

How Did School Choice Fare in the 2007 Session?

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RECOMMENDATIONS

Looking forward to 2009, here are some recommendations to help foster competition in Texas schools:

- Introduce competitive forces similar to vouchers via public school choice options.
- Maximize the effects of competition by including private schools in any school choice program and allow options such as corporate and individual tax credits as well as traditional vouchers.
- Focus charter school reform on deregulation and lifting the cap rather than arbitrary measures of "quality" based on TAKS scores.
- Provide innovative options such as part-time enrollment and expanded virtual classrooms to give students more choices in participating in public education.

With school finance being at least temporarily "solved" during the 2006 special session, legislators from both sides of the aisle held high hopes for education reform in 2007. More than 500 bills were filed and referred to the House and Senate education committees. Big-government advocates pushed for new programs accompanied by more money, while others tried to introduce market-based incentives into education by rewarding effective teachers and giving parents a more active role in their child's education.

Among the education bills filed, school choice was a common theme. Whether expressed through vouchers, charter schools, or public school transfers, several Republicans and Democrats joined in supporting the increased ability of parents to choose an appropriate educational setting for their children. The following is a brief summary of the various school choice bills and how they fared during the recent session.

PUBLIC SCHOOL CHOICE

Since 1995, Texas has had limited public school choice through the Public Education Grant (PEG) program. PEGs allow students to transfer from low-performing public schools to other public schools within or outside of their home district. However, PEGs are largely unutilized, with fewer than 200 of the 600,000 eligible students accessing them last school year. One reason for this underutilization is that school districts are not required to accept transfers.

Representative Ken Paxton tried to remedy this problem with House Bill 3868, which would have required school districts to accept PEG transfers if they have available capacity. Although it was voted unanimously out of committee, it was never placed on the crowded House calendar.

Another PEG bill would have had the opposite effect by decreasing public school choice. Representative Diane Patrick filed the well-intentioned House Bill 2113, which would have decreased the number of years a school's students are eligible for PEG transfers after that school improves from academically unacceptable to acceptable. In doing so, the bill would have drastically reduced the number of PEG-eligible students each year. The bill was voted unanimously out of committee, but was ultimately withdrawn by the author on the House floor. So the status quo held for public school choice this session.

Public school transfers are a promising form of school choice. They introduce market-based incentives into the public school monopoly, similar to vouchers but on a smaller scale. Several teachers' groups and even superintendents have publicly voiced their support for public school choice. PEG reform should be a primary focus of education reformers during the 81st session.

VOUCHERS

Voucher programs around the nation have demonstrated exceptional benefits for certain groups, including low-income and special education students. These benefits extend both to students who use the vouchers to attend private schools, as well as to students who choose to remain in their neighborhood public schools. In Milwaukee, for instance, the public school dropout rate has been cut in half since a voucher program began there in 1991.¹

For years, Texas lawmakers have sponsored bills designed to give low-income parents the same opportunity to choose their child's school as higher-income parents have always had. Unfortunately, these efforts have consistently fallen short, sometimes by only a handful of votes.

This session, the following bills would have provided vouchers to various groups of students:

- **House Bill 18:** Urban low-income students who have failed the TAKS, or whose schools are low-performing
- **House Bill 19:** Special education students
- **House Bill 3867:** Foster children
- **Senate Bill 1000:** Students with autism
- **Senate Bill 1506:** Low- to middle-income students in urban districts
- **Senate Bill 1513:** Dropouts and students at-risk of dropping out

While these six voucher bills were filed by Republican and Democrat legislators, only Senate Bill 1000 was voted out of committee. It never made it to the Senate floor. Primary objections to voucher programs remained the same as in previous sessions, with opponents claiming that vouchers would take money from public education, subject private schools to government regulation, and harm students who choose to remain in the public schools. Even though each of these arguments has been thoroughly addressed and countered by academic researchers and policy experts,² the public school lobby successfully defended the status quo.

CHARTER SCHOOLS

Only one charter school bill was filed during the 2007 session, but it was a substantial one. Senate Bill 4 by Sen. Shapiro, named the “Charter Champions Act,” was marketed as a way to reward excellent charter schools while closing bad ones. But the bill’s definition of “bad” was worrisome, especially to those charters serving the most disadvantaged student populations.

The legislation as filed would have automatically shut down any charter school in which fewer than 25 percent of students passed both the reading and math portions of the Texas Assessment of Knowledge and Skills (TAKS). While this may seem like a low threshold for college preparatory charter schools such as KIPP Academy and YES College Preparatory, many other charter schools operate as dropout recovery centers or target such groups as teenage parents and even the homeless. These students may enter the charter school several grade levels behind, and it is unreasonable to expect the school to bring them up to grade level in a period

of months. For this reason, charter school performance—and ideally all public school performance—should be measured in terms of student improvement from each year to the next.

Senate Bill 4 would have also placed additional regulations on charters, contrary to the original design of charters to be free of much of the bureaucracy and regulation governing traditional public schools. Charter schools already face undue regulations, and Senate Bill 4 would have continued that unproductive trend.

Senate Bill 4 failed to pass the House in the last days of session due to a crowded calendar, and a last-minute attempt to amend it onto another bill was unsuccessful. In future sessions, charter school reform should focus on deregulating charter schools rather than further regulating them. In addition, legislators should remove the cap on charters in order to bring an increasingly positive competitive influence on surrounding public schools.

RECOMMENDATIONS

Despite a wide array of school choice bills filed during the session, lawmakers failed to embrace competition as an innovative way to improve education for all students. Looking forward to 2009, here are some recommendations to help foster competition in Texas schools:

- Public school choice introduces competitive forces similar to vouchers, and should therefore be a primary focus of education reformers.
- Ultimately, in order to maximize the effects of competition, private schools should be included in any school choice program. However, options such as corporate and individual tax credits should be considered as well as traditional vouchers.
- Charter school reform must be centered on deregulation and lifting the cap that limits their expansion. The Legislature should allow the market to determine which charter schools shut down, rather than designating arbitrary measures of “quality” based on TAKS scores.
- Innovative options such as part-time enrollment and expanded virtual classrooms should be included to give more students choices in participating in public education. ★

¹“Milwaukee’s Public Schools in an Era of Choice,” *School Choice Wisconsin* (Feb. 2007).

² See “Why We Need School Choice” by Jamie Story, and “Should Texas Adopt a School Choice Program?” by John W. Diamond, both available at www.texaspolicy.com.