

CHILDREN'S EDUCATIONAL OPPORTUNITY FOUNDATION
SAN ANTONIO, TEXAS

CHOICE, CHANGE & PROGRESS

SCHOOL CHOICE AND
THE HISPANIC EDUCATION CRISIS

by
Jennifer O. Aguirre, M.A.
and
Matthew Ladner, Ph.D.

Choice, Change, & Progress

SCHOOL CHOICE AND THE HISPANIC EDUCATION CRISIS

CONTENTS

Contents	2
About the Authors.....	3
Introduction	4
Edgewood Public School Students	6
HORIZON Choice Students	9
Systemic Effects	14
Conclusion.....	18

ABOUT THE AUTHORS

Jennifer Omelas Aguirre is a *Teach for America* instructor in Baltimore City. She has worked for both public and private schools and currently is researching the effects of school choice and private vouchers in an inner city San Antonio school district. Aguirre earned her B.A. at the University of the Incarnate Word in San Antonio, TX and her M.A. in English Literature from the University of Texas at San Antonio.

Dr. Matthew Ladner serves as Children First America's Vice President of Policy and Communications. Ladner has authored a number of studies on school choice, charter schools and special education reform, and has written columns about education reform in papers around the nation. Before joining the staff of Children First America, he worked as an independent policy researcher and as a Senior Education Analyst in the Office of the Texas Comptroller.

INTRODUCTION

HISPANICS FACE SERIOUS CHALLENGES IN THE PUBLIC SCHOOL SYSTEM. High dropout rates, low college participation rates and yawning gaps in academic achievement continue to afflict Latino students. These problems, while most visible in the high-school years, reflect a systematic failure on the part of many public schools to educate Hispanic children.

One example of this failure is reflected in the test results from the United States Department of Education from the year 2002. Those results revealed that 55% of Hispanic 4th graders in public school failed to demonstrate even a basic level of reading comprehension.¹ In other words, Hispanic America's high school Class of 2010 has already been set up for failure. High dropout rate and low university participation continue to characterize the ultimate results for many Hispanic students.

Everyone should agree that this is appalling, but opinions vary widely about what to do about it. Supporters of school choice believe that a fundamental reform of the public education system must include recognizing a parent's right to choose between competing public and private schools. Choice advocates argue that only with competition will we see substantial improvement in student test scores. Opponents of choice, however, view school choice as a dangerous siren song, and a threat to public education.

One school choice program, the HORIZON Program in San Antonio Texas, has the potential to provide answers to rival claims about school choice - especially as it pertains to the education of Hispanic children. Starting with the 1998-99 school year, the Children's Educational Opportunity Foundation began a ten-year, \$50 million school choice program known as HORIZON. The program offered privately financed school vouchers to every child in the Edgewood Independent School District. Edgewood's students were overwhelmingly low-income, and almost entirely Hispanic. More than 97% of the Edgewood student population is Hispanic. This means that these students represent the best example in the country of how school choice impacts Hispanic children, both those choosing to transfer and those choosing to remain in the public setting.

The evidence regarding HORIZON's impact on the academic performance of Edgewood children is therefore exceedingly important to state legislatures as well as the national debate of school choice as public policy. If choice demonstrates a significant ability to improve the education of Hispanic children, it should be pursued vigorously. If it does not, we must not hesitate to look elsewhere for reforms that will deliver.

¹ Data are from the United States Department of Education's National Assessment of Educational Progress reports, available at www.nces.ed.gov/nationsreportcard/.

Policy makers must assess two broad questions when evaluating any school choice program. First, what is the effect of the program on public school students who do not choose to transfer? Second, how do children who do transfer progress academically?

School choice skeptics express concern about children “left behind” by school choice, and conjure visions of the poorest of the poor stuck in schools that no longer have enough money to educate them properly. Opponents of school choice also assert that choice programs will drain public schools of badly needed funds, perhaps even leading to the “destruction of public education.”

Supporters of school choice believe that competition for students will create powerful incentives for all schools – both public and private – to improve. Choice proponents believe that the fundamental crisis facing public education is a crisis of collapsing productivity: billions of additional dollars have failed to result in educational improvement. The key to education reform, in their minds, is to give schools powerful incentives to improve by increasing the power of parents – especially low-income parents – to choose the best school for their child.

If the fears of opponents have any basis in reality, we should find evidence of choice causing negative outcomes in the Edgewood Independent School District (EISD) in San Antonio. The HORIZON Program has provided the option of a school voucher to the entire student population of the Edgewood district starting in 1998, providing an empirical test of both positive and negative theories of the effect of choice on public school students. Likewise, if school choice programs do have the merits claimed by proponents, the evidence should be found in both the transferring HORIZON students and in the scores of the children “left behind.”

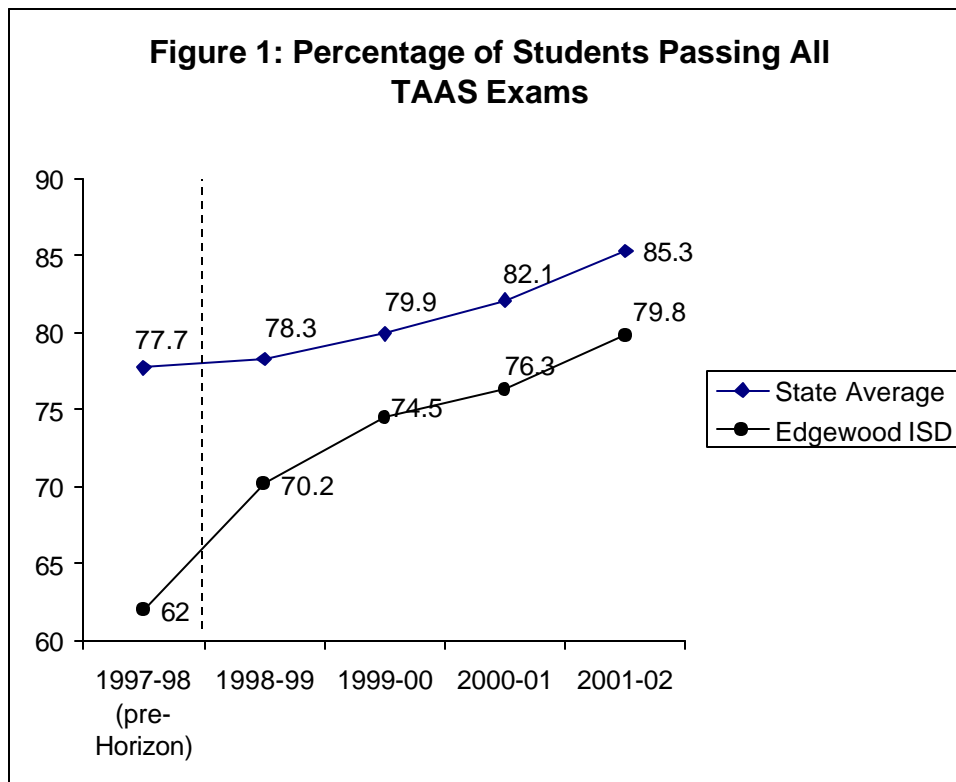
This report examines data to address three broad questions:

- First, what academic progress did students transferring out of the Edgewood district make?
- Second, what were the apparent academic effects of the program for students choosing to remain in the Edgewood public schools?
- Third, what were the systemic effects on the Edgewood Independent School District resulting from the HORIZON program?

EDGEWOOD PUBLIC SCHOOL STUDENTS

Marked Academic Improvement

The Texas accountability system requires school districts to test their students in academic subjects in order to make information available to parents and to have school performance ranked by the Texas Education Agency. Schools test their students on reading, writing and mathematics. Using the performance of Edgewood's students in the year before the advent of the HORIZON program (1997-1998) as a baseline, we can track the performance of Edgewood students over time. In addition, we can compare this performance to the average progress made by Texas districts during this period on these exams. Figure 1 below tracks the percentage of Edgewood students passing the Texas Assessment of Academic Skills (TAAS) exam on the respective subjects of math, reading and writing, and the same trend for all Texas districts during the same period.²



Before the establishment of HORIZON, the Edgewood student-passing rate for all TAAS tests was 15.7 points below the state average. By the end of the second HORIZON year,

² Data are from the Texas Education Agency's [Academic Excellence Indicator System \(AEIS\) Reports](#).

Edgewood students had increased their overall passing rate by 12.5 points (an increase of 20.2%). This gain closed the gap as compared to the state average from a deficit of 15.7 points to 5.4 points.

Through the 2001-2002 academic year, Edgewood demonstrated a passing rate increase 2.3 times the amount of the overall state increase (an Edgewood passing rate increase of 17.8 points as compared to an increase of 7.6% points statewide on all test sections – see Figure 1 above). Edgewood ISD students had demonstrated 2.86 times as much progress in getting students to pass the Reading TAAS than the Texas average. Edgewood students demonstrated 7.2 times the amount of the overall state increase in writing scores (an Edgewood increase of 9.4 points as compared to an increase of 1.3 points statewide in writing). Edgewood students made the least amount of progress on the mathematics portion of the TAAS, but still had a passing rate gain 4% higher than the amount of the overall state increase in math scores.

Table 1 Analysis of Edgewood ISD TAAS Scores in Reading, Writing and Math Passing Rates			
	Reading	Writing	Math
Baseline Performance 1997-1998 (pre-HORIZON)	75.1	76.7	73.3
Percentage Passing: 1998-1999	79.8	82.5	80.6
Gain from Baseline Year 1	4.7	5.8	7.3
Percentage Passing: 1999-2000	83.5	83.6	85.1
Gain from Baseline Year 2	8.4	6.9	11.8
Percentage Passing: 2000-2001	86.0	79.5	86.9
Gain from Baseline Year 3	10.9	2.8	13.6
Percentage Passing: 2001-2002	87.4	86.1	88.9
Gain from Baseline Year 4	12.3	9.4	15.6

The Manhattan Institute's Dr. Jay Greene and Dr. Greg Forster conducted a study of Edgewood's school choice program, finding evidence that the choice program improved Edgewood ISD achievement. Controlling for student demographics and school resources, Greene found that Edgewood's improvement in scores on the statewide Texas Assessment of Academic Skills test from 1998 to 2001 outperformed 85 percent of all Texas school districts.³

Overall, the test scores from the Edgewood Independent School District support the assertions of school choice supporters. Certainly, the evidence does not confirm the contention of choice skeptics' theory about choice damaging the academic careers of students remaining in the public system.

Of the three subjects evaluated in this paper (public school scores, private school scores, school district impact) this impact on the students "left behind" represents the most critical evaluation. Experience indicates that the large majority of parents, when given choices in schooling, choose to remain in the public school setting. This national experience is reconfirmed by the HORIZON program where, when every student was offered the same opportunity to move, over 93% of the students still remained in their public school after three years. Negative academic consequences for public school students would therefore likely make it impossible to proceed with school choice experiments. Obviously, however, this has not been the case at all in Edgewood.

³ Greene, Jay P. and Greg Forster. 2002. "Rising to the Challenge: The Effect of School Choice on Public Schools in Milwaukee and San Antonio." Available on the Internet at www.miedresearchoffice.org.

HORIZON CHOICE STUDENTS

ACADEMIC GAINS

Do students who chose to utilize school choice programs show academic gains? This was one of many questions in 1998, when the Children's Educational Opportunity Foundation established the HORIZON voucher program. Five years later, statistics show that the students who choose to take advantage of the vouchers are in fact making steady academic gains. By tracking individual student progress on the *Stanford Achievement Test*, those students in the program in the 2002-2003 academic year show a cumulative rise in test scores.

This section illustrates the progress made by those students who entered the HORIZON program in its first year, 1998-1999, and in subsequent years through 2002-2003. The *Stanford Achievement Test Series* measures student achievement in reading, language, math, science, and social science. The exam assesses students from kindergarten through eighth grade with frequent updates to reflect development in curriculum. Students in grade kindergarten through the first half of first grade take the *Stanford Early School Achievement Test*. Students in the second half of first grade through the end of eighth grade are administered the *Stanford Achievement Test*.

The *Stanford* exam offers both a full-battery and an abbreviated battery test. Educators may also chose the assessment format of the exam, selecting from multiple-choice items, open-ended questions (where it is possible for a student to receive full to partial credit), writing prompt, or all three.

HORIZON students take the *Stanford* twice a year, once in the fall and again in the spring. The schools administer the abbreviated battery in the fall and the complete full-battery test in the spring. Unlike the state mandated Texas Assessment of Academic Skills for public schools, which was essentially an academic minimal skills test tied to the State's curriculum, the Stanford Exams are nationally norm-referenced exams.

Because the HORIZON program provided a voucher to all applicants who had applied, there was no opportunity to create a control group, as has been the case in previous school choice studies.⁴ As was the case with these other programs, HORIZON made vouchers available to a particular student group: low-income children in an urban public school setting. Table 2 below presents a summary of the results of the academic gains made by students in school choice programs in which it was possible to utilize a control group design.

Table 2 Test Score Evaluations of Choice Programs: Control Group Studies
Milwaukee- Greene, Peterson, Du 1999
6 National Curve Equivalent (NCE) point benefit in reading and 11 NCE point benefit in math after 4 years.
Milwaukee- Rouse, 1998
1.5 to 2.3 NCE point gain in math per year in the choice program.
Dayton- Howell and Peterson, 2000
African-American students gained 7 National Percentile Rank (NPR) points in math after one year.
New York-Peterson, Myers, Howell 1998
Choice students in grades 2 through 5 benefited by about 2 NPR points in math and reading. Students in grades 4 and 5 gained 4 points in reading and 6 points in math after one year.
Washington D.C.- Wolf, Howell and Peterson 2000
African-American students in grades 2 through 5 gained 7 NPR points in reading, but students in grades 6 through 8 lost 8 NPR points in math after one year.
Charlotte- Greene 2000
Receiving a scholarship to attend private school improves scores on standardized math tests by between 5.9 and 6.2 NPR points, and between 5.4 and 7.7 NPR points on standardized reading depending on the type of analysis performed.

Source: Greene (2000a) "A Survey of Voucher Results: Where We Are and What We Know" and Greene (2000b) "The Effect of School Choice: An Evaluation of the Charlotte Children's Scholarship Fund Program."

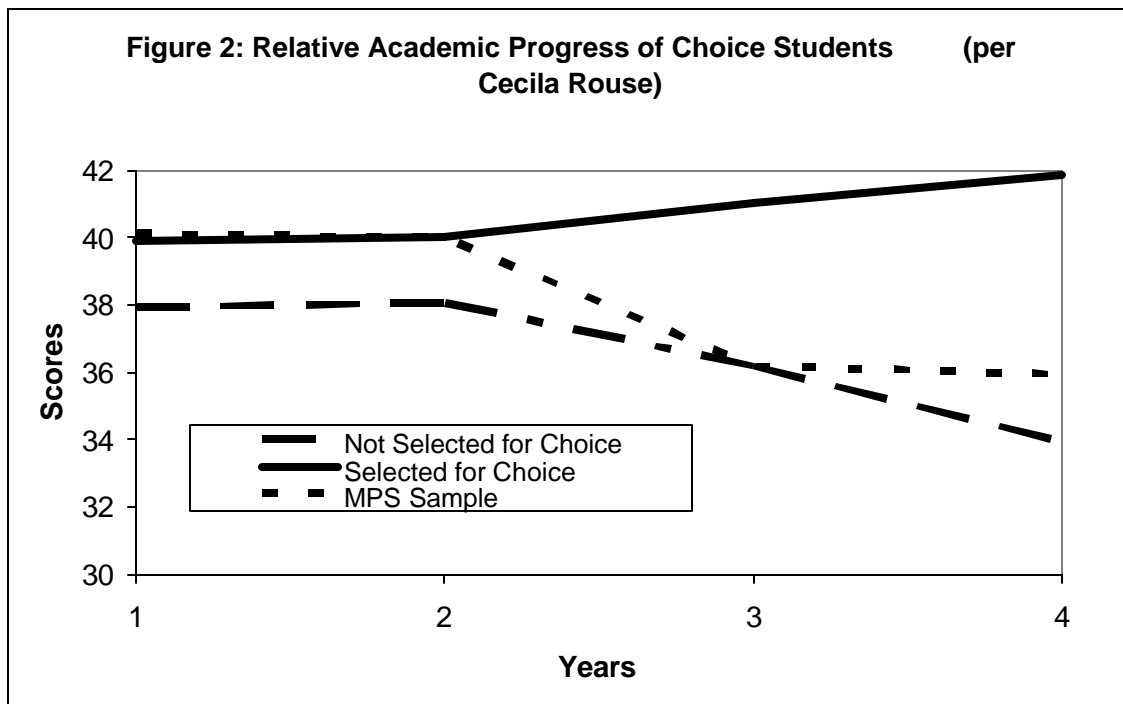
What is particularly note worthy about these studies is that they illustrate that the average academic progress of low-income students on national tests such as the Stanford exam declined over time.⁵ Tragically, many of the children in this situation fail to master basics in the early grades and fall further and further behind grade level with each passing year. The

⁴ Researchers can utilize a control group design when a random process divides test subjects into a treatment group and a control group. In a school choice setting, this requires voucher recipients (treatment group) to be randomly selected by lottery, with the lottery losers becoming the control group.

⁵ See John F. Witte, "The Milwaukee Voucher Experiment," *Educational Evaluation and Policy Analysis*, Vol. 20, No. 4, Winter, 1999, pp. 236-7.

progress among voucher recipients come about mostly as the result of staying near grade level, while the nearly identical group of students who did not receive a voucher progressively fall further and further behind. In short, the differences between voucher students and urban public school students come both from gains by the voucher students but also because of declines in scores among comparable students in the public schools.

This phenomenon is illustrated in Figure 2, which presents data from the Cecilia Rouse study of the effects of the Milwaukee voucher program.⁶ The data shows the academic progress on standardized math exams for three groups of Milwaukee students- choice students (voucher recipients), students who applied for but did not receive a voucher (control group), and a random sample of Milwaukee Public School Students. Note that the average scores for both the control group and the random sample decline while those for the choice group increases.



⁶ Rouse, Cecilia. 1998. "Private School Vouchers and Student Achievement: An Evaluation of the Milwaukee Parental Choice Program," *Quarterly Journal of Economics*.

The average annual gains in each of the academic testing areas: Reading, Mathematics, Language, Science, Social Science and Environment are presented in Table 3. Fall and spring test scores were tracked separately, and the longest testing period possible for each individual student was allowed. For example, a student entering the program in the Fall of 1998 would have their reading scores calculated from the Fall of 1998 to the Fall of 2002 (the most recent data available). Similarly, scores on spring exams have been compared to scores on subsequent spring exams. Finally, the average scores of each cohort were averaged and weighted according to size for each academic subject. The figures presented below measure the academic progress only for those students continuously enrolled in the program (i.e., students first tested in the Fall of 1998 have their scores compared to their scores in the Fall of 2002, etc.).

Students who chose to enter and remain in the HORIZON program demonstrated substantial academic gains in all tested subject areas other than Science. The annual gains in Reading, Language and Mathematics are especially encouraging.

Table 3 HORIZON Student Stanford 9 Scores, 1998-2002		
Academic Subject	Average Annual Score Gain	Dates Tested
Reading	5.29	F98, S99, F99, S00, F00, S01, F01, S02, F02
Mathematics	7.00	F98, S99, F99, S00, F00, S01, F01, S02, F02
Language	4.99	F98, F99, S00, F00, S01, F01, S02, F02
Science	-3.62	S99, S00, S01, S02
Environment	15.44	F98, F99, S00, F00, S01, F01, S02, F02
Social Science	.74	F99, F00, S00, S01, S02

Of the students who have enrolled in the HORIZON program, a number have withdrawn for a variety of reasons. Low-income families tend to be mobile, necessitating frequent school transfers as they change cities, jobs, and/or residences. Figure 3 therefore presents trends in testing for all HORIZON students who have been tested: both those who remained in the program and those who left for whatever reason.

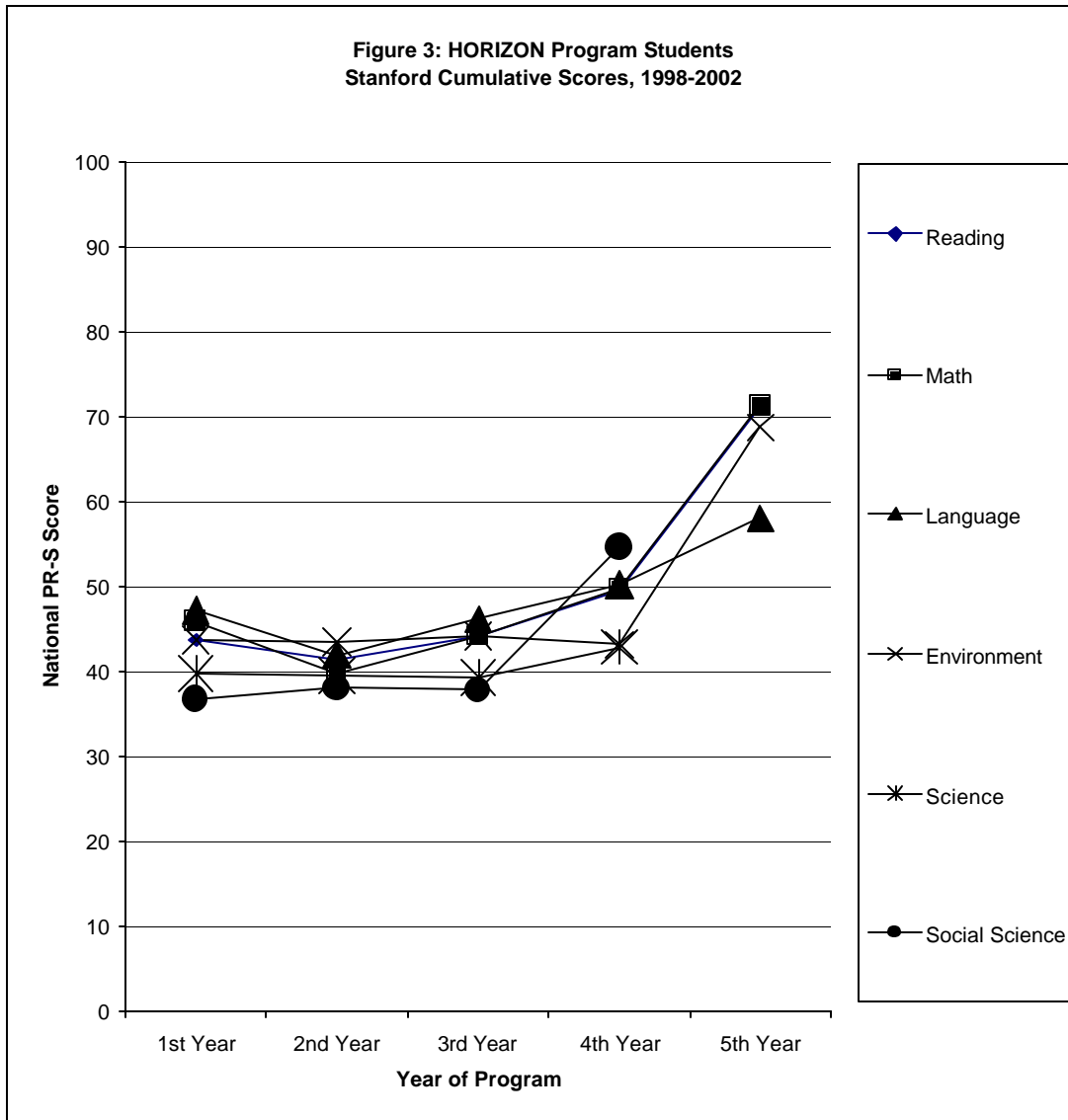


Figure 3 demonstrates steady academic progress for students in the HORIZON program, accelerating in fourth and fifth years. This progress by HORIZON students, low-income students in urban setting, makes for a stark contrast with the declining scores of low-income students in public schools on tests such as the Stanford 9. The available evidence therefore supports the theory that students choosing to transfer under school choice programs make significant academic gains.

SYSTEMIC EFFECTS

HORIZON's Impact on Edgewood ISD

The impact upon the district, or more precisely, upon the people employed within the district, should rank a distant third among the three subjects discussed here. As a political matter, however, it ranks very high in policy discussions of school choice. Teacher and public school administrators have organized themselves into politically active groups strongly opposed to school choice legislation. The rhetoric employed by these groups alludes to the “draining of funds” from public schools, and even the “destruction of public schools.” Such groups have far greater political muscle than those advocating choice programs - but do their claims have merit?

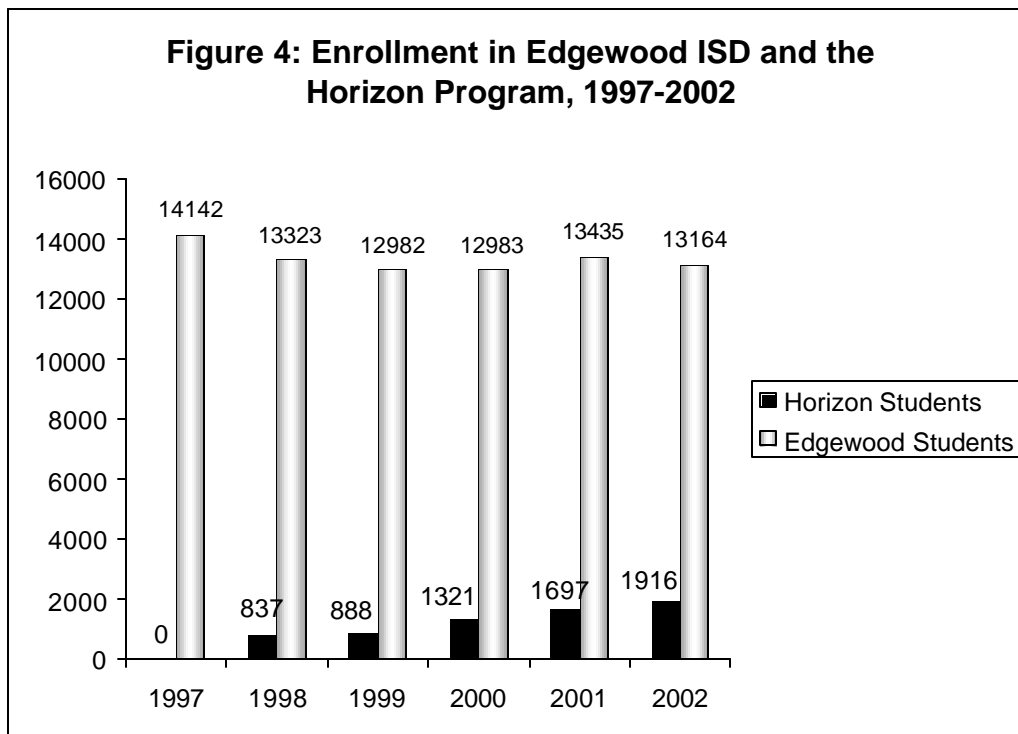
“How can the elimination of public money from public schools be good for student achievement?” asked Edgewood ISD Superintendent Luis Gonzalez at a rally this year. Superintendent Gonzalez had in fact traveled to the Texas Capitol in order to oppose school choice legislation then under consideration by the Texas Legislature.⁷ Superintendent Gonzalez was not the first Edgewood Superintendent to decry the HORIZON Program. For instance, the Dallas Morning News ran the following quote from former Edgewood Superintendent Noe Saucedo: “We estimate the CEO program has cost the district \$5 million over the past few years...with that kind of decrease, we can't attract and retain quality staff.”⁸

School choice supporters, on the other hand, believe that districts will use resources more effectively in a choice environment, and that public school teacher pay would rise with an increase in competition for their services coming from private schools. An examination of what has occurred to the finances of the Edgewood district under a full choice program therefore seems entirely warranted. Choice supporters note that while Edgewood receives fewer funds than it otherwise would, it also has fewer students to educate, and loses none of the local funding despite enrollment fluctuations.

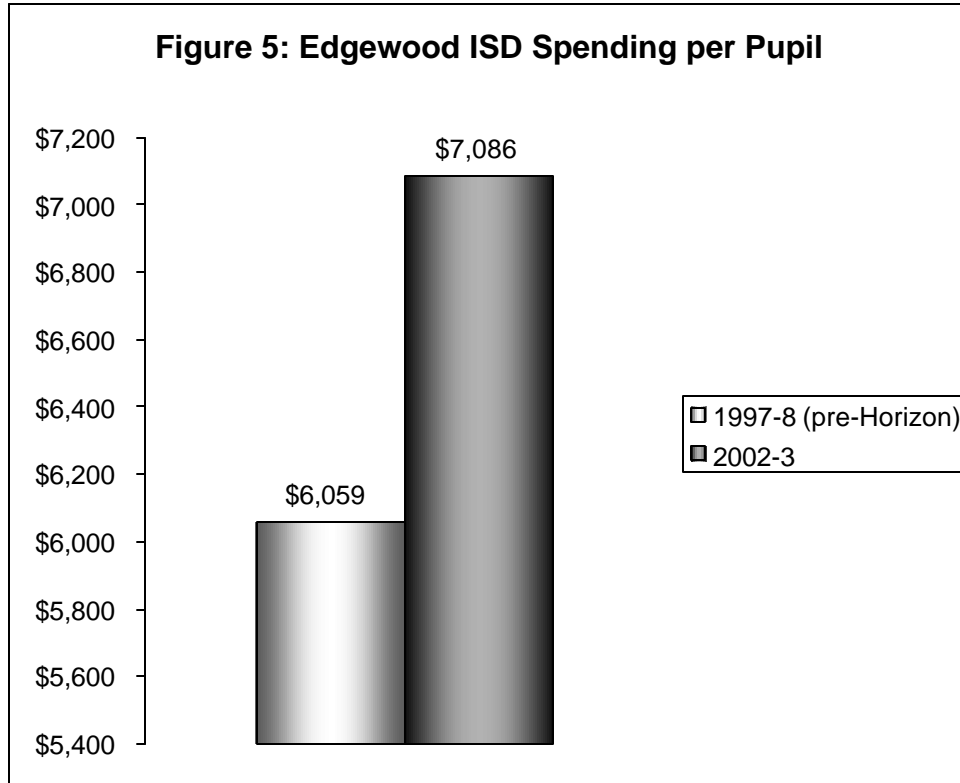
⁷ “Saying No School Vouchers” appeared in the February 20, 2003 edition of the *Fort Worth Star Telegram*.

⁸ McLemore, David. 2000. “Voucher Program Debated: Educators, sponsors disagree on success.” Article in the September 18, 2000 edition of the *Dallas Morning News*.

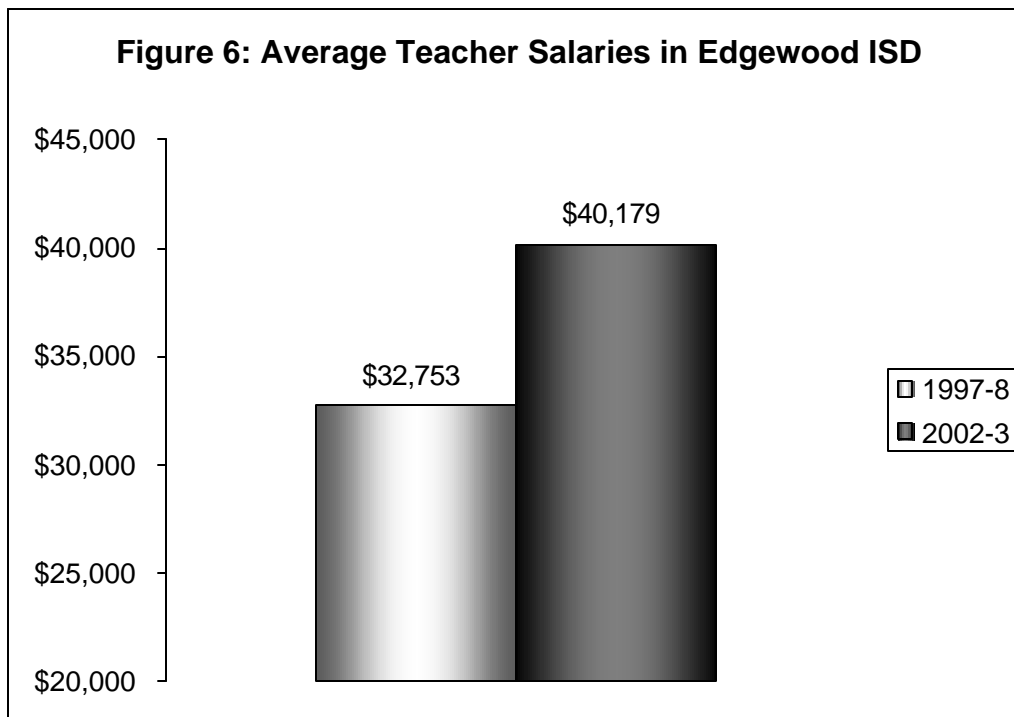
Enrollment in EISD declined from 14,142 students during the 1997-1998 school year to 13,164 students in the 2000-2001 school year (a decrease over the three-year period of 7%). Several factors affected EISD enrollment during this period other than the HORIZON program, including the relocation of a public housing project out of the district (costing the district 500 students), students otherwise moving into and out of the district, dropout rates, etc. In addition, after the commencement of the HORIZON program, Edgewood announced that it would be the first district in Texas to accept transfers under a public school choice law, which had a positive impact on Edgewood enrollment. Figure 4 presents enrollment for both the Edgewood ISD and the HORIZON.



Did the finances of Edgewood ISD suffer because of the HORIZON program? Data from the Texas Education Agency indicate that they did not. Spending per pupil increased from \$6,059 in 1997-1998 (before HORIZON) to \$7,086 in 2002-2003: an increase of more than \$1,000 (Figure 5).



Despite the claim by the former Superintendent Saucedo that Edgewood had been financially harmed to the point of being unable to attract and retain quality staff, average annual teacher salaries in EISD have increased more than \$7,000 per teacher since the advent of the HORIZON program an increase of over 23% (see Figure 6). The average teacher salary not only increased during this period, but also moved from being below the state average to above the state average. The overall Edgewood budget increased as well. A total district expenditure of \$85,695,522 in 1997-1998 increased to \$90,878,003 in the 2001-2002 school year. This increased budget came despite a total enrollment decline of 707 students.⁹



⁹ All figures from the Texas Education Agency website, <http://www.tea.state.tx.us/data.html>.

CONCLUSION

The evidence clearly shows that, within this choice environment, Edgewood ISD students have improved their standardized test scores, the district has a higher total and per-pupil budget, and Edgewood teacher salaries have increased substantially. Edgewood students have made substantial progress in closing the gap with the rest of the state, and hundreds of children have made substantial academic progress in private schools of their parent's choice. The most two important tests of choice - what it does for children - support the creation of greater choice in education.

Predictions of decline for the district cannot survive even a cursory examination of the data. There is no evidence of a "spiral of decline" in the academic performance of either Edgewood's public or private school students - quite the opposite. The academic gains accruing to children from choice would be worth a great deal of upheaval in the public school setting, but the Edgewood experience reveals even these fears to be greatly exaggerated and misplaced. While further adjustments and challenges surely lie ahead for the district, the district seems to be in the early stages of a renaissance, rather than sliding down a slippery slope to destruction. This is to Edgewood's credit.

More broadly, HORIZON has demonstrated an ability to improve educational outcomes for economically disadvantaged Hispanic students- both in public and private school settings. Scores of education trends and fads has failed to accomplish a substantial improvement in the quality of Hispanic education, and the time has come to embrace bold reform. Hispanic children, and indeed all children, deserve the highest quality educational system possible. As this and other research proves, school choice can and does help improve educational outcomes for choosers and non-choosers alike.