

Research Report

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Paying For Education *What Is The True Cost?*

by

Chris Patterson

Director of Research, Texas Public Policy Foundation



MILTON & ROSE D. FRIEDMAN
FOUNDATION

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TABLE OF CONTENTS

Executive Summary	3
Introduction	4
Facing The Challenge: Texas Public Schools	5
Decades Of Systemic Reform For Texas Schools	5
Elementary And Middle School Outcomes	6
High School Outcomes	11
Higher Education	18
Learning And Earning	19
Nation	19
Texas	20
Spending And Learning	22
Learning, Earning, Spending And School Choice	25
The New Face Of Public Education	30
Conclusion – Choosing Opportunity	33
About The Author	34
Endnotes	35

ABOUT THE TEXAS PUBLIC POLICY FOUNDATION

The Texas Public Policy Foundation is a 501(c)3 non-profit, non-partisan research institution guided by the core principles of limited government, free enterprise, private property rights and individual responsibility.

The Foundation's mission is to improve Texas by generating academically sound research and data on state issues, and by recommending the findings to opinion leaders, policymakers, the media and general public. The work of the Foundation is conducted by academics across Texas and the nation, and is funded by hundreds of individuals, foundations and corporations.

ABOUT THE MILTON AND ROSE D. FRIEDMAN FOUNDATION

The Milton and Rose D. Friedman Foundation is a non-profit organization established in 1996. The origin of the Foundation lies in the Friedman's long-standing concern about the serious deficiencies in America's elementary and secondary schools. The best way to improve the quality of education, they believe, is to enable all parents to have a truly free choice of the schools their children attend.

The Friedman Foundation works to build upon this vision and clarify its meaning to the public by conducting and disseminating research designed to improve the public debate and amplify the call for true educational reform through school choice.

Executive Summary

This report evaluates how Texas public schools are meeting the challenge of educating children today and considers the cost of public education outcomes on the lives of individual Texans, their communities, and the state economy. The evidence that many Texas public schools are failing the public trust is compelling. Despite decades of reform, a massive infusion of funds, aggressive efforts of policymakers and the commitment of educators:

- Academic performance is far below grade-level proficiency, although Texas elementary and middle school students generally keep pace with average national performance.
- For Texas high schools, performance and graduation rates remain at the bottom of the nation.
- Average proficiency of public school students is one to two years below grade level on national norm-referenced tests and similarly behind privately educated peers in Texas.
- Many graduates of Texas public schools are unprepared to succeed in skilled vocational training or college.
- Overall performance of students in Texas has not significantly improved over the past several decades.
- Race, ethnicity and income are still the determining factor in student outcomes in Texas public schools; the lives of African-American and Hispanic youth are blighted by the failure of Texas public schools to erase the achievement gap.

Today, the hopes of many parents and dreams of children are dashed in Texas public schools. The failure of schools to do their part in building a highly educated workforce has mounting consequences. Within the next two decades, Texans will experience lower standards of living, poorer health, higher crime, less community engagement and deteriorating social conditions.

The price of educational failure will continue to grow until Texans exchange the endless reform of public schools – reform that has failed to provide improvement in the overall quality of public education – for fundamental changes in how public education is delivered.

School finance reform offers an opportunity to fundamentally change the delivery of public education. Texans can offer all children educational quality and equity by focusing funding on students instead of schools, allowing parents to choose where children are educated, and holding schools accountable for final educational outcomes instead of incremental, compartmentalized improvements. Introducing school choice as a new form of delivering education offers Texans a proven means to improve government-operated schools and educational outcomes of individuals.

Student-centered funding that allows students to enroll in government- or privately-operated schools is the next step in the evolution of public education. Unlike other reforms cycled through Texas public schools, vouchers have proven effective in raising educational excellence and equity for students who use school choice and for students who choose to remain in government-operated schools at lower costs. Vouchers offer Texans a new form of public education, a hybrid of government schools and private schools that is very similar to the public free school system established by the 1876 Texas Constitution.

Texans can no longer afford to pay the price exacted by public schools today. The cost is paid in opportunity: personal dreams, economic growth, and quality of life. To create a system of public education that offers opportunity to all children, Texans must choose choice.

Introduction

Texans express their value of education by devoting the largest part of each tax dollar and entrusting the future of their children to public schools. Parents prize public education as a bootstrap for their children's personal success. Policymakers and corporate leaders recognize education as a public good because schools produce the workforce that drives the state economy. The success of public schools in educating children and developing a highly educated workforce directly affects the state's economic vitality and the quality of life in Texas.

This report evaluates how Texas public schools are meeting this challenge and calculates the cost of public education outcomes on the lives of individual Texans, their communities, and the state economy. Assembling findings from state and national research, it identifies the urgent need to boost the effectiveness, efficiency and equity of public schools if Texans are to continue to entrust their personal, economic, social and political future with public education.

The outcomes of public schools make clear that incremental, gradual reform will no longer suffice. The effectiveness of top down, centralized accountability has reached the extent of its usefulness. Triple increases of education funding on a real, per-student basis have provided minimal benefit. Public school reforms have failed to change most important student outcomes – graduation, post-secondary readiness, and closing the achievement gaps.

Instead of endless, fruitless reform of public schools, Texans must focus on improving public education. Current efforts to reform the state system of public school finance offer the opportunity to use funding as a vehicle for comprehensively changing the way public education is delivered. Vouchers provide a proven, effective way to improve student outcomes and public school performance by creating a hybrid of private and government-operated schools. As explored within this report, vouchers represent the next step in the evolution of public education that is required to meet ever changing social and economic challenges.

Facing The Challenge: Texas Public Schools

Decades Of Systemic Reform For Texas Public Schools

Texans have invested remarkable effort in reforming public schools over the past several decades.¹ From 1970 to 2000, real spending on public schools tripled on a per-student basis² while enrollment increased almost 20 percent.³ Today, calculations of average per pupil spending by local and state government range from \$7,088⁴ to over \$10,000 when all revenue sources are considered.⁵ When per student spending was compared by the Manhattan Institute, only fourteen other states spent more in cost-adjusted dollars.⁶ Since 1993, the state has redistributed funding between school districts to ensure that all children have equal access to a comparable education.

The Texas Legislature restricted class size for early elementary grades and today an average of 18 students sit in kindergarten through grade 3 classrooms.⁷ As class size decreased and student enrollment increased from 1991 through 2002, the number of teachers and the number of support staff in Texas public schools grew by approximately 20 percent.⁸

In 1993, legislators created the accountability system that is now used to rate and accredit schools. The system now requires schools to achieve a minimum passing rate of 55 percent on state assessments and requires schools to achieve this rate for all student groups (in other words, schools are required to close the achievement gap).⁹ To establish uniform, challenging academic expectations for public schools, the legislature created a standards-based curriculum in 1995; the curriculum was designed to serve as the basis for state assessments and textbook selection. New, more rigorous state assessments, the Texas Assessment of Knowledge and Skills (TAKS), were introduced to public schools in 2002.

The legislature tightened the accountability system in 1999 by directing social promotion to be phased out of schools. Beginning in 2003, students were required to pass state assessments for grade-level promotion. The legislature also made the Recommended High School Program, considered college preparatory academics, the default curriculum for all students, except for those who elect to take the less academically rigorous Minimum Program. Between 2000 and 2001, the percentage of students taking the Recommended High School Program soared from 38.6 percent to 51.1%.¹⁰ Nearly one out of every four high school students now complete at least one or more Advanced Placement or International Baccalaureate courses, according to the Texas Education Agency's most recent report to the Legislature.¹¹

Through the past decade, special initiatives were introduced that targeted supplemental funding to increase performance in core instructional areas – reading, mathematics and science. Additional funds were provided for compensatory education and students at risk of dropping out.

Elementary And Middle School Outcomes

Comprehensive, aggressive, and systemic efforts to improve public schools paid off with significant gains on the state assessments for all students. The average passing rate for students from grade 3 through 10 on all TAAS tests increased from 56 percent in 1994 to 85 percent in 2002.¹² In these eight years, achievement of African-American and Hispanic students on state assessments strongly advanced. The average passing rate for all students was 29.7 percent but African-American students realized gains of 43.9 percent and Hispanic students realized gains of 38.6 percent.¹³

Improvements in student performance posted on state assessments are largely, but not always, substantiated by scores of Texas public school students on the National Assessment of Educational Progress (NAEP), as shown in Tables 1 through 4. From 1990 to 2003, Texas' fourth and eighth grade students generally increased scores on reading and mathematics assessments. On the whole, the gain was shared by all student groups. However, there are some singular differences that should be noted. First, Texas' gains on NAEP have never reflected the magnitude of student performance gains demonstrated on state assessments. Second, students in Texas have made extremely modest gains in reading over the past decade and reading scores actually declined for both fourth and eighth grade students on the most recent assessments in 2002 and 2003.

From 1992 to 2002, reading scores of fourth grade students in Texas public schools showed modest gains on NAEP assessments, and average state scores for fourth grade hovered about the national average, rising and falling one scale point above and below average, as shown in Table 1.¹⁴ Scores rose for all student groups on the average of four scale points, matching the average performance gains of peers throughout the nation. However, average state performance fell between 2002 and 2003; Latino/Hispanic and White performance fell, while the performance of African-American students remained unimproved.

	<u>1992</u>	<u>1994</u>	<u>1998</u>	<u>2002</u>	<u>2003</u>
African American	199	190	193	202*	202
Hispanic	200	198	206	208*	205
White	223	226	232	232*	227
Texas Average	213	212	214	217	215
National Average	215	212	213	217	216

* With Accommodations¹⁵

Eighth grade students in Texas public schools fared less well on NAEP reading than did their classmates in fourth grade. As shown in Table 2,¹⁶ average reading skills dropped slightly between 1998 and 2003 and fell just below national average performance. African-American scores rose a modest two scale points, while Hispanic scores dropped one point and White scores held constant.

Table 2.
Texas Grade 8 Reading Scale Scores: National Assessment Of Educational Progress

	<u>1998</u>	<u>2002</u>	<u>2003</u>
African American	245	247*	247
Hispanic	251	250*	247
White	272	276*	272
Texas Average	261	262*	259
National Average	261	263*	261

* With Accommodations

Because reading skills are a critical prerequisite for mastering all academic disciplines, evidence that Texas is failing to improve reading proficiency should be taken very seriously. The Koret Task Force on K-12 Education at the Hoover Institution noted “reading scores are not improving at a satisfactory pace and the reading ability of disadvantaged students remains unacceptably low,” hampering comprehensive efforts to improve Texas public schools.¹⁷ Included in the Task Force’s report to the Texas Joint Select Committee on Public School Finance is the recommendation that Texas set higher and broader standards for reading proficiency.

In contrast to reading, the mathematical proficiency of students in Texas public schools has shown great promise. From 1990 through 2003, students in Texas public schools posted steady, surging gains on the NAEP mathematics assessments in both fourth and eighth grades. As shown in Table 3,¹⁸ Fourth grade students pushed performance from just under national average to three scale points above national average in eleven years. All student groups shared in large performance gains that allowed Texas students to keep pace with their peers throughout the nation.

Table 3.
Texas Grade 4 Math Scale Scores: National Assessment Of Educational Progress

	<u>1992</u>	<u>1996</u>	<u>2000</u>	<u>2003</u>
African American	199	212	220	226
Hispanic	209	216	224	230
White	229	242	243	248
Texas Average	218	229	231	237
National Average	219	222	224	234

Eighth grade students in Texas public schools also excelled on the NAEP mathematics assessment as shown in Table 4, and Texas has remained just above national average since 1992.¹⁹ All student groups posted strong gains from 1990 to 2003, although the rate of gains slowed perceptibly from 2000 to 2003.

Table 4.
Texas Grade 8 Math Scale Scores: National Assessment Of Educational Progress

	<u>1990</u>	<u>1992</u>	<u>1996</u>	<u>2000</u>	<u>2003</u>
African American	236	244	249	252	260
Hispanic	245	249	256	266	267
White	273	279	285	288	290
Texas Average	258	265	270	273	277
National Average	262	267	271	272	276

NAEP scores for both fourth and eighth grades show students in Texas public schools hovering about national average in scale scores. This could be interpreted as satisfactory performance if one does not examine actual levels of academic proficiency. As shown in Table 5,²⁰ the average reading and mathematical proficiency of students in Texas public schools is actually fairly low.

Table 5
Texas Students Who Scored At Or Above Proficient Level On NAEP In 2003

	<u>Texas Average</u>	<u>African-American</u>	<u>Hispanic</u>	<u>White</u>
Grade 4 Reading	27 %	13 %	14 %	30 %
Grade 4 Math	33 %	15 %	20 %	43 %
Grade 8 Reading	26 %	13 %	14 %	36 %
Grade 8 Math	25 %	8 %	12 %	31 %

Only one out of every four students in Texas public schools currently score at or above grade-level proficiency on NAEP's reading and mathematics measures. For African-American and Hispanic students in Texas public schools, however, this level of proficiency is far lower.

National Performance Comparisons

Because Texas does not administer a national norm-referenced test statewide to supplement state assessments, unlike many other states, it is impossible to compare elementary and secondary grade-level achievement in Texas with students in other states. However, a limited examination of student performance in Houston Independent School District and Dallas Independent School District suggests that grade-level proficiency in Texas public schools equates to one to three years below grade level established by the Iowa Test of Basic Skills and the Stanford Nine.²¹

The Achievement Gap

Over the last twelve years, Texas' African-American and Hispanic students have achieved strong gains in mathematics, but little or no gain in reading on NAEP's fourth and eight grade measures. As shown in Table 6, African-American and Hispanic students in Texas public schools showed significantly stronger gains in mathematics than their

white classmates, gains that slightly narrowed the achievement gap evident in public schools throughout the nation.

Table 6.
Texas Grade 8 Math Gains: National Assessment Of Educational Progress

	<u>Gain 1990-2003</u>	<u>Gap Remaining</u>	<u>Gap Equivalent</u>
African American	+ 24 Points	30 Points	3 Years of Schooling
Hispanic	+ 22 Points	22 Points	2 Years of Schooling
White	+ 17 Points		

Although African-American and Hispanic students made large performance gains between 1990 and 2003 in mathematics, NAEP shows the gap between African-American, Hispanic, and White students still remains distressingly wide in Texas public schools. The 30 scale point difference between Texas African-American and White students on NAEP is equivalent to three years of schooling; the 22 points for Hispanic students represents two years behind White students (every 10 point difference equals one year of schooling).²²

Despite the gaps, it is important to recognize that African-American and Hispanic students made larger gains on NAEP in Texas public schools than did their peers in some other states. On the following pages, Tables 7 and 8²³, assembled from information published by the Education Trust, rank the states where minority students made the largest gains between 1992 and 1998 on reading, mathematics, and science NAEP.

Table 7.
States Where African-American Students Made The Largest NAEP Gains 1992-98

<u>Grade 4 Reading</u>	<u>Grade 4 Math</u>	<u>Grade 8 Math</u>	<u>Grade 8 Science</u>
1. Rhode Island	1. N. Carolina	1. N. Carolina	1. Massachusetts
2. Connecticut	2. Texas	2. Illinois	2. New York
3. Mississippi		3. Ohio	3. Missouri
4. N. Carolina		4. New York	4. Virginia
5. Alabama		5. Rhode Island	5. Arizona
6. California		6. Texas	6. Maryland
7. Delaware			7. Indiana
8. Florida			8. Connecticut
9. Hawaii			9. Georgia
10. Michigan			10. Tennessee
11. Maryland			11. Hawaii
12. S. Carolina			12. Louisiana
13. Colorado			13. S. Carolina
14. Tennessee			14. Alabama
15. Virginia			15. California
16. Kentucky			16. Kentucky
17. Minnesota			17. Nebraska
18. Georgia			18. Michigan
19. Massachusetts			19. Rhode Island
20. Texas			20. W. Virginia
			21. Arkansas
			22. N. Carolina
			23. Mississippi
			24. Texas

Table 8.
States Where Hispanic Students Made The Largest NAEP Gains, 1992-98

<u>Grade 4 Reading</u>	<u>Grade 4 Math</u>	<u>Grade 8 Math</u>	<u>Grade 8 Science</u>
1. Connecticut	1. N. Carolina	1. N. Carolina	1. Tennessee
2. New York	2. Mississippi	2. Ohio	2. N. Carolina
3. Delaware	3. Texas	3. Maryland	3. Louisiana
4. N. Carolina		4. Illinois	4. Maryland
5. Maryland		5. Virginia	5. Missouri
6. Texas		6. W. Virginia	6. New York
		7. New York	7. Rhode Island
		8. Texas	8. Mississippi
			9. Connecticut
			10. Virginia
			11. Montana
			12. Michigan
			13. Texas

An overall look at the results of several decades of state reform suggests the following about the performance of Texas public elementary and middle schools:

- Mathematical skills are improving but the most fundamental skill of reading remains unimproved.
- Students are keeping pace with average national performance but the average level of academic proficiency for Texas is far below academic proficiency.
- Average proficiency of students in Texas public schools may be equivalent to one to two years below grade-level.
- Academic improvements have made no significant reduction in the achievement gap evident on the National Assessment of Educational Progress between student groups in Texas public schools
- By the end of middle school, African-American and Hispanic students in Texas suffer a significant educational disadvantage.

High School Outcomes

Student proficiency in the high school years is more difficult to gauge than elementary and middle schools because Texas public schools do not uniformly administer a standardized, independent measure to supplement state assessments. Although it should be noted that many schools do administer some form of a nationally-norm referenced test, this information is not reported to the Texas Education Agency. The NAEP provides no information about the performance of Texas high schools because it does not issue state-level reports on the outcomes of grade 12 reading and mathematics measures. The highest level of high school proficiency measured by state assessments is grade 11; this assessment does not presently measure post-secondary readiness for vocational training or higher education.

The primary measures of high school performance most commonly used in Texas are graduation rates and tests of post-secondary readiness (SAT and ACT). Both of these measures represent specific educational goals established by the state curriculum. The Texas Education Code states, “The essential knowledge and skills shall prepare and enable *all* students to continue to learn in postsecondary education, training or employment settings.”²⁴ The word “all,” italicized in code, has been broadly interpreted by policymakers to mean “all student groups” and enshrined in the state’s school accountability system. To qualify for accreditation, all student groups in a school (groups differentiated by race, ethnicity and income) must achieve the minimum passing standard.²⁵

Despite intense interest in identifying an exact number for high school graduation and the dropout rate, this goal has eluded the best efforts of Texans for decades. No one knows with precision or can even produce an acceptable approximation of how many students disappear from the halls of high schools before graduation. Over the past decade, a number of different organizations have calculated the dropout and graduation rates in Texas and each employs a different method to calculate loss and each method produces different numbers.

Until recently, the Texas Education Agency (TEA) calculated dropouts as an annual event based on information provided by schools about why students left. Over the last several years, the TEA began to use longitudinal calculations that separately measure grades seven through 12 and grades nine through 12. As shown in Table 9, the numbers reported for dropouts by the Agency differ remarkably from calculations of “attrition,” counting the number of students who fail to show up for graduation after four years of high school, produced by the Intercultural Developmental Research Association (IDRA – a non-profit, organization located in San Antonio to improve the success of public schools throughout the state).

Table 9
Dropout Rates: Texas Public Schools

	<u>IDRA Attrition</u>	<u>TEA 6 Year Dropout</u>	<u>TEA 4-Year Dropout</u>
1987-88	33 %	34.0 %	6.7 %
1988-89	31 %	31.3 %	6.1 %
1889-90	31 %	27.2 %	5.1 %
1990-91	no calculation	21.4 %	3.9 %
1991-92	34 %	20.7 %	3.8 %
1992-93	36 %	15.8 %	2.8 %
1993-94	no calculation	14.4 %	2.6 %
1994-95	40 %	10.6 %	1.8 %
1995-96	42 %	10.1 %	1.8 %
1996-97	43 %	9.1 %	1.6 %
1997-98	42 %	14.7 %	1.6 %
1998-99	42 %	9.0 %	1.6 %
1999-00	40 %	7.7 %	1.3 %
2000-01	40 %	6.8 %	1.0 %
2001-02	39 %	not available	1.0 %

This table is based on graphic published in the IDRA Newsletter, October 2002²⁶

For students who graduated from Texas public schools in spring 2001, the most recent year when all calculations are available, Table 9 shows IDRA reported 40 percent of students who began high school in 1998 dropped out whereas TEA reported only 6.8 percent of this same group of students failed to walk across the state for a high school diploma. Using grades 7 to 12 as a basis for calculating the high school dropout rate, TEA reports only 1 percent dropouts for the spring 2001 graduating class.

Other organizations published dropout calculations for specific school years that differed from calculations produced by both the TEA and IDRA. A 20 percent dropout rate was identified for the class of 1999 graduating from Texas public schools by Just for the Kids, a nonprofit organization now sponsored by the National Center for Educational Accountability at the University of Texas at Austin.²⁷ A recent study by the Manhattan Institute for Policy Research, a New York-based non-profit organization, examined the graduating class of 2001; based on the graduation rates they identified, 33 percent of this class dropped out before graduation, as shown in Table 10.²⁸

Table 10.
Manhattan Institute Findings: Texas 2001 Graduating Class - High School Dropouts

African-American Students	38 %
American Indian Students	39 %
Asian Students	17 %
Hispanic Students	43 %
White Students	23%
Texas Average	33 %

Texas’ success in bringing African-American students to high school graduation is surpassed by 10 states: New Mexico, West Virginia, Arkansas, Maryland, Oklahoma, Massachusetts, Virginia, Alaska, Rhode Island and Louisiana.²⁹ With Hispanic students, Texas’ success is surpassed by eight states: Louisiana, Wyoming, Hawaii, New Mexico, Maryland, Ohio, Alaska, and Indiana.³⁰

Looking at all student groups, the Manhattan Institute placed Texas 37th for high school graduation in a ranking of 50 states.³¹ However, the National Center for Educational Statistics provided a higher rating for high school graduation, placing Texas at 20th of 45 states³² because the Center included graduates with General Education Development (GED) as high school graduates.

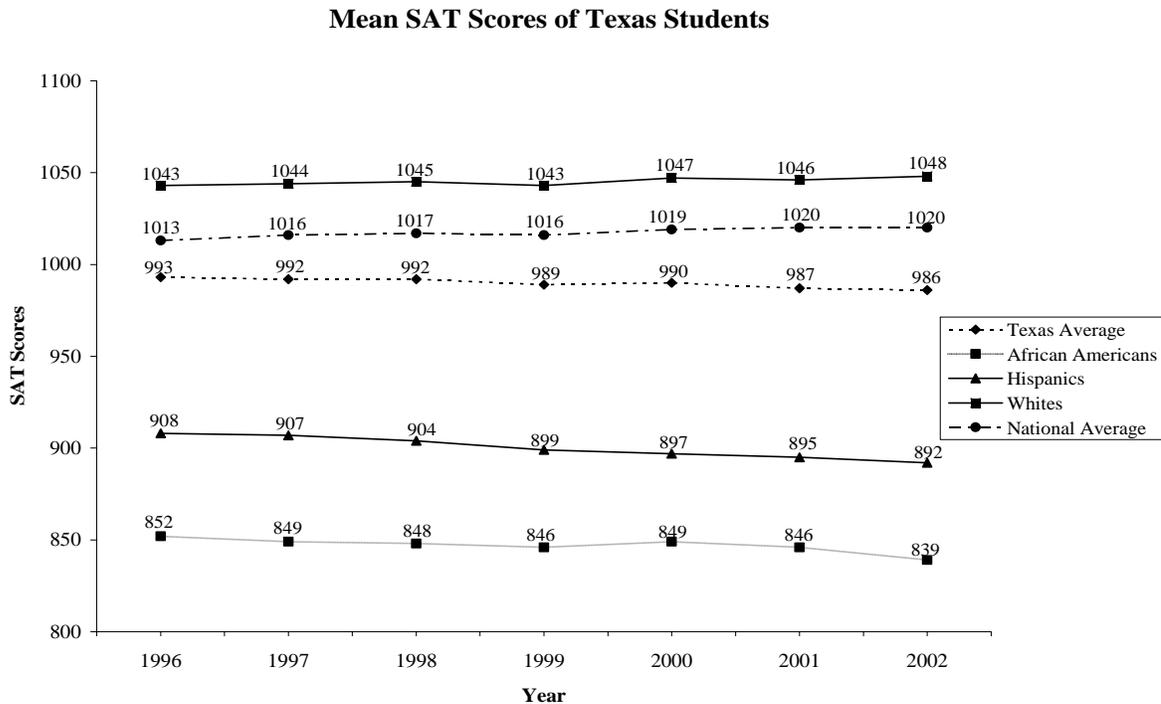
African-American and Hispanic students are well behind their White peers before they begin high school and their disadvantage mounts through successive years of schooling. Nearly one out of every two African- American and Hispanic students who begin in Texas public schools fails to graduate with either a high school diploma or GED. However, educational disadvantage is not restricted to African-American and Hispanic students. White students are also struggling in Texas public schools; in Texas, White students are less likely to graduate from high school than peers in 24 other states.³³

For students who do cross the stage with a high school diploma in Texas, most are ill-prepared to succeed in either vocational training or higher education. For students who do receive a regular diploma or GED from Texas public schools, two out of three graduates are not academically prepared for college, according to the Manhattan Institute’s study.³⁴ African-American and Hispanic students are particularly ill-equipped. A study of college readiness, produced by the Hispanic Council for Reform and Educational Options, found only one out of four Hispanic graduates in Texas graduating with the right course work and basic literacy skills for college.³⁵

College readiness tests taken by students in public high schools in Texas show significantly low and declining academic proficiency, as shown by Figure 1.³⁶ Although some dismiss the importance of college readiness tests as a measure of high school performance – because only the best educated rather than all students take the tests – college readiness tests represent the only standardized test of 12th grade proficiency taken

by the majority of Texas students. Actually, a large number of students in Texas public schools take the SAT and ACT; the most recent report from the Texas Education Agency indicates that 61.9 percent took the test in 2002.³⁷ Regardless of the percentage of participation, it can be argued that college readiness scores of the most highly educated graduates of Texas public schools certainly offer valuable information about the success of public education.

Figure 1



Some individuals also dismiss the importance of declining SAT scores, claiming that lower scores naturally result from increased participation rates of students, particularly among African-American and Hispanic students. In fact, average SAT scores declined for Texas public high school students during 1993-2002 at the same time that the percentage of students taking college readiness tests also declined. In 1993, 64.2 percent of students in Texas public schools took either the SAT or ACT but this number dropped to 61.9 percent in 2002.³⁸ Contrary to assertions, the relative ratio of student group participation as a whole showed no dramatic change from 1993 to 2002. As shown in Table 11,³⁹ the African-American participation remained unchanged, while Hispanic and White participation decreased.

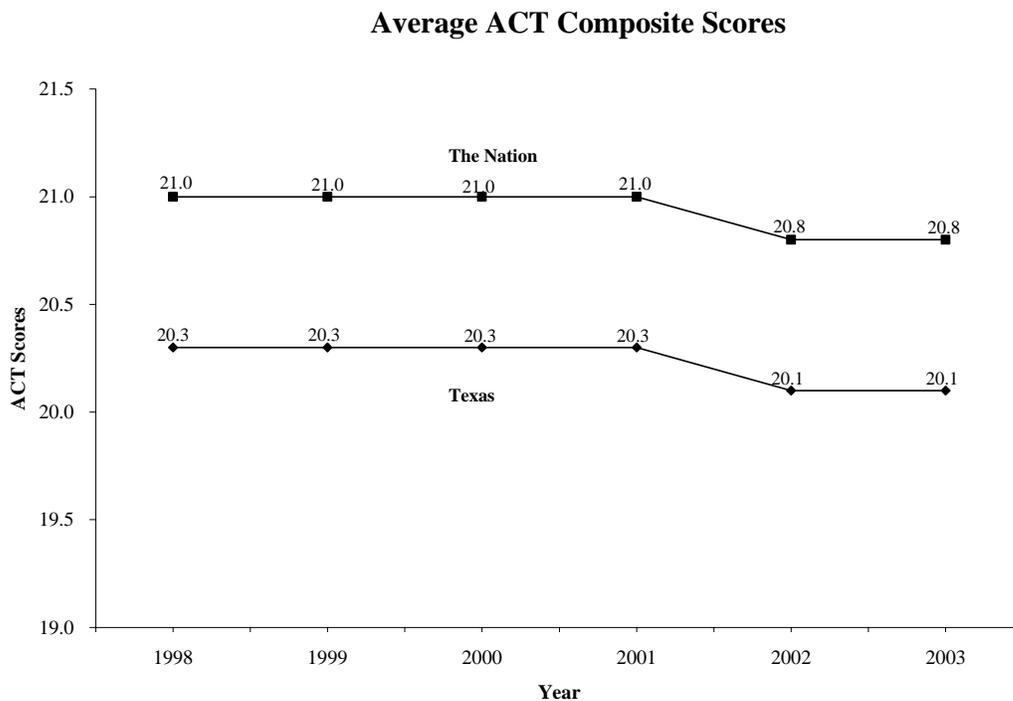
Table 11.
Percent Of Texas Public School Students Taking SAT Or ACT Tests

	<u>1993</u>	<u>2002</u>
African-American	58.8 %	58.5 %
Hispanic	49.5 %	45.2 %
White	69.4 %	67.9 %
Total Texas	64.2 %	61.9 %

However, the assertion that lower scores result from an increased number of test-takers should not rest unchallenged. The experience of several states, with growing populations of test-takers and increasing scores, refutes this connection.⁴⁰ **The cause of low scores, no matter what test is taken, is inadequate student knowledge and skills.**

As shown in Figure 2, scores on the ACT also reflect slowly deteriorating academic proficiency of Texas public school graduates. The gap seen in SAT scores between Texas students and their peers throughout the nation are mirrored by ACT scores. In a ranking of 2003 ACT scores (an exercise that is widely discouraged by organizations that sell college readiness tests), graduates of Texas public schools placed ninth lowest in the nation.⁴¹

Figure 2.



The ACT, unlike the SAT, measures academic mastery of high school coursework – English, mathematics, and science – and, unlike the SAT, the ACT is closely correlated to the content standards for public schools established by the State Board of Education (Texas Essential Knowledge and Skills) and is aligned to state assessments.⁴² Low and deteriorating ACT scores consequently suggest that state standards for Texas public schools are lower than standards set throughout the nation.

ACT and SAT scores and high school graduation rates all demonstrate evidence that race, ethnicity and family income strongly affect student achievement in Texas public schools. Moreover, there is evidence that race, ethnicity, and income are the *strongest* determinants of student achievement in Texas public schools (See recent studies published by the Texas Public Policy Foundation: R. Vedder and J. Hall, 2004; and S. Jaggia and V. Vachharanjani, 2004).⁴³ This evidence makes clear that Texas public schools are not meeting state goals for educational equity and are failing to add the educational value necessary to compensate for academic disadvantages associated with race, ethnicity and income.

The achievement gap, evident on all independent tests of students in Texas public schools from grades 3 to 12, should **not** be attributed to insufficient funding. In fact, extensive national and international research scrutinizing the relationship between school spending and student outcomes shows that increased funding generally does not improve student performance. Research examining Texas school districts, recently published by the Texas Public Policy Foundation, confirms that money is not the way to reduce or eliminate the achievement gap.⁴⁴

Nor should people interpret the persistence of this gap as an intractable social or educational problem. The educational handicaps associated with income, race and ethnicity of students can be overcome by teachers and schools. Scientific research of both public and private schools, described in later pages, offers irrefutable evidence the achievement gap can and is being closed today. The achievement gap can be entirely closed within just five years, according to studies of public schools in Texas.⁴⁵

An overall look at the results of several decades of state reform suggests the following about the performance of Texas high schools:

- Academic proficiency of the most highly educated students is flagging and falling behind the academic skills of their peers throughout the nation.
- Too few students graduate.
- Students are generally not prepared to succeed in the workplace or higher education.
- High schools magnify the academic disadvantage that African-American, Hispanic, and poor students carry from the day they enter the public school system.

Higher Education

The weak academic proficiency and abbreviated number of graduates from Texas public schools directly, strongly, and adversely affects higher education. Only 58 percent of high school students transition into college today, a number that represents the fifth lowest rate in the nation.⁴⁶ White college enrollment continues to exceed the rate of African-American and Hispanic enrollment,⁴⁷ although African-American and Hispanic students represent nearly 60 percent of public school enrollment.⁴⁸ To close the achievement gap in higher education, public schools will have to transition over twice as many African-American and Hispanic students into college.⁴⁹ However, this gap cannot be closed until graduates of Texas public schools, particularly African-American and Hispanic students, are better prepared to succeed in college. Today, just over fifty percent of college students graduate from two- and four-year colleges in Texas, a rate that places Texas at sixth lowest rate in the nation.⁵⁰

Learning And Earning

Nation

In 2000, the Texas Higher Education Coordinating Board issued a plea for public schools to transition more students into college, warning that Texas faces an impending “crisis” unless enrollment is dramatically increased.⁵¹ This warning is based on the recognition that learning, earnings and the economic vitality of our state depends on a highly educated workforce.

Today, 56 percent of jobs held by workers ages 30 to 59 require some post-secondary education – either skilled vocational training or a college degree⁵² and the Bureau of Labor Statistics reports that 80 percent of the fastest growing jobs today require formal training or college.⁵³ The number of jobs requiring a bachelor’s degree is expected to double by 2006.⁵⁴

How much an individual earns is highly dependent on education, and the premium on college degrees has grown over the past two decades. College educated workers now earn more than 70 percent higher pay than a high school graduate with similar job experience.⁵⁵ Higher education not only confers higher wages, college educated workers also enjoy expanded employment opportunities and less unemployment.⁵⁶ More highly educated individuals tend to be healthier, live longer, and transmit these benefits to their offspring.⁵⁷

Individuals without college degrees, in contrast, not only miss out on the benefits conferred by higher education, they have also experienced real erosion of their earnings between 1979 to 1997. Real hourly income of college graduates climbed 13 percent during the last two decades but the real wages of individuals with only some college actually fell by nine percent; real wages of high school graduates dropped by 12 percent and real wages of high school drop outs plummeted 26 percent.⁵⁸

Although certificates and degrees are highly related to income, literacy and mathematical skills are even more closely tied to earnings. Today, full time workers with low literacy skills earn about \$355 weekly, while workers with moderate skills earn about \$531 weekly and workers with high literacy skills earn about \$910 weekly.⁵⁹ Research indicates that one standard deviation increase in mathematics test scores at the end of high school translates into 12 percent higher annual earnings for individuals.⁶⁰ The wage gap for African-American and Hispanics can be attributed to the difference in reading and mathematical proficiency shown in Table 12 (next page).⁶¹

Table 12.
Median Earnings Of The Nation's 101.4 Million Full-Time Workers

	Third Quarter Weekly Earnings 2003
Asian	\$692
African-American	\$509
Hispanic	\$444
White	\$633

The relationship between employment and quality of education was recently examined in a study published by the Hispanic Council for Reform and Educational Options. This study found the unemployment rate of Hispanics who dropped out of school in 2001 was not significantly higher than the unemployment rate of Hispanic graduates who do not go on to college.⁶² Clearly, degrees and certificates, while meaningful, are less important to opportunity than academic proficiency.

On a larger scale, the relationship between education and employment and the economy has been closely studied since the early 1950's. Today there is an extensive, detailed body of economic research showing that test scores are closely linked to individual earnings, productivity of a state or nation, and economic growth.⁶³

Small increases in the average educational proficiency of a state or nation can produce huge economic consequences. Economists calculate that one standard deviation between test scores of students in the U.S. and other nations on the Third International Mathematics and Science Test translates into more than one percentage point difference in annual growth of gross domestic product per capita.⁶⁴ The average income for workers in the U.S. could increase 50 percent, from \$34,950 to \$57,480 in 2000 dollars, within 50 years if test scores increased by just one standard deviation.⁶⁵ This small increase could yield a \$1.4 trillion dollar or five percent gain to the national economy within just 30 years.⁶⁶

Education and economic growth are closely linked to improvements in the overall standard of living.⁶⁷ National income rises directly with earnings of workers who are increasingly well educated, and associated with:⁶⁸

- Reductions in crime,
- Increased civic involvement,
- Increased voting in local and national elections,
- Scientific and technological innovation, and
- Greater social and economic equality.

Texas

State studies complement national research on the social and economic effects of public education.

The Intercultural Development Research Association of San Antonio calculated the cost of public school dropouts. The financial impact on personal income, lost state tax revenue, job training costs, unemployment, welfare and criminal justice costs reached \$488 billion just for the four years between 1988 and 2002.⁶⁹

The Center for Demographic and Socioeconomic Research and Education at Texas A&M University examined population growth, population characteristics, and educational attainment to project what Texas will look like in the year 2040. At the current rate of population growth and pace of educational improvement, the Center predicts there will be a:⁷⁰

- 60 percent increase of Texans without a high school diploma and 29 percent decrease of Texans with a bachelor's degree,
- 12 percent decrease in average household income,
- 40 percent increase in poverty,
- 10 percent decrease in state tax revenue,
- 182 percent increase in Medicaid enrollment with an \$8 billion increase in state cost of Medicaid,
- 142 percent increase in the number of youth in correctional facilities with a \$510 million increase in youth correctional costs, and
- 142 percent increase in adult prison population with a \$5 billion increase in adult correctional costs.

If, however, Texas public schools are able to close the achievement gap between student populations, the Center predicts that Texas will have an:⁷¹

- Additional \$143 billion in total household income, and
- Additional \$100 billion in state revenue **without** the budgetary pressures previously identified.

Spending And Learning

How can Texas close the achievement gap and increase the academic performance of all students in public schools? For decades, this question has captivated policymakers and education activists in Texas and eluded the most determined efforts to find answers.

Despite aggressive efforts of the Texas Legislature, commitments of earnest educators, and significant investment of tax dollars, there are still too few students securing a high school diploma, the proficiency of graduates remains too low for post-secondary success, and the achievement gap continues largely unabated. It is now clear that the cost of public schools has exceeded tax capacity; it mortgages the social and economic future of Texas and forfeits the lives of too many youth.

What must be done to bring excellence and equity to Texas public schools? The answer to this question neither resides in the theoretical realms of academia nor in the grail sold by educational professionals. Over the past three decades, economists have produced a comprehensive and detailed body of research on what works and why in public schools. Fueled by warnings of the 1983 landmark study, *A Nation at Risk*, economists have thoroughly examined the inputs and outputs of public schools to determine how schools must be changed to increase student achievement and close the gap between student groups. Findings of American economists have been closely matched by international colleagues concerned with improving the efficiency and effectiveness of their own nations' schools.

In the United States, most economists predicate education research on the famous "Coleman Report." Examining thousands of student records over decades of schooling, the 1996 Coleman Report furnished evidence that schools have the ability to compensate for educational differences caused by family backgrounds.⁷² Schools can close the achievement gap. Students disadvantaged by race, ethnicity, low income, and poorly educated parents are not destined to fail. The Coleman Report found educational equity in some public schools but primarily in private schools.⁷³ Evidence accumulated over the years demonstrates that the achievement gap can be shrunk and closed by effective schools. Recent research produced by the Texas Schools Project at the University of Texas at Dallas finds evidence within Texas public schools that the achievement gap can be erased within just five years.⁷⁴

Economists began to research the importance of resources, particularly money, in elementary and secondary schools. Guided by the idea that schools, like any other producer of goods and services, should be efficient and productive, economists studied the relationship between inputs (such as money and the number of teachers for each pupil) and outputs (school quality, measured by such things as test scores and graduation rates). Their goal was to identify how schools can become more productive and maximize the use of resources with least cost and waste.

Members of the Congressional Joint Economic Committee examined the performance of public schools in 1997 to determine why increased educational funding had not improved

student achievement. Comparing performance on mathematics and science tests, the Committee found American students scored at about the international average at age 9 but fell farther behind their international peers with each successive year until by age 17 Americans ranked at the bottom of countries participating in the International Association for the Evaluation of Educational Achievement, except for Lithuania, Cyprus and South Africa.⁷⁵ At the same time the Committee noted that educational expenditures for American students were third highest among more than 20 advanced nations.⁷⁶

Additional evidence of the relative unimportance of money and other resources in raising student achievement has been demonstrated time and again in national studies of public as well as private schools. This research suggests the futility of efforts to improve the performance of schools by:⁷⁷

- Increasing funding and spending more,
- Increasing funding for administration or facilities,
- Reducing teacher-pupil ratios,
- Increasing teacher salary,
- Increasing teacher education, and
- Increasing teacher experience.

Evidence of American economists has been corroborated by international research. Close examination of nations participating in the Third International Mathematics and Science Studies (TIMSS) confirms changing, increasing or reducing, the level of resources provided to government-operated schools generally does not produce increased educational performance.⁷⁸

In Texas, the relationship between spending and learning in public schools was recently examined by two groups of research economists. Commissioned by the Texas Public Policy Foundation to conduct separate and independent evaluations of 1039 school districts, the researchers found that how schools spend money and allocate resources is much more important than the amount or level of resources.⁷⁹

Table 13.
Research Findings On Spending And Learning In Texas Public Schools

1. Per Pupil spending in Texas is above the national average in cost-adjusted numbers.
2. Total spending on public schools has doubled over the past decade although overall student performance has not significantly increased.
3. Increasing district spending does not increase student achievement.
4. After 10 years of reform and billions of dollars, student performance is still primarily determined by race, ethnicity, and economic status – not by schools.
5. Spending money on higher teacher pay, administration, smaller class size, and advanced teaching degrees generally does not improve student achievement.
6. Increased spending on classroom instruction *does* generally improve student achievement.
7. Higher levels of student attendance generally translate into higher student achievement.
8. Higher proportions of total funding generated at the local level generally result in higher student achievement.

The overall quality of education – according to state, national, and international research – is not affected by changing the amount or level of resources in government-operated schools. As Texans seek to improve student performance, this research strongly cautions against simply relying on increasing the total amount of resources, such as money or teachers.

Spending, Learning, Earning And School Choice

After eliminating money and other resources as means to improve public schools, economic researchers turned their attention to finding what reforms are effective and necessary to increase student achievement. Researchers shifted their focus from public to private schools where competition – supply and demand – shape educational quality and cost.

In 1982, the Coleman Study showed that private schools were much more successful than public schools in achieving the idea of the “common school” and serving diverse groups of children equally.⁸⁰ The study also showed that students in private schools score higher on standardized tests than their peers in public schools and are more likely to graduate with a diploma, enroll in college and secure a degree from higher education.⁸¹

Evidence has mounted over the decades that private schools are more successful in educating children, particularly disadvantaged students who have failed in public schools. In 1989, RAND, the most nationally known and respected independent research institute, produced the first of many studies that corroborated the Coleman Report’s evidence on private schools.⁸² In the 1990’s, private school participation in the National Assessment of Educational Progress began to supply consistent and strong proof that private school students generally score one to two years above their peers in public schools.⁸³

The possibility that private schools are able to achieve higher outcomes than public schools simply because of a more affluent, advantaged student population has been extensively examined. There is, studies show, no evidence that private schools are havens of the rich; in fact, one out of four children in private schools comes from homes with annual incomes under \$35,000 and 50 percent of families earn \$50,000 or less.⁸⁴ Even controlling for differences in student characteristics, including race and ethnicity, studies find that private school students still have higher academic achievement and a higher likelihood of high school graduation, college enrollment and attaining a post-secondary degree.⁸⁵

There is also evidence that private schools are more effective than public schools at instilling democratic ideals. Studies show that students in private schools are more likely to tolerate political, religious, and social differences than students attending public schools, and are more involved in community service than their counterparts in public schools.⁸⁶

Lastly, private schools were found to educate students more efficiently than public schools, generally operating at two-thirds of the cost of public schools.⁸⁷

Economists suggest that private schools are able to educate students, even educationally disadvantaged students, more effectively and efficiently because of the way that public schools are operated, governed, controlled and rewarded.⁸⁸ Unlike public schools, private schools generally have:

- Small administrative operations that are flexible and open to change,

- Need to compete for students, maximize student outcomes and financial investments,
- Need to focus on academics – instruction that raises student achievement,
- Sharp intolerance for failure,
- Direct accountability to parents instead of accountability to the state bureaucracy, and
- Unchecked authority for academic and operational decision-making.

Many economists attribute failure of public schools to the way the public schools operate and believe that student achievement can only be improved if the structure of public schools is fundamentally changed. This belief fuels and substantiates school choice as the best, perhaps only, means to improve public schools and the educational outcomes of individual students.

The notion of vouchers as a mechanism for public school reform was first introduced in 1955 by Milton Friedman, one of the nation’s most respected economists and Nobel Laureate. Although Vermont and Maine had long permitted communities to “tuition out” students under specific conditions, the provision of vouchers were not widely considered as a way to introduce system-wide change in public education.

In 1990, Governor Tommy Thompson introduced the first voucher program for the United States in Milwaukee public schools. Since that time, vouchers have sprung up around the nation – in New York City, Cleveland, Louisville, Dayton, District of Columbia, Florida, San Antonio, Pennsylvania, Arizona, and Colorado – either as publicly or privately funded programs.

Researchers have extensively examined vouchers to determine their impact on students and public schools. A comprehensive summary of the research is provided by Jay P. Greene in a publication recently released by the Texas Public Policy Foundation, *Putting the Sides Together: School Choice for Texas Public Schools?* Ten comprehensive and scientific studies, seven of which used random-assignments and control groups, found consistent, statistically significant positive benefits for students.⁸⁹

Table 14.
Research Findings: Impact Of Vouchers On Student Achievement

- All 10 large and comprehensive scientific studies show student achievement increases for some or all students who participate in voucher programs.
- Parents of voucher recipients in private schools are more satisfied with the teachers, academic standards, discipline and social activities than the parents of students in public schools.
- Standardized test scores of voucher recipients are also consistently, statistically positive.
- Improvement in student achievement was evident when researchers examined test scores of similar student groups, indicating that academic gains resulted from the voucher rather than differences in student characteristics.
- Per pupil operating costs of private schools participating in voucher programs were nearly half of the per pupil expenditure of public schools. In other words, vouchers provided higher educational achievement for students at about half the cost.
- Students who are enrolled in voucher programs are more likely to attend racially heterogeneous schools than students in public schools.

School choice has the potential of significantly raising the achievement of all students whether or not students exercise choice, according to research conducted by Harvard economist Caroline Minter Hoxby. Based on an examination of geographical areas with a high degree of school choice, Dr. Hoxby calculates that average student achievement would increase 28 percent throughout the nation if every school competed with private and other public schools for student enrollment – without any increase in education spending.⁹⁰

While research offers broad evidence that school choice benefits all students, there is compelling evidence that choice particularly and powerfully benefits low-income, low-achieving students who transfer from public to private schools.⁹¹ Scientific studies of voucher programs in Dayton, New York, and Washington find African-American students making remarkable academic gains - reducing the achievement gap by one-third within just two years.⁹²

The research on how vouchers affect public schools is less comprehensive, although the evidence is strong and empirically reliable. Working independently, Caroline Minter Hoxby and Jay P. Greene of the Manhattan Institute for Policy Research find that school choice exerts a powerful and positive impact on public schools.⁹³

Table 15.
Research Findings: Impact Of School Choice On Public Schools

- In districts with greater school choice, achievement of all students, in both public and private schools, increases.
- Public school spending is reduced in districts where students have greater opportunities for school choice.
- Wages of public students entering the workforce are higher in school districts with increased school choice.
- Test score gains of public schools facing the imminent prospect of vouchers are twice as large as gains realized by other public schools.
- Student achievement is higher in states with more educational choice.

Researchers have investigated claims that vouchers financially injure public schools. They found that the financial impact of vouchers on public schools largely depends on how voucher programs are designed. In Cleveland, for example, the voucher program was designed to “hold schools harmless” against financial losses suffered as a result of the program and in the Milwaukee program, vouchers represented only about half of the per pupil funding and the remaining half was retained by public schools that children left behind.⁹⁴

Not all programs provide funding to compensate schools for students who leave to accept vouchers. In the privately funded Horizon programs in San Antonio, Edgewood Independent School District did not receive any state compensation for students who accepted vouchers. The district claimed its financial loss was higher than the reduction in state per pupil revenue caused by the loss of students who accepted vouchers. However, district spending and changes in student enrollment prompt questions about this claim. After the Horizon Scholarship was introduced, Edgewood ISD raised average teacher pay by almost \$500 annually, increased annual per pupil spending by \$700,⁹⁵ and now is spending \$17.8 million to build two new elementary schools.⁹⁶ Although student enrollment declined 15 percent since 1994 (most of the enrollment decline is attributed to students who moved out of the district),⁹⁷ spending by Edgewood ISD continues unabated, rising at a rate that far exceeds inflation even as enrollment declines.

At present, most publicly funded voucher programs are designed to offset institutional costs that schools claim are incurred when students use vouchers to leave public schools. School districts claim a portion of state funding for departing voucher students is necessary to ensure staff, services, and facilities remain intact for the students still attending public schools. Although this compensation appears to make school choice more palatable to public schools, it should stimulate questions about public school spending. Does the cost of operating public schools rise when students drop out? Does cost rise when enrollment drops as students migrate to the suburbs?

Whether vouchers provide savings has not yet been well established. The design of current voucher programs, spending practices of public schools and relative youth of

voucher programs complicate the question. However, a recent economic analysis of vouchers by the Josiah Bartlett Center for Public Policy and the Milton & Rose D. Friedman Foundation makes a valuable contribution to the growing body of knowledge about vouchers.

Analyzing a voucher proposal considered during the 2003 New Hampshire legislative session, researchers estimated how vouchers would impact total state aid to education, the financial effect on each school district in the state, how district costs would change, and the impact on taxes paid by residents of New Hampshire.⁹⁸ If New Hampshire established a voucher that represents approximately 80 percent of the current cost of educating a student, researchers project that New Hampshire residents could anticipate seeing an 8.5 percent decrease in total state education expenditures and a 7.2 percent decrease in local education tax rates after the program operated for seven years.⁹⁹

The basic premise of vouchers is that school choice provides better educational outcomes at lower cost. Savings would be achieved by establishing financial value for vouchers that is slightly lower than the per pupil amount currently spent by public schools. Consider for example, a voucher program in Texas that:

- Establishes the worth of a voucher at \$6,000 annually. Average per pupil spending in Texas public schools is now close to \$10,000 (an amount that includes the \$7,088 reported by districts for the 2002-03 school year plus money from special revenues, regional and state agency funding and capital investments).¹⁰⁰ This amount would cover the average cost of tuition for private schools in Texas.¹⁰¹
- Allows public schools to keep \$1,088 annually for each student that accepted a voucher.
- Makes available approximately \$11 million annually if only 10,000 vouchers were awarded. This money could be used to help pay off the \$48 billion (with interest) owed by districts for facilities debt that the State has guaranteed.

New Face Of Public Education

Today, private and public voucher programs are offered in more than eight states. These programs provide evidence of their success for students and for schools. Vouchers rescue students from failing schools, enable students to secure special educational programs they need for educational success, and stimulate public schools to be more educationally effective and efficient.

These programs should allay concerns that vouchers will damage or replace government-operated schools. Today, government-operated schools and voucher programs are working side-by-side to serve children.

The history of public education in Texas should offer the strongest assurance that vouchers and government-operated schools can co-exist as public education partners. The original form of public free schools established by the 1876 Texas Constitution was financed by vouchers issued to parents and these vouchers could be used to enroll children in municipally-operated schools or any school of the parent's choice.¹⁰²

Today, vouchers represent much more than simple vehicles to move children from public to private schools. They are a means to fundamentally alter public schools and change how public education is delivered. When government-operated and private schools compete for students, both will function more effectively and efficiently. Both will try harder to serve students better. The most powerful form of public accountability will be established for public education when parents can pick and choose the best educational program for their children.

Vouchers represent a new form of public education – a hybrid of private and government-operated schools. Unlike many public education reforms of the past century, vouchers are not untried experiments or the whimsy of social visionaries. Vouchers have a well-documented track record and their effects have been subjected to intense scientific scrutiny.

Unlike many previous educational reforms, vouchers are not the product of special vested interests. Vouchers are broadly supported throughout the state and nation. In fall 2003, PEW Hispanic Center conducted a national survey and found strong, well-distributed support for school choice among Blacks, Latinos, and Whites, with only 26 percent or less opposing choice in any of the three groups. In 2003, Texas voters were polled by Bacelice & Associates and asked “Do you favor or oppose a proposal that would create a school choice program whereby educational scholarships would be given by the state to pay for a children’s education at any public, private or parochial school?” Sixty percent of Texas voters said “yes;” African-American and Hispanic voters in Texas weighed in stronger at rates of 63 and 73 percent.¹⁰³

Texans have sought vouchers for over 10 years. Vouchers have been filed in each session of the Texas Legislature for the past decade, but bills were killed in committee or voted down, targeted by professional education lobby groups. During the 78th Session, House

Bill 2465 proposed publicly funded vouchers for low income students in the six largest Texas school districts. It is likely that this or some other form of vouchers will be returned to legislators when the 79th Session meets in early 2005 or earlier in a Special Session for Public School Finance.

The connection between vouchers and school finance is closely intertwined. Vouchers can represent a component of school finance or can serve as the entire structure for education funding. In its report to the Texas Joint Select Committee on Public School Finance, the Koret Task Force on K-12 Education proposed that Texas institute vouchers as a component of Texas' new system of public school finance. Pointing to House Bill 2465, the Task Force recommended that Texas "enhance educational opportunity for students who currently have little opportunity to choose a good school" by establishing two different types of vouchers:¹⁰⁴

- Vouchers for students in school districts where fewer than 70 percent of students pass state assessments, at least 50 percent of students are economically disadvantaged and school district density is at least 300 enrolled students per square mile; and
- Vouchers for students with disabilities.

Some Texans argue that the Constitutional mandate for "efficiency" in public education funding actually requires the new state system of school finance to be based on vouchers. In a legal interpretation, included in a recent Texas Public Policy Foundation publication about school choice, Allan E. Parker suggests that no funding system except vouchers can fully satisfy Constitutional standards for efficiency: local control, equity of opportunity, consent of the governed, and original intent of the authors of the 1876 Constitution ("Beyond Edgewood: Constitutional Standards and Application to Educational Choice" in *Putting The Sides Together: School Choice In Texas?*).¹⁰⁵

The vouchers established by the 1876 Texas Constitution and the two proposals forwarded by the Koret Task Force underscore the plasticity of vouchers. Vouchers can take a variety of forms. The term itself provides a guarantee the government will provide a specific amount of money toward a student's enrollment in a school of his choice. The more complicated questions of how much a voucher is worth, who is eligible for vouchers, how vouchers can be used, and how voucher payments affect government schools offer an assurance that vouchers programs can be tailored to meet the specific interests and needs of a community or state.

In Texas, publicly funded school choice could be introduced in a variety of ways and funded with either state or local dollars or a combination of both:

- Full vouchers for special student populations – economically disadvantaged children, children enrolled in special education, children in alternative educational programs, and or children with language deficits,
- Partial vouchers for special instructional services to supplement deficiencies in learning,
- Partial vouchers for elective educational programs to supplement state mandated instruction and enrichment, such as vocational education and marching band,

- Partial or full vouchers for distance learning services when private educational alternatives are not immediately available,
- A full voucher program for all students currently enrolled in public schools, or
- A universal voucher program for children in Texas.

There is growing agreement that a limited program would be the best way to provide vouchers in Texas. Targeting districts where achievement is lowest and children are poorest will maximize the benefits of school choice.

Conclusion – Choosing Opportunity

Texas public schools are not providing the education that students need to be successful, particularly African-American and Hispanic students, despite aggressive reforms introduced by the state legislature and the earnest commitment of educational professionals. Too few students are graduating from Texas public schools. Graduates are ill-equipped for vocational training or college, and race/ethnicity continues to determine a student's destiny.

If public schools continue on today's course, all Texans will be sorely affected by the consequences of a poorly educated workforce. Within 30 years, Texans will experience significantly lower standards of living, poorer health, higher crime, less community engagement and deteriorating social conditions. Unless Texas public schools can close the achievement gap between students divided by race, ethnicity and income, the years lying ahead will be dire for every Texan.

Educational equity is a high, laudable goal that Texans set before their schools over a decade ago. For over a decade, Texas public schools have worked to equip all children with the academic skills to attain a high school diploma, close the achievement gap, and prepare youth for skilled vocational training or college. These goals should be and can be met by public education.

The public school system has proven unequal to the task of educating children that Texans entrust to their care. Public schools have failed – not for lack of will or resources – but because the structure of public schools, how schools are constructed and operated – the incentives inherent in a government-operated monopoly – prevents real reform. Increasingly fast-paced changes in our society and economy require public schools to evolve and meet new challenges in educating children for success, but this is not occurring.

Fundamental change is required in public education, change that substantively alters how public education is delivered. To be successful, reform must be guided solely by concerns for the educational welfare of students. Reform must focus on public education instead of public schools and focus on final student outcomes instead of incremental improvement.

School choice offers a proven, effective way to improve both individual student outcomes and public schools, unlike other reforms embraced and recycled through the last centuries of public education. In tandem, government-operated schools and publicly funded vouchers can create a hybrid, a new form of public education that will improve educational effectiveness, efficiency and equity. School choice offers government-operated schools the opportunity to change, to fulfill their promise. School choice offers children the opportunity for the education necessary to realize their dreams.

More importantly, school choice offers Texans the opportunity to defray the true cost of failing public schools – the opportunity to develop a better educated citizenry, to close

egregious gaps in education, employment and health, and to improve the stability, safety and engagement of communities.

To create a system of public education that truly serves public good, Texans should choose choice.

About The Author

Chris Patterson is the director of research for the Texas Public Policy Foundation. She is primarily responsible for planning and coordinating the Foundation's research, as well as scholar recruitment. Patterson has published numerous studies, research reports and commentaries. Her most recent report, "Follow the Money," was the first in the Foundation's school finance series.

She is also considered one of the state's leading education experts and serves as a resource for parents, educators and policy leaders. She is an accomplished speaker and regular guest on talk radio programs around the state.

Endnotes

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