

SCHOOL CHOICE

THE ISSUE

In Texas, 86 percent of school-aged children attend public schools, giving the government a virtual monopoly over k-12 education. While entities operating in a free market have an incentive to meet the needs of their customers—or lose business and possibly face bankruptcy when their customers choose different providers—a monopoly does not face the same pressures since they have a captive customer base. In the world of education, parents and students are the customers. Students are typically assigned a government-run school by their zip code, leaving them little choice in which school they attend. Faced with a low-performing or secular school, a family's only alternatives are to move, homeschool, or send their child to a private school. The private school option is cost prohibitive for many parents as they have to pay for both private school tuition and taxes that fund public schools.

As rising property taxes—the primary form of financing public schools—continue to burden Texas homeowners, it is instructive to examine the cost of public education and the results. Over the past 10 years, per-student costs have almost doubled—growing from \$5,282 per student in 1995-96 to \$10,162 in 2006-07—with little to show for it in student achievement and thousands of students dropping out of school. Expensive reforms such as across-the-board teacher pay raises and class size reductions have done little to improve student learning. Since public schools do not have to compete with each other for students, it is no wonder they resist change and have failed to significantly improve. Competition, not more money, is the ultimate means to improve public education and can include vouchers to private schools, transfers within a public school district, education scholarships, magnet schools, virtual schools, and charter schools.

Competition among schools and education models leads to real improvement in education. By allowing students to move to different schools, whether they are traditional public schools, private schools, or charter schools, there is a greater incentive for schools to serve the individual needs of students and to operate efficiently. In a school choice program in Edgewood ISD in San Antonio, the academic performance of students who went to private school improved, as it did for the students who stayed in public school. In addition, the graduation rate at Edgewood ISD improved from 59 percent to 75 percent.

Charter schools are another form of school choice. Charters are public schools funded with tax dollars that have more freedom to innovate. They are held accountable for student academic performance just like traditional schools. Students and parents choose to attend a charter school. Charters do not have to hire certified teachers, are not subject to collective bargaining agreements, and have the freedom to try various teaching strategies, school structure, and hours of instruction to meet student needs. Texas charter schools serve a higher proportion of economically-disadvantaged and minority students than traditional public schools. Some charters are so popular with students and parents that they have long waiting lists and determine attendees by lottery. State law limits the number of open-enrollment charters to 215. The State Board of Education issued the remaining charters and hit the legislative cap at its meeting this past November.

There is growing consensus that students with special needs require individualized education services that not all traditional public schools are equipped to provide. As a result, momentum is growing around the country for better options for parents of special needs children. In 1999, the state of Florida passed scholarships to children with special needs that allow them to choose the school that best meets their educational needs, public or private. Research on the program has found “extraordinarily high parental satisfaction, reduction in student harassment, and

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improvement in academic performance.” Arizona, Georgia, Ohio, and Utah have followed Florida’s lead. Texas should do the same and provide more and better options to students with special needs.

THE FACTS

- ★ In San Antonio’s Edgewood ISD, a school choice program led to improved academic performance for both students at private schools and traditional public schools.
- ★ A Harwood Group study found that 80 percent of African-American families would choose private schools if tuition were not an issue.
- ★ The Urban Institute found that African-American students showed greater improvement with each year spent in a private school compared to their public school peers.
- ★ Texas charter schools serve students that are 80 percent minority and more than 60 percent economically-disadvantaged.
- ★ Over 110,000 Texas students attend a charter school, comprising approximately 2 percent of all public school students.
- ★ Nearly 17,000 students were on a waiting list to attend a Texas charter school during the 2007-08 school year.
- ★ Under the special needs scholarship program in Florida, parents are more satisfied (92.7 percent parental satisfaction in schools they chose versus 32.7 percent for the assigned public school) and students receive more needed services (86 percent of students received all the services they required versus 30.2 percent of students in traditional public schools) according to the Manhattan Institute.
- ★ According to the CATO Institute, implementing a public education tax credit could save Texas \$15.9 billion in the first 10 years of operation.

RECOMMENDATIONS

- ★ Move toward student-centered education funding and allow parents and students to choose which school they attend (public, charter, or private).
- ★ Create open-enrollment school district policies that allow students to pick which school in their district they want to attend.
- ★ Improve student transfer policies within school districts and with neighboring districts so that students are not trapped in low-performing schools.
- ★ Give students more options within their school district by creating more magnet schools with a specialized and rigorous curriculum.
- ★ Eliminate the cap on open-enrollment charter schools.
- ★ Help successful charter schools expand by lowering barriers to replication, such as a perpetual charter.
- ★ Remove burdensome and unnecessary regulations on charter schools.
- ★ Create scholarships for students with special needs to allow them to choose from a variety of education settings that can better meet their unique needs.

RESOURCES

- *The Horizon Program: A Model for Education Reform: A Report on the 10-Year Horizon School Choice Program in the Edgewood School District in San Antonio, Texas* by Robert Aguirre, Jessica Sanchez, and Brooke Dollens Terry, Texas Public Policy Foundation (Oct. 2008) <http://www.texaspolicy.com/pdf/2008-09-RR08-Horizon-vouchers.pdf>.
- *Calculating the Demand for Charter Schools* by Brooke Dollens Terry and Michael Alexander, Texas Public Policy Foundation (Aug. 2008) <http://www.texaspolicy.com/pdf/2008-08-PP14-charter-bt.pdf>.
- *School Choice Delivers High Marks for Students, Parents, Teachers, and Taxpayers* by Jamie Story and K. Emma Pickering, Texas Public Policy Foundation (Apr. 2008) <http://www.texaspolicy.com/pdf/2008-04-PP10-schoolchoice-js.pdf>.
- *Charter School Reform: Past, Present, and Future* by Jamie Story, Texas Public Policy Foundation (Sept. 2007) <http://www.texaspolicy.com/pdf/2007-09-PP22-charter-js.pdf>.
- *Should Texas Adopt a School Choice Program? An Evaluation of the Horizon Scholarship Program in San Antonio* by John W. Diamond, Texas Public Policy Foundation (Mar. 2007) <http://www.texaspolicy.com/pdf/2007-03-RR03-education-diamond.pdf>.
- *Vouchers for Special Education Students: An Evaluation of Florida’s McKay Scholarship Program* by Jay P. Greene, Ph.D. and Greg Forster, Ph.D., Manhattan Institute (June 2003) http://www.manhattan-institute.org/html/cr_38.htm.

