the Reason Foundation, November 1994, p. 2.

<sup>21</sup> John E. Chubb, *Educational Choice, Answers to the Most Frequently Asked Questions About Mediocrity in American Education and What Can Be Done About It*, The Yankee Institute for Public Policy Studies, July 1989, p. 22.

<sup>22</sup> John E. Chubb and Terry M. Moe, "American Public Schools: Choice is a Panacea," *The Brookings Review*, summer 1990.

<sup>23</sup> Laura M. Litvan, "More Firms Paying Kids' Tuition," *Investor's Business Daily*, August 28, 1997, p. A1.

#### MYTH #8:

#### **School choice does not improve education.**

Parents who are able to make active choices in the education of their children report greater satisfaction with their children's academic achievement, and studies have shown a positive correlation between parental involvement and student performance. Likewise, competition among schools has led to improvements in school curricula and greater responsiveness to parents and students as schools begin treating them as customers.

#### THE FACTS:

- **Parental participation and satisfaction is most important.** Researchers John Witte, Troy Sterr, and Christopher Thorn conducted a definitive evaluation of the Milwaukee Parental Choice Program and reported that in "all five years, parental satisfaction with choice schools increased significantly...." Witte, et al., was able to conclude that choice parents increasingly participated in their children's education – a key element for improving academic achievement. "Similarly, parental involvement, which was more frequent than for the average MPS parent in prior schools, was even greater for most activities in the choice schools."<sup>24</sup>
- **School choice has improved academic performance for many students.** School voucher programs,

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<sup>24</sup> John F. Witte, Troy D. Sterr and Christopher A. Thorn, "Fifth-Year Report: Milwaukee Parental Choice Program," University of Wisconsin-Madison, December 1995.

publicly and privately funded, have demonstrated success among their students, according to many studies.

- **Limited school choice through charter schools continues to be popular, particularly among the most needy families.** Charter schools remain popular with parents, students, and teachers. Although more than 2,000 of these schools were created between 1991 and 2000, many charter schools have waiting lists ranging from 200 to 1,000 students. The average waiting list is 141 students, or nearly 60 percent of the average charter school's enrollment.<sup>25</sup> These "new" schools have created educational opportunities for children that previously did not exist.

**MYTH #9:**

**School choice is just a tax break for the rich.**

This argument fails to recognize the fact that wealthier families already exercise school choice: They move to a "good" public school district or they can afford to pay for their children's education twice – once in taxes for the government schools they do not use and again in tuition for the alternative schools they do use. Low-income families want school choice more than the wealthy for simple reasons. Poor students are often assigned to worse public schools than students from wealthy neighborhoods, and poor families do not have the means to exercise

other options. Easing the financial penalties imposed on parents who want more options allows everyone – wealthy or poor – to exercise the basic right of school choice.

**THE FACTS:**

- **The wealthy choose public schools for their children.** According to the U.S. Bureau of the Census, 81 percent of families with incomes over \$75,000 choose public schools for their children, while only 32 percent of private school families earn such incomes.<sup>26</sup> The reality is that the wealthy already have school choice – and they choose public schools far more often than private schools.
- **Minorities and poor families want school choice, too.** The truth is, school choice experiences across the country clearly demonstrate that low- and middle-income families value education just as much. For example, the 545 families in San Antonio's HORIZON program had an average annual income of \$13,460, with an average family size of 3.4 people. Of these families, only 17 percent rely solely on public assistance.

**MYTH #10:**

**School choice is unnecessary – public education is doing well and improving.**

The underlying assumption in this argument seems to be that so long as some

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<sup>25</sup> Charter Schools Today: Changing the Face of American Education (Washington, D.C.: The Center for Education Reform, 2000) pp. 116, 114.

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<sup>26</sup> Michigan Education Report, "Painting the private school picture", Fall 2000. Available at [www.educationreport.org/article.asp?ID=2890](http://www.educationreport.org/article.asp?ID=2890).

people are satisfied with a monopoly, all people should be stuck with it. The same logic might have an East German commissar saying, before the fall of the Berlin Wall, "Only some people would leave if we took down the Wall, so why should we take it down?" The point is not whether choice is "necessary" or not; the point is that it is everyone's right to choose. The needs of individual parents and students come before the maintenance of a system that, by many accounts, is not performing well for everyone.

#### THE FACTS:

- **Can public education really improve on its own?** According to Albert Shanker, former president of the American Federation of Teachers union, "It's time to admit that public education operates like a planned economy, a bureaucratic system in which everybody's role is spelled out in advance and there are few incentives for innovation and productivity. It's no surprise that our school system doesn't improve: It more resembles the communist economy than our own market economy."<sup>27</sup> The worldwide failure of planned economies supports Shanker's contention that systemic change is needed.
- **U.S. students are outperformed in international comparisons.** In the Third International Mathematics and Sciences Study (TIMSS), American high school seniors ranked 16th out of 21 industrialized nations in general

science knowledge, 19th in general math skills, and last in physics. William H. Schmidt, an education professor at Michigan State University, remarked, "Put in terms of report card grades, the American seniors earned a D-minus or an F in math and science."<sup>28</sup>

- **Students are failing to learn basic skills.** Since 1983, more than 10 million students in the U.S. have reached the 12th grade without the ability to read at a basic level, while over 20 million are unable to do basic math.<sup>29</sup> In 1995, nearly 30 percent of first-time college freshmen enrolled in at least one remedial education course and 80 percent of all public four-year universities offered remedial coursework.<sup>30</sup> A 1998 Public Agenda survey revealed that 76 percent of college professors and 63 percent of employers believe that "a high school diploma is no guarantee that the typical student has learned the basics."<sup>31</sup>

A September 2000 study revealed that businesses and institutions of higher learning in Michigan spend more than

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<sup>27</sup> Quoted in Richman, *Separating School & State...*, p. 11.

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<sup>28</sup> Debra Viadero, "U.S. Seniors Near Bottom in World Test," *Education Week*, 4 March 1998, p. 1 and U.S. News & World Report, 9 March 1998, p. 14.

<sup>29</sup> *A Nation Still at Risk: An Education Manifesto* (Washington, DC: 30 April 1998); available at <http://www.edexcellence.net/library/manifest.html>.

<sup>30</sup> David W. Breneman, "Remediation in Higher Education: Its Extent and Cost," in *Brookings Papers on Education Policy* 1998 (Washington, DC: The Brookings Institution, 1998).

<sup>31</sup> *Reality Check* (New York: Public Agenda, January 1998).

\$600 million per year to accommodate for the lack of basic reading, writing, and arithmetic skills among high school graduates and employees. Assuming that other states had comparable experiences, the national cost due to the lack of basic skills is approximately \$16.6 billion each year.

**MYTH #11:**

**School choice is just an anti-teacher ploy.**

The "anti-teacher" argument against school choice seems to assume that the government school system is nothing more than a big jobs program with education ranking second in importance. School choice makes the education of children the top priority by allowing parents to choose the best school for their children. There is nothing inherently "anti-teacher" about choice: Many public school teachers themselves choose to place their children in private schools. As long as demand for education exists, there will always be jobs for teachers.<sup>32</sup>

**THE FACTS:**

- **More choices for parents also mean more choices for teachers.** Today, if a teacher believes he or she is underpaid, overburdened by red tape, not respected as a professional, or otherwise treated poorly by administrators, the only real option is to leave town and move to another school district. This is because the same employer, the school district, operates nearly all

the schools in the area.<sup>33</sup> When parents are allowed to choose, schools not only will have to compete for students, they will have to compete for teachers, too. As a result, there will be increased pressure on school administrators to treat teachers well or risk losing them to other schools.

- **Teachers who work in schools-of-choice are more satisfied.** According to a July 1996 report from the U.S. Department of Education, 36.2 percent of private school teachers were "highly satisfied" at work, while only 11.2 percent of government school teachers could say the same thing.<sup>34</sup> In a separate study done by the Washington, D.C.-based Hudson Institute, only 2 percent of 920 private school teachers surveyed said they would be willing to leave their current job for a higher-paying job in the local urban government school system. Most private school teachers experience a higher job satisfaction rate than do government school teachers because they have more freedom to teach, student discipline is greater, they enjoy a more collegial work atmosphere, and parental involvement is higher.<sup>35</sup>
- **Many teachers support and exercise school choice for their children.** A

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<sup>32</sup> Greene, The Cost of Remedial Education...

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<sup>33</sup> Anderson, et al, The Universal Tuition Tax Credit..., p. 17.

<sup>34</sup> Deroy Murdock, "Teachers warm to school choice," The Washington Times, National Weekly Edition, 25-31 May 1998, p. 34.

<sup>35</sup> William Styring, "Teachers and School Choice," American Outlook, Spring 1998, p. 51.

1995 study of the census found that significant numbers of teachers choose private schools for their children. Whereas only 13 percent of all families in the United States choose private schools for their children, 17 percent of all school teachers make that choice for their children.

- **Labor unions that argue against school choice do not necessarily represent the interests of either children or education.** Perhaps the strongest reason for unions to oppose school choice is their financial self-interest. Unions stand to lose millions of dollars of dues income as school choice grows. Why? In many states, one hundred percent of public schools are unionized, but only a few charter schools and even fewer private schools are unionized.<sup>36</sup> If enrollment increases at schools in which unions have been unable to gain a foothold, that will create more teaching jobs in non-union schools where teachers are not forced to financially support a union. The purpose of school employee labor unions is to bargain wages and terms and conditions of employment for its dues-paying members. It is a mistake to assume that the best interests of labor unions are necessarily the same as those of parents and students.

**MYTH #12:**

**School choice reforms do not address the needs of some families for transportation or special education.**

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<sup>36</sup> Brouillette and Williams, The Impact of School Choice...

This argument again assumes that everyone should be denied the right to choose because only some might not be able to get exactly what they want in a school. School choice does not create a Utopia, but it does respect the rights of all families, including those with special education needs, to seek the best education for their children. There is also no reason to believe that competing schools will not be able to fill demand for important services: Private schools already serve many students with special needs.

**THE FACTS:**

- **School choice most likely will reduce transportation costs.** The best public schools tend to be in wealthier districts that are expensive to live in, and if out-of-district parents want to send their children to these schools (if they are even allowed), the cost of transporting them there may be high. School choice will reduce the cost to parents of sending their children to the best schools because residence will no longer be a strong determining factor in school quality. Schools that excel will be rewarded with more enrollment – wherever they are located. As choice expands, schools able to meet local families' needs will spring up in more communities, thus lessening the need for long commutes. In addition, there is no reason to believe that schools would not be willing to provide their own bus service if it proves important enough for parents.
- **Private schools already are serving special education students.** In fact, public schools turn away many chil-

dren with severe disabilities and behavioral problems and place them in private institutions. According to the U.S. Department of Education, over 100,000 students attend private schools with public money. Students with serious emotional disturbance account for 40 percent of the students enrolled in these private schools, according to one study.<sup>37</sup> There is no reason to believe that private schools would not continue to serve these and other special-needs students in an increasing number under a school choice program.

★ ★ ★

Excerpted from The Case for School Choice by Matthew J. Brouillette, Mackinac Center for Public Policy, 2001, and School Choice: The Fears Versus The Truth, by Robert Aguirre, CEO Foundation, San Antonio TX, 2001

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<sup>37</sup> Janet R. Beales and Thomas F. Bertonneau, Do Private Schools Serve Difficult-to-Educate Students?, Mackinac Center for Public Policy and the Reason Foundation, October 1997, p. 1. Available at <http://www.mackinac.org/article.asp?ID=361>.



# San Antonio Express-News

January 17, 2002

## School accountability in Perry's hands

By CHRIS PATTERSON

In the next few weeks, Gov. Rick Perry will make a decision that will drastically affect education in Texas for the next decade or longer. The governor's action — or inaction — will determine if Texas has an effective public school accountability system as new state tests replace the current TAAS, or Texas Assessment of



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Academic Skills. The new tests, TAKS, or Texas Assessment of Knowledge and Skills, will be administered to all Texas students next school year. Although the development of the TAKS is almost complete, the Texas Education Agency has kept the new tests under wraps, allowing only handpicked people outside the agency to have any voice in what will be tested or how challenging the tests will be. The blueprint for the TAKS shares many of the flaws of the TAAS.

### COMMENT

TAKS will be the primary tool to raise standards enough to close the gap between students in Texas and other states, to close the gap between high school graduation and college readiness, and to determine grade-level promotion of students in elementary and middle school.

Unfortunately, the TAKS is not designed to meet these goals. The Texas Education Agency spokeswoman recently announced, "you're not going to see a huge difference" between the TAAS and TAKS. If this holds true, then Texas will have missed its best opportunity to improve public schools.

Dozens of studies by the TEA, Texas school districts and independent researchers have documented severe problems with the TAAS test: it only measures a small part of the required curriculum thereby limiting classroom instruction as teachers are required to "teach to the test"; a majority of questions are be-

low grade level; it is less rigorous than tests found in most other states; almost half the questions do not even test academic knowledge; and it is a statistically inaccurate measure of actual student knowledge.

However, TEA documents make it clear TAKS will repeat the mistakes.

An analysis conducted by a national panel of experts, working under a \$162,200 contract with the TEA itself, found that the new TAKS test would not meet national and international standards as required by law, cover important state curriculum standards, or even be in line with those standards.

Perry and other state leaders should heed the advice of these experts. They recommended that TAKS be more academically rigorous and grade-specific, measure more academic knowledge and better reflect the state curriculum standards.

After all, why have curriculum standards if our state test doesn't measure student mastery of them?

But won't a more rigorous state test lead to a much higher failure rate among students? Absolutely not. The failure rate on the test is determined by the passing standard, the number of correct answers required to pass the test. Setting this standard is the statutory responsibility of the State Board of Education and has been adjusted for the TAAS and prior tests.

The bureaucrats at the TEA were called to task in 1997 when former Gov. George W. Bush called the new draft curriculum standards "mush" and then took control over the process. Perry must assert himself in the same way to save our children from the same mushy TEA philosophy that will retard the academic achievement of millions of Texas children in the years to come.

And the governor must do it before it is too late.

*Chris Patterson is director of education research for the Texas Public Policy Foundation. Her detailed study of the TAKS tests is available at <http://www.tppf.org/>.*

# Education Publications & Experts

## Other TPPF Education Publications:

The following publications can be downloaded from the Texas Public Policy Foundation's website at [www.tppf.org](http://www.tppf.org):

### CURRICULUM AND INSTRUCTION

#### Testing & Assessment

#### **Presentation to the 5th African-American Legislative Summit Panel - Understanding Texas' Public Education System**

compiled by Chris Patterson, TPPF Director of Education Research, February 2002

#### Academic Equity

#### **Presentation to the 5th African-American Legislative Summit Panel - Understanding Texas' Public Education System**

compiled by Chris Patterson, TPPF Director of Education Research, February 2002

#### **African-American Students: Texas Public School Facts**

TEA SnapShot 2001, February 9, 2002

#### **Math Resources for Parents and Teachers in Texas and the Nation**

#### **Texas: Best Practice: Curriculum, Instruction, Textbooks, Assessment, and Teacher Training**

compiled by Chris Patterson, TPPF Director of Education Research, January 2002

#### **Texas Essential Knowledge and Skills Action Guide, 1997**

Discusses the profound changes the Texas Essential Knowledge & Skills Curriculum standards will introduce into every classroom and school in Texas.

#### **Ask About the Research**

by Dr. Joseph Horn, March 1997

#### **Five Questions and Answers**

by Dr. Joseph Horn, February 1997

#### **Are School Bricks and Mortar Really Necessary?**

by Allan Parker, 1997

## TEXTBOOKS

### **New Textbooks For A New Texas: Open Government Process Ensures Better Books**

Commentary by Michael Quinn Sullivan, November 2001

### **Texas Environmental Science Middle School Textbook Review**

by Duggan Flanakin, September 2001

### **Independent Analysis of Mathematics Textbooks**

by Chris Patterson, Director of Education Connection of Texas, January 1999

A joint research project between the Texas Public Policy Foundation and the Education Connection of Texas. This independent study provides an analysis of several of the mathematics textbooks being considered for adoption by local school districts.

## ASSESSMENT & PERFORMANCE

### **From TAAS to TAKS: A Progress Report on New Assessments for Texas Public Schools**

by Chris Patterson, TPPF Director of Education Research, January 2002

### **There's Some Scientific 'Splainin' to Do**

### **Difference in TAAS, National Scores Beg Questions About State Test**

Commentary by Michael Quinn Sullivan, December 14, 2001

### **A Review of the Texas Public School Accountability System Is it Working?**

by Jeff Judson

VERITAS, Winter, 2001

### **The True State of Texas Education**

by Jeff Judson, April 1997

Research report identifying the problems in the Texas public school system based upon current statistics and the proposed solutions.

### **Design for Mediocrity: A Report on Current Reforms in the Texas Public Schools**

by Chris Patterson, August, 1997

Research report outlining educational reform initiatives in Texas public education, how the state's goal for education differs from the public, and the changes that must be introduced to shape public education according to public interest.

### **Paying for Public High School Education Twice: Remediation in Texas Public Higher Education**

by Stephan Ratliff and Allan E. Parker Jr., May 1997

Research report that identifies the inadequacy of high school preparation for college and the costs for both student and state.

**Making the Grade in Texas: Accountability + Freedom = Straight A's**

by Nina Shokraii Rees and John C. Bowman, August 1999

**Education Reform: Dumbing Down or Emasculation?**

by Aldo S. Bernardo, Ph.D., Distinguished Service Professor Emeritus of Italian and Comparative Literature State University of New York at Binghamton, March 1998

**CHARTER SCHOOLS & EDUCATIONAL CHOICE**

**HB 6: Increased Regulation Over Charter Schools: Enforcing a Double Standard**

by Chris Patterson, TPPF Director of Education Research, November 2001

**Evidence of Malfeasance and Statutory Violations Texas Public Schools**

by Chris Patterson, TPPF Director of Education Research, November 2001

**NAVIGATING NEWLY CHARTERED WATERS: An Analysis of Texas Charter School Performance**

by Dr. Timothy J. Gronberg and Dr. Dennis W. Jansen, May 2001

**The Effects of School Choice on the Edgewood Independent School District**

by John C. Bowman

VERITAS, Spring 2000

**Religious Neutrality and School Choice**

by Allan E. Parker, President, Texas Justice Foundation, November 1999

**Another Look at Parental Choice in Education**

by Avon Williams III, July 1999

**Education Reform Kiwi-Style**

by the Hon. Maurice P. McTigue, Q.S.O., June 1999

**Public School Choice: A Failure in Texas**

by George Piazza and Allan E. Parker Jr. January 1997

Documents the lack of success of the Public Education Grant (PEG), Texas' alternative for public school choice.

**An Analysis of Public Private School Choice in Texas**

by Prof. J. Chrys Dougherty and Stephen L. Becker, Winter 1995

This landmark study presents an assessment of four issues often raised about proposed school choice plans. The study shows that academic quality is an important motivating factor for low-income parents who desire school choice. public schools will not be monetarily hurt by a voucher plan because a limited number of private school vacancies will prevent a mass exodus from public schools.

**Public Education Grants: Your Right to Public School Choice**

by Allan E. Parker, Jr., August 1995

This handbook consists of easy-to-read questions and answers regarding the Texas Public Education Grant Program. It provides parents and individuals with a detailed description of the Texas Education Code Section 29.201 that states an eligible child may attend a public school in the district he/she resides or in any other district.

**The Milwaukee School Choice Program: Lessons for Texas**

by John Pisciotta, Ph.D., March 1995

This study presents research on the Milwaukee school choice program. The Milwaukee experience provides important lessons for initiatives in Texas, which like Milwaukee, seek to offer an opportunity for low-income families to choose private schools for their children to attend. This study provides strong support for school choice in Texas.

**Litigating Edgewood: Constitutional Standards and Application to Educational Choice**

by Allan E. Parker, Jr. and Michael D. Weiss, November 1991

A law review article that outlines the legal arguments in favor of educational choice as a remedy to Texas' school funding problem.

**Educational Choice: Answers to the Most Frequently Asked Questions**

by Dr. John Chubb, January 1990

**TEACHERS**

**Teacher Attitudes in Texas Public and Private Schools**

by John Pisciotta, Ph.D. Associate Professor, Department of Economics,  
Hankamer School of Business, Baylor University, December 2000

**Teacher Compensation: Emerging Trends for Texas**

by John C. Bowman, July 2000

**Teacher Satisfaction in Private & Public Schools**

By John Pisciotta, Ph.D., Fall 1997

Examines three possible policy approaches for dealing with teacher dissatisfaction or the "revolving door" of education.

## **SCHOOL FINANCE**

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by Dr. Joseph M. Horn, Professor of Psychology, University of Texas at Austin, February 1999

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by Linda L. Schlueter

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### **The Parent's Handbook for Successful Schools**

by Chris Patterson, January 1998

A handbook designed to assist parents in asking the right questions to determine what is going on in their schools, to identify the goals that must be set to improve education, and to help them make informed decisions about public education. Also available in Spanish.

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