

Texas Public Policy

F O U N D A T I O N

Testimony given to the Senate Committee on Education
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Thank you, Senator Shapiro, for inviting me to give testimony today. I am the Education Policy Analyst at the Texas Public Policy Foundation, a non-profit, non-partisan research institute guided by the core principles of limited government, free markets, private property rights, individual liberty and personal responsibility.

Today, I look forward to giving you some brief background information regarding school choice in Texas, and most importantly, sharing some research conclusions about the effects of school choice in Texas. School choice exists in many forms in Texas, including private schools, home schools, charters, scholarship programs, Public Education Grants (or PEGs), and public school choice. Today, I will primarily focus on charters and vouchers, as they have received the most research attention. In doing so, I will consider the academic effects for both “choosers” and “non-choosers”.

I. Charters

A. Background: The first open-enrollment charters—17 of them--were awarded by the State Board of Education in 1996, and opened in 1997. As of the 2003-04 school year, there were 190 charters encompassing 274 charter campuses.

Unfortunately, the legislation that enabled charters has also limited their ability to create market-driven change. Specifically, charter schools face the following fundamental challenges:

- Charters are burdened by more regulations than traditional public schools.
- The law limits charter authorization to five years, which makes it exceedingly difficult for charter schools to raise capital.
- The law requires that charters be non-profits, which has necessitated contractual relationships that held no one ultimately accountable.
- The law capped the number of charters, keeping true competition from ever having a chance to flourish, and preventing the removal of poor performers through market forces.

B. Results: Despite these challenges, many charters in Texas have succeeded at producing improved academic results for both choosers and non-choosers—and have done so while spending less per student than the average Texas public school.

- Research commissioned by the TEA found that overall TAKS performance, SAT/ACT participation, and graduation rates are lower for charter schools when compared to similar public schools. However, when looking at student-level data, the same report found that charter students exhibited TAKS reading and mathematics gains when enrolled in charters for two consecutive years. And students who enrolled for four years or more actually scored higher on an absolute basis than comparison students who did not.
- In 2005, TPPF commissioned a study by Drs. Timothy Gronberg and Dennis Jansen using student-level data. This study confirmed that overall TAKS performance is lower in charter schools, but this is no surprise, given that charter schools educate a larger percentage of at-risk students, who by definition have failed at least two consecutive annual assessments. But when looking at student-level gains, rather than absolute test scores, the study found that on average, charter students are doing better than if they had remained in their traditional public school. More importantly, students in traditional public schools facing charter competition perform better than do students in schools that do not face charter competition.

II. Vouchers

A. Background: The first system of public schools created in Texas by the 1876 Constitution allowed parents to redeem government education dollars at a school operated by a municipal government or at any school chosen by the parents. For a time, Texans had a hybrid of government operated and private schools delivering public education.

In 1995, the Public Education Grant program became the only statewide school choice program in Texas. PEGs allow students in failing schools to transfer to another public school. However, the program has two significant shortfalls: It allows the state (rather than students/parents) to decide when a public school has failed its students, and it does not require public schools to accept students who wish to transfer, thus undermining the power of the program. In 2002-03, 150,000 students were eligible to transfer, but only 107 did so.

Although there are no publicly-funded private school vouchers in Texas, there is a privately funded voucher program in San Antonio. The Horizon scholarship program (which Robert Aguirre will describe in more detail) provides scholarships to Edgewood ISD students so that they may attend alternative public or private schools. (As background information, it is helpful to know that Edgewood ISD is about 95% economically disadvantaged, and more than 20% LEP.) HORIZON is the only true voucher program in Texas from which we can glean research.

B. Results: The Horizon program is different from other voucher programs throughout the country, in that it provides vouchers to ALL students who want them, so there has historically been no waiting list. While this is certainly good news for the students who want vouchers, it limits research capabilities. For example, other voucher programs have had greater demand than supply, so the performance of two similar groups could be compared: those who wanted vouchers and got them, versus those who wanted vouchers

but were denied them through a random lottery system. Such a research design is impossible in the HORIZON program.

Given that caveat, there are still promising research conclusions from the Horizon program:

- The HORIZON program appeared to have an immediate, positive effect on the academic achievement of Edgewood ISD: The first year of HORIZON was also the first year that Edgewood ISD outperformed the state average on the TAAS for economically disadvantaged students. Edgewood continued outperforming the state for every TAAS year after that.
- Research by the CEO Foundation shows that HORIZON students make significant academic gains on the Stanford 9 and 10, especially those who remain in the program for more than three years.
- An independent study by Harvard and Mathematica Policy Research found no evidence of cream-skimming; HORIZON students tested slightly higher than Edgewood students in reading, but came from strikingly similar family backgrounds. And 61% of HORIZON parents reported being very satisfied with the academic quality of their child's school, versus 35% of Edgewood parents.
- Research by Jay Greene shows that in the years following the implementation of the HORIZON program, Edgewood ISD did as well as or better than 85% of Texas school districts after controlling for demographics and local resources. While HORIZON cannot be isolated as the only cause for this performance, Dr. Greene attempted to control for other changing variables, and it is likely that school choice had a significant effect.
- Expenditures in Edgewood ISD have increased by more than \$1000 per student over the course of the HORIZON program. (a six-year period)

Overall, the existing research shows positive academic effects of HORIZON on both HORIZON participants and Edgewood ISD students. Further, HORIZON does not appear to have harmed Edgewood ISD financially.

Conclusion

School choice in Texas—in the form of charters and vouchers—has demonstrated positive effects both for students who avail themselves of the choice, and for students who remain in public schools. Introducing vouchers as a supplement to government-operated schools would allow public education to meet the needs of all Texas children.