

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

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Executive Summary

A detailed analysis of the Horizon school choice program, operated over a 10-year period from 1998 until 2008 with more than 4,000 students enrolled, shows this program to be an exceptionally successful education reform program and a model for future reform efforts.

In an era of high dropout rates, low-performing schools and an unprepared workforce, the Horizon program demonstrated how giving parents the right to match their children with the best public or private school for those children can dramatically improve both the futures of students and the community. Allowing parents to make choices about schools, based on parents' unique knowledge of the needs of their children, helped both the 10 percent of students who chose to leave public schools and the 90 percent of students who chose to stay in the public school system.

During the course of the Horizon program:

- Edgewood academic performance greatly increased (better than 85 percent of the school districts in Texas)
- The school district rose from "Acceptable" to "Recognized" for the first time in its history
- Edgewood school district dropout rates decreased by 30.1 percent
- Edgewood revenues increased by 42.1 percent
- Per pupil spending increased by 57.3 percent
- Property values per pupil increased by 114.9 percent
- Edgewood had its first new housing developments in more than 40 years
- Teacher's salaries increased by 37.2 percent (outpacing surrounding districts by 70.6 percent)



As significant as the Edgewood public school results were, those choosing the Horizon Scholarship performed even better:

- More than 4,000 students received scholarships during the 10-year period
- Those choosing to leave the public school system were the poorest of the poor with average family annual income under \$16,000 a year
- 98 percent were minority (97 percent Hispanic)
- 97 percent were economically disadvantaged
- Average Stanford 9 scores were the 37th percentile in math and the 35th percentile in reading upon admission to the program
- The average student was functioning two years below grade level
- In the first four years of the program, reading scores improved by 21.2 percent and math scores improved by 28 percent
- Less than 1 percent of Horizon program students dropped out of school (two students)
- More than 92 percent of graduates chose to attend college
- Many of these students were the first in their families to graduate from high school

PART ONE

Introduction and Critical Questions

In 1998 there were 41 privately funded school choice/voucher programs in the United States representing over \$200 million in private philanthropy. Although the school choice movement was gaining momentum, there were only six publicly funded programs, in contrast to the 41 privately funded programs, in the U.S.—most notably, the Vermont and Maine state voucher systems established in 1869 and 1873 respectively.

Despite the public and private programs that existed in 1998, much remained unknown and unproven with respect to the efficacy of the concept of school choice. The theory that a system of education could only be effective for its citizenry if there was an element of choice that leveled the playing field between the rich and the poor was first presented in 1955 by Nobel Prize winning economist Milton Friedman. Yet, 40 years later, little real knowledge had been gained regarding his theory from the relatively small programs that existed.

There remained great unknowns about how a real system of school choice would affect public school districts, students and families exercising school choice, non-choosing students, receiving schools, and communities. These unknowns persisted because none of the school choice programs in existence, whether public or privately funded, were of sufficient scale to constitute a true test of the institutional or systemic impacts of choice.

Skeptics claimed dire impacts. Proponents predicted significant positive results in record time. But until a San Antonio based non-profit organization, Children's Educational Opportunity Foundation (CEO), established the Horizon program, no one knew for sure what the public institutional and systemic impacts would actually be of having a school choice program in an entire school district.

Utilizing 100 percent private funds, Horizon offered a voucher to every one of the 14,142 students in the Edgewood district beginning in the fall of 1998. The total program commitment was for \$50 million over a 10-year test period, and every student was eligible based only on a residency-in-the-district criterion. Every student and their parent(s) could select the public or private school that they felt was best suited for the child.

The Edgewood District, in the 1997-98 academic year, had a state rating of "academically acceptable." It had 25 campuses of which 19 were ranked "Acceptable," two were not ranked, one was categorized as "Needs Peer Review," and three were "Recognized." It had a student population of 14,142, of which 96 percent were Hispanic and 90 percent were economically disadvantaged. Total district expenditures were \$6,060 per pupil which was 8.3 percent above the state average of \$5,597,* and greater than all of the 14 public school districts that surrounded it. Edgewood had been experiencing a long-term decline in economic activity and population. In the year prior to the Horizon scholarships, the district's 1997-98 dropout rate was 69 percent.

Critical Questions Regarding School Choice

The Horizon voucher program began in the fall of 1998 and concluded in the spring of 2008—10 full school years. The most critical questions regarding school choice are:

1. Do voucher students improve academically in a school of their choice?
2. Will the schools selected by the parents agree to take at-risk, under-performing students with disciplinary problems?
3. Does school choice create a financial hardship on a school district?

*Unless otherwise stated, all Edgewood ISD enrollment, demographic, academic performance, and financial data included in this report is taken from the State of Texas, Texas Education Agency, Academic Excellence Indicator System, or the Snapshot reporting system for Edgewood ISD (District 015905). These reports are available on the Texas Education Agency website at www.tea.state.tx.us.

4. Does school choice cause a mass exodus of students from public education?
5. Does school choice cause the best and the brightest students to leave public education?
6. In a school choice environment, what are the academic impacts on the students in the school district?
7. What is the impact of school choice on the public education dropout rate?
8. Does school choice cause an increase in teacher pay?
9. Does school choice stimulate economic development in the inner-city?
10. Does school choice improve public education?

Each of the above questions has been the subject of intense national debate. This is not surprising since, until Horizon, no school choice program had been large enough to provide the answers that are critical to any serious consideration of school choice as public policy.

Answering Critical Questions Regarding School Choice

The results of the Horizon program help provide answers to the most critical questions regarding the theory of school choice:

1. Do voucher students improve academically in a school of their choice?

In the first four years of the program, voucher students dramatically improved their reading scores by 21.2 percent and their math scores by 28 percent. More than 4,000 different students received scholarships over a 10-year period, far less than 1 percent dropped out from school (two students). More than

400 students graduated during the 10-year period, and 92 percent of the graduates chose to attend college, despite the fact that many were the first in their families to ever graduate from high school. Ninety-eight percent of the students were minorities (97 percent Hispanic) and 97 percent were economically disadvantaged.

2. Will the schools selected by the parents agree to take at-risk, under-performing students with disciplinary problems?

No students were denied entrance to private schools, despite the student's academic or disciplinary history. In contrast, however, all public schools—with the exception of one school district—refused to allow these students to enroll.

3. Does school choice create a financial hardship on a school district?

In fact, the results of the Horizon program are quite the opposite, due in part from a very surprising source of income: reduced dropout rates (see question #7 on page 6). Revenues also increased due to the economic development brought about by new housing and other factors within the district. In the years prior to Horizon, Edgewood had experienced an average annual 3 percent decrease in total property values. However, over the course of the Horizon program, property values increased a total of 114.9 percent. As compared to the 1997 base year (pre-Horizon), in a full choice environment, the district's overall revenues showed biannual increases in years 1, 3, 5, 7, and 9 of .2 percent, 5.2 percent, 13.4 percent, 35.5 percent, and 42.0 percent respectively.

4. Does offering school choice cause a mass exodus of students from public education?

At the peak of Horizon program subscription (the 2003-04 school year), 87.2 percent of Edgewood's students chose to remain in the district's public schools.

After the introduction of Horizon scholarships, Edgewood dramatically improved its academic performance outperforming 85 percent of school districts in Texas.

Over the 10-year program, the average percentage of Edgewood students who remained in district schools, despite having the opportunity to transfer, was 90.5 percent.

5. Does school choice cause the best and the brightest students to leave public education?

The opposite proved true. Parents exercising choice were most commonly the parents of low academic performers. Applicants for Horizon vouchers scored at the 37th percentile in math and the 35th percentile in reading and were reported to be on average two years behind grade level by participating schools. Additionally, the population profile of voucher students was virtually identical to non-voucher students in terms of student suspensions, absences, and tardiness.¹ The income level of public school families in Edgewood was 60 percent more than those who chose to leave.² Voucher recipients' families were the poorest of the poor with a total annual income of less than \$16,000.

6. In a school choice environment, what are the academic impacts on the students in the school district?

After the introduction of Horizon scholarships, Edgewood dramatically improved its academic performance outperforming 85 percent of school districts in Texas. By the end of the second Horizon year, Edgewood had, for the first time in its history, earned a rating of "Recognized" from the state. By the end of the third Horizon year, Edgewood students posted even more remarkable academic increases in reading, writing, and math of 16.4 percent, 12.3 percent, and 21.3 percent respectively, far surpassing the overall state results in that same time period.

7. What is the impact of school choice on the public education dropout rate?

Edgewood's dropout rate in the year just prior to the Horizon program was 69 percent. By the end of the sixth Horizon year that rate had dropped to 48.2 percent—a decrease in dropouts of 30.1 percent due to the fact that students in the district now had an option available to them other than the dropout option.

8. Does school choice cause an increase in teacher pay?

Edgewood teacher salaries had increased 12.7 percent over the four year period immediately before the Horizon program. However, by the ninth year of the choice program, teacher salaries increased by 37.2 percent—an increase that was 70.6 percent greater than the surrounding school districts.

9. Does school choice stimulate economic development in the inner-city?

The Horizon school choice program initiated a wave of unprecedented economic development in Edgewood. Property values in Edgewood had been historically declining for decades. Economic factors plus the introduction of the Horizon scholarships in Edgewood sparked dramatic increases in property values over the next nine years. The taxable property value per pupil increased by 114.9 percent, far surpassing the surrounding districts in San Antonio (see tables #11 and 12). The first new housing developments in over 40 years were initiated shortly after the announcement of the Horizon scholarships. Their marketing brochure highlighted "If you rent here, your child will get a scholarship to go to any school you choose."

The data clearly shows that the Edgewood School District responded to the challenge of competing schools and outmigration of students by improving performance.

10. Does school choice improve public education?

The data clearly shows that the Edgewood School District responded to the challenge of competing schools and outmigration of students by improving performance. Academic results, dropout reduction, revenue increases, and economic development were all areas showing sharp improvement. Edgewood also invested in their crumbling infrastructure. Peeling paint was removed, weeds and trash along campus fences disappeared, old schools were closed, new schools built, others remodeled and repaired, and a new magnet school (public school choice) was introduced. The data demonstrate that the rate and breadth of the district's systemic improvement is unmatched by any other education reform or dropout prevention initiative ever implemented in the history of American education.

PART TWO

A System of School Choice: Understanding the Horizon Program's Purpose and Design

Program History and Purpose

Beginning in the fall of 1998, the CEO Foundation, with the help of grants from the Walton Family Foundation and the Covenant Foundation started a voucher program called Horizon Scholarships. One hundred percent of the \$50 million dollar educational grant from the Walton Family Foundation was used for student scholarships. All other expenses were paid by donations from the Covenant Foundation. Privately funded vouchers were offered to every child who resided in the Edgewood School District in San Antonio, which was one of the poorest and most underperforming school districts in the state of Texas.

The immediate purpose of the program was to create opportunities for low-income children in Edgewood ISD to access the school that was best suited to them—without conscription based upon their address or their income.

The long-term purpose of the Horizon program was to answer the critical question: "Does school choice improve public education?" This important question was at the very heart of the Horizon program design and it provides an important roadmap to how a system of school choice can be configured so as to improve a community's public education system.

Horizon Program Design

The design of the Horizon program was simple. The only participation requirements were residency in Edgewood and the student had to be enrolled in grades Pre-k through 12.

If a student chose a private school that was within the Edgewood ISD, the voucher amount was \$3,600 for grades Pre-k through 8 and \$4,000 for grades 9 through 12.

If a private school outside the Edgewood ISD was chosen, the voucher amount was the school's published tuition rate up to \$2,000 for grades Pre-k through 8 and \$3,500 for grades 9 through 12.

If a student chose a public school, the voucher amount was \$420, which approximated the local funding component of a district (additionally, the district received the average daily attendance rate from the state).

By awarding a higher voucher amount to students attending schools located within Edgewood, the funds were intended to become economic generators within the district (the district had a median housing value of only \$31,976 and a taxable property

The true research opportunity that Horizon presented was the opportunity to discover the systemic impact of a broad program of choice.

value per student of only \$29,893). The idea behind this was to see if school choice would spur capacity building as well as increase property values from which the district would ultimately benefit (property values in the district had been declining for decades preceding introduction of the Horizon Scholarships). As it turned out, this proved to be a very important feature in increasing school district revenues during the course of the choice program.

Horizon had no academic requirement for entrance or for maintaining a student's voucher. The only requirement was that the student attend the public or private school they had chosen.

Participating schools maintained their individual policies and procedures with respect to admissions, curriculum, discipline, etc. No transportation was provided to students, hence that became each family's individual responsibility.

The true research opportunity that Horizon presented was not between choosing and non-choosing students, but rather the opportunity to discover the systemic impact of a broad program of choice on a school district and upon the students and community served by that district.

Does school choice improve public education? Horizon was designed to answer this question.

PART THREE

Answering the Critical Questions

Question #1: Do voucher students improve academically in a school of their choice?

For a 10-year period, from 1998-2008, every child in San Antonio's Edgewood school district was offered a voucher to go to any public or private school they thought would give them the best education possible. The results for the students who chose to leave and go to the school of their choice have been dramatic and unprecedented.

- More than 4,000 different students received scholarships during the 10-year period
- Less than 1 percent of the students dropped out of school (two students)
- More than 400 students graduated during the 10-year period
- More than 92 percent of the graduates chose to attend college
- Many of these graduates were the first in their families to graduate from high school
- 98 percent of the students were minorities (97 percent Hispanic)
- 97 percent of the students were economically disadvantaged

During the first four years, Horizon students demonstrated a 21.2 percent gain in reading and 28 percent gain in math on their Stanford 9 test.



No education reform in the history of the United States has showed such dramatic improvements in dropout and college attendance rates, especially when one considers the socio-economic profile of this student population.

As illustrated in Table 1, during the first four years, Horizon students demonstrated a 21.2 percent gain in reading and 28 percent gain in math on their Stanford 9 test.

Table 1: Horizon Student Stanford 9 Test Scores, 1998-2002

Academic Subject	Average Score Gain
Reading	21.20
Math	28.00

Source: "Choice, Change & Progress: School Choice and the Hispanic Education Crisis," CEO Foundation

When considering that so many Horizon students came into the program functioning well below grade level, it is noteworthy that researcher John Diamond concluded, "Given the current graduation and dropout rate crisis in Texas, an important question is how school vouchers affect the graduation rate of students who participate in the voucher program and students who remain behind in public schools. The evidence clearly suggests students who participate in voucher programs are more likely to graduate and go to college; this is especially true of low-income students and minorities. It also suggests that increased competition from school vouchers will tend to increase graduation rates in the public school system."³

Horizon Enrollment

Question #2: Will the schools selected by the parents agree to take at-risk, under-performing students with disciplinary problems?

The answer is yes. Voucher students enrolled in 56 private schools and one public school (the only public school that would take voucher students). A number of voucher students were turned away by their selected schools, and this proved to be frustrating for some parents. However, it is important to note that the only schools that turned students away were public schools, under an unofficial agreement arrived at between the area superintendents at the inception of Horizon.⁴ In contrast, of the 4,000 Horizon scholarships no student was denied entrance into private schools, despite the student's academic or disciplinary history.

Upon the announcement of the Horizon program on April 22, 1998, longtime Edgewood funding equity activist, Demetrio Rodriguez, stated "Is Alamo Heights going to admit them?"⁵ This was a reference to the Alamo Heights School District, the wealthiest of the 15 districts in San Antonio.

In yet another apparent turn of irony, the answer to Mr. Rodriguez's question was yes, they would. The wealthy Alamo Heights school district, headed by a reform-minded superintendent named Charles Slater, broke ranks from the other school districts in announcing that they would gladly accept voucher students from Edgewood.

Table 2 recounts the Horizon enrollment over the course of the 10-year program.

Even though 5 percent of the Horizon students had disciplinary histories significant enough to have been suspended at least once, none experienced problems enrolling in their chosen school.

**Table 2: Horizon Program Enrollment Totals
1998-99 through 2007-08**

	1998-99	1999-00	2000-01	2001-02	2002-03
Totals	770	888	1,137	1,713	1,916
	2003-04	2004-05	2005-06	2006-07	2007-08
Totals	2,042	1,722	1,456	1,254	1,018

Source: CEO Foundation

Even though 5 percent of the Horizon students had disciplinary histories significant enough to have been suspended at least once, none experienced problems enrolling in their chosen school. The bigger issue was student academic level. Many schools were admitting Edgewood students who were functioning well below the grade they were in. This situation was observed closely to see if this would result in students being turned away. It did not. Nonetheless, these students —and their schools—experienced transition challenges as discussed more fully in a following section.

Just as the number of participating schools peaked in the middle two years of the program, so too did the number of enrolled students. As Edgewood schools got better, Horizon enrollment began to drop. This was indicative of the very nature of school choice. If schools are not working for a student they can leave; if the schools improve they can return.

Capacity Building

Prior to the announcement of the Horizon program, and without any statement as to its purpose, the CEO Foundation took a poll of private schools in order to determine how many student seats were available. (The survey was designed to collect data on other factors as well, such as current enrollment,

admissions policies, grades offered, actual total cost per student, etc. This information was used in the development of the Horizon program’s design.)

The issue of available seats was a critical one. What if the foundation and its funders were wrong? What if school choice did, in fact, cause a mass exodus of Edgewood students? The exodus, if it happened, would be limited to the extent there were seats available and this, therefore, was a critical “stop” point that required precise definition in order to ensure that the district would not be financially harmed.

The issue of identifying available seats was important for another reason: capacity building. School choice builds a community’s capacity and with that comes a certain degree of economic development.

The survey indicated that private schools had an available capacity of about 700 seats. These seats were, of course, spread throughout the city and represented total availability in all grade levels combined. Sorting the availability list for schools that were within reasonable distance of Edgewood (remembering that transportation was each individual family’s responsibility), a more practical estimation of available seats was 400.

After the announcement of Horizon, an amazing shift began to occur. Private schools started to “discover” new capacity. So much so that the 566 students who were previously enrolled in an Edgewood school, and who were then enrolled in Horizon, had no problem entering their new school. The foundation heard from many schools who stated that they were opening up new instructional space by expanding and maximizing their current facility. This was especially true of the private schools located within the Edgewood district. These schools reported that their capacity building efforts included:

- The opening of new classrooms



- The hiring of additional teachers and teacher aides
- Library expansions
- Curriculum enhancements, including music and art courses
- The addition of computers in every classroom (reported by one school)
- The replacement and upgrading of classroom furniture
- The expansion and upgrade of teaching materials
- The addition of portable classroom buildings
- A planned major expansion of one school

In the case of the school that planned a major expansion, that school actually purchased land adjoining its campus and shortly thereafter announced a capital campaign. Today, 10 years later, that school is twice the size it was when Horizon was announced (both in terms of enrollment as well as facilities) due mainly to adding grades 6 through 8 to its previous offering of grades 9 through 12, and from transitioning from an all-boys school to coeducational.

While the first phase of capacity building is maximizing current facilities, the next phase is starting new schools. As a direct result of Horizon, two new schools were started within the Edgewood district. Although both of these schools were small in terms of total enrollment, they represented an important conceptual response to parents seeking additional educational options for their children.

Before Horizon's announcement, there were three new schools which had already been in the process of formation for opening in the fall of 1998. One of those schools had planned to offer grades K-5. But as a result of the Horizon announcement, they ex-

panded their plan and opened instead with grades K-12.

While assessing the economic impact of capacity building is beyond the scope of this report, it is safe to say that the economic impact of school choice is, without a doubt, far reaching.

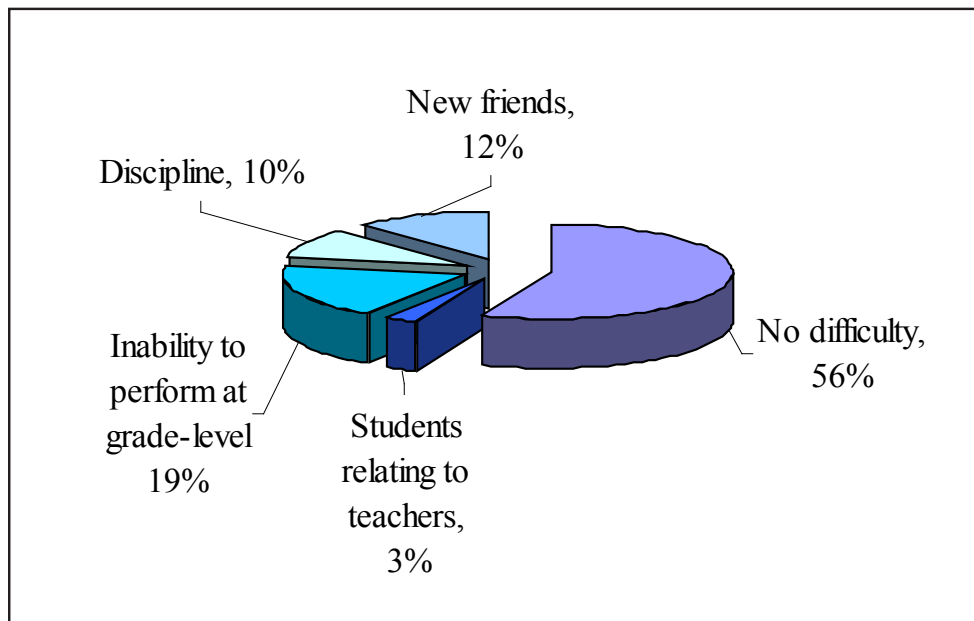
Students in Transition

One of the concerns the program sponsors had about voucher recipients was whether or not they would in any way be stigmatized by the receiving schools, teachers, school parents, or other students. Fortunately this never occurred. The CEO Foundation received not one report from a parent or student that they had any difficulty in this area. This was confirmed by independent research and focus groups. One researcher observed, "Students are in no way identified as having a scholarship and cannot be distinguished from other students."⁶

Many parents and schools described tutoring and other special assistance that the private schools offered to ease the academic transition. One school, with a large Horizon student enrollment in the first program year, went so far as to require Saturday tutoring classes at which parent attendance was mandatory in order to help in the transition to a more demanding educational curriculum. "The scholarship students are significantly more likely to require tutoring, but other than that [there were] few transitional difficulties."⁷

Among the transitional initiatives reported to the

Chart 1
Horizon Students: Elements of Greatest Transition Difficulty
2001



Source: McGroarty, 2001

foundation were:

- After school tutoring
- Saturday tutoring with and without mandatory parent attendance
- "Buddy system" tutoring and support
- Peer discipline

Chart 1 illustrates the element that students and parents reported as the greatest difficulty was the inability to perform at grade-level.⁸ In general, the longer the student was enrolled in Edgewood, the farther behind they were academically.

Question #3: Does school choice create a financial hardship on a school district?

No. The opposite is true in sharp contrast to the often heard rhetoric of how school choice "steals valuable resources" from public schools. Edgewood had been experiencing a long and consistent annual decrease in revenues—until the year Horizon was launched. That year saw the first increase (albeit a modest one)

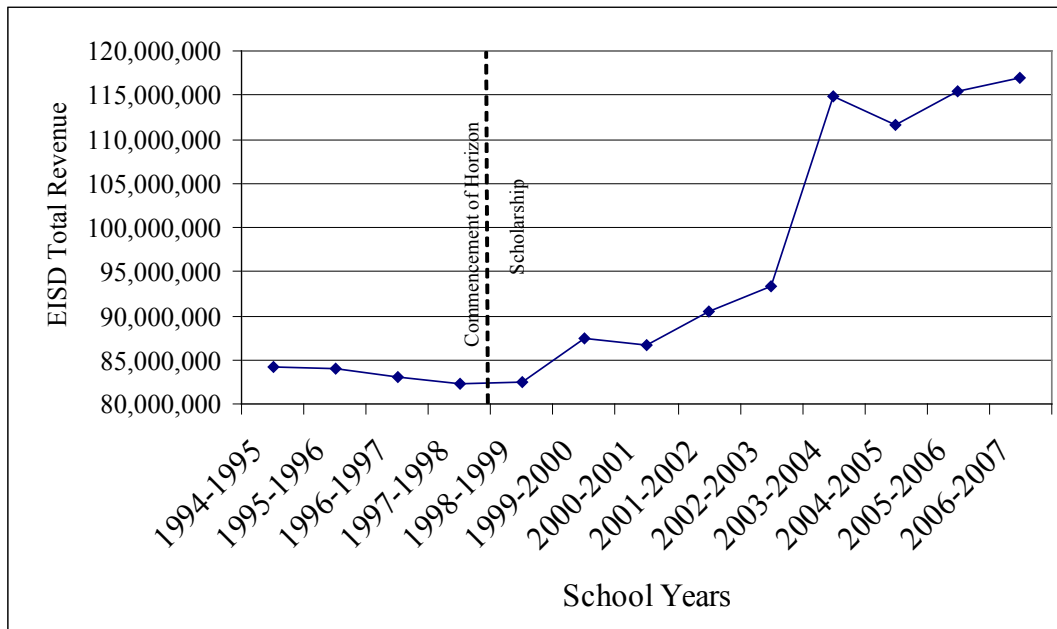
in district revenues in as far back as Texas Education Agency (TEA) records were available (1994).

Edgewood Superintendent Dolores Muñoz, in an interview with the *Houston Chronicle* in the first months of the Horizon program, stated her concern that vouchers will turn public schools into schools of last resort, shaking the very foundation of American democracy.⁹ Her words were characteristic of those who argue that a parent having the right to choose the school that is best for their child is bad for the system of public education. Claims of financial ruin brought about by a mass exodus of the best and brightest students are often heard.

This study demonstrates that when every student in an entire school district is offered an educational voucher, district revenues increase, academic results soar, dropout rates decrease, teacher salaries increase, and real estate values increase helping to revitalize an inner-city community. The freedom of school choice breathes new life into the very foundation of American democracy.

Over the course of the Horizon program, Edgewood's

Chart 2
Edgewood ISD Total Revenues, 1994 to 2007



Source: Texas Education Agency

revenues increased by 42.1 percent. This increase was caused by a 115 percent increase in property values, a 30.1 percent decrease in dropouts (increasing district funding for average daily attendance) and a funding change by the state in the fifth year of the program. District revenues pre- and post-Horizon are shown in Chart 2. Edgewood also invested in their crumbling infrastructure. Peeling paint was removed, weeds and trash along campus fences disappeared, old schools were closed, new schools built, others remodeled and repaired and a new magnet school was introduced.

While the dropout problem in Edgewood remains critical, this retention of would-be dropouts resulted in an estimated average annual revenue to the district of \$1,212,300. These factors offer strongly compelling evidence as to the efficacy of school choice. This is true, not just in financial terms, but also in human terms by serving to curtail the dropout epidemic and accompanying social costs (lost revenue from taxes and fees, increased Medicaid costs, and increased incarceration costs).

Chart 3 illustrates the total revenue per student

(which grew 22 percent even before the implementation of a state funding formula change), and Chart 4 which demonstrates the sharp growth in instructional expenditures in the district over the study period, an increase of 59.4 percent.

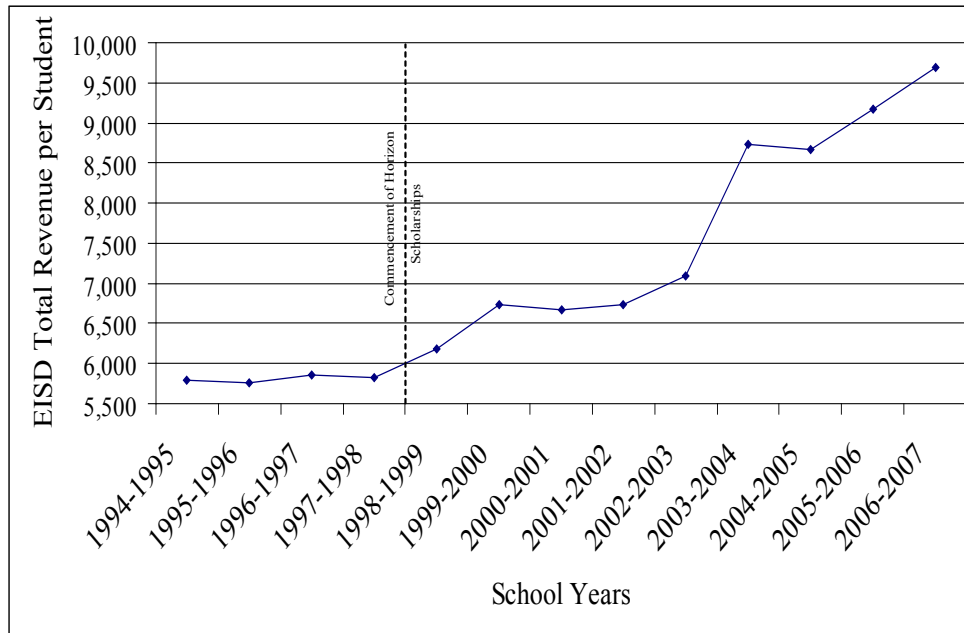
Question #4: Does school choice cause a mass exodus of students from public education?

No. The Horizon program demonstrated that the majority of parents will continue to choose public education.

In the first semester of the Horizon program, which offered choice to every one of the 14,142 students in Edgewood (1997-98 base-line year enrollment), a total of 566 Edgewood students enrolled. This means that an overwhelming 96 percent of the Edgewood students made the choice to remain in their district school despite having the opportunity to leave.

It is important to note, however, that there were an

Chart 3
Edgewood ISD Total Revenue per Student, 1994 to 2007



Source: Texas Education Agency

additional 116 students who were starting school for the first time (not previously enrolled in an Edgewood school) that entered the voucher program. There were an additional 105 students who entered Horizon that lived in Edgewood, who were supposed to be attending an Edgewood school, but who were lying about their address in order to attend a school in a different district. (In the marketplace of educational opportunity this is most often referred to as “black-market choice.”)

The Horizon program also provided for 50 vouchers to be set aside for students who were previously enrolled in a private school. The first semester Horizon enrollment is recapped in Table 3.

But what about the predicted public school exodus over the longer term? No such “Edgewood exodus” materialized. Table 3 illustrates the Horizon enrollment of Edgewood students over the course of the entire 10-year program period. The data clearly illustrates that, given the availability of choice, an overwhelming majority of students and parents made a conscious decision to remain in their traditional school with the

expectation that their school would improve.¹⁰ Over the course of the entire program, where every child in the district had the opportunity to receive a voucher, an average of 90.5 percent chose to remain in their Edgewood school. Like so many other results from Horizon, this factor is highly significant to the national debate regarding school choice.

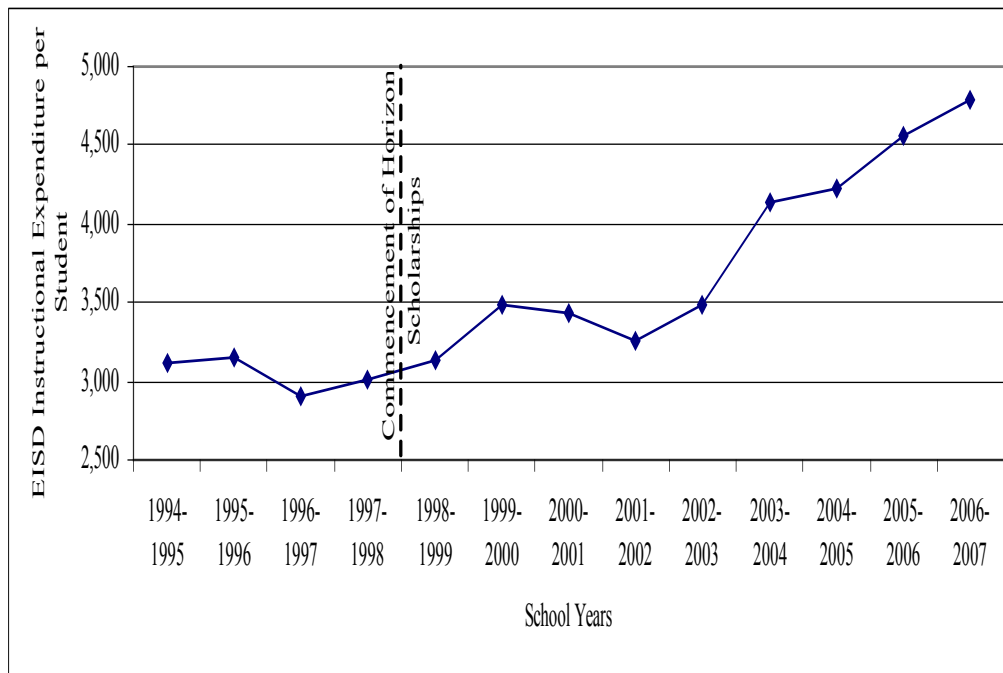
The conclusion, which has been upheld in other

Table 3: Horizon First Semester Enrollment

Students who were previously in an Edgewood school	566	67.6%
Students starting school for the first time	116	13.9%
Students lying about their address	105	12.5%
Students from private school	50	6.0%
Totals	837	100%

Source: A report on the first Semester of the Horizon Voucher program, CEO Foundation, January 1999

Chart 4
Edgewood Instructional Expenditure per Student, 1994 to 2007



Source: Texas Education Agency

choice programs as well, is that in a choice environment all parents become more engaged and that the vast majority remain where they are with the expectation of improvement. Despite this fact, the students who do leave represent the 10 percent who, for whatever reason, want or need something different. Clearly a school cannot be all things to all students. Choice, therefore, provides the opportunity for students to have better opportunities and introduced needed competition into educational systems often marked with rigidity of doctrine and an unwillingness to change or heed the advice of teachers in the classroom.

As previously stated, the fact that over 90 percent of Edgewood students chose to remain in their traditional school is extremely significant. This would indicate that the families who take advantage of a voucher to go to another school do so as a result of wanting or needing something different for their child. Further evidence to this point is that 20 percent of the families in Horizon continued to enroll one or more of their other children in an Edgewood school.¹¹ The data, therefore, gives a clear indication

that school choice is driven by individual student needs.

When evaluating the district's enrollment numbers, it is noteworthy that from 1997-98 to 1998-99 Edgewood dropped from 14,142 students to 13,323 students, a loss of 819 students or 5.8 percent of its student population. But not all of this decrease was due to Horizon as approximately 300 of those students were attributed to the closing of public housing projects in the district where the students were relocated to other parts of San Antonio outside of the Edgewood District.¹²

Question #5: Does school choice cause the best and the brightest students to leave public education?

The answer is no. Students who applied for a Horizon voucher were, on average:

- Functioning at the 37th percentile in math and the 35th percentile in reading.

Table 4: Horizon Enrollment By Year

Year	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Horizon Scholarships	770	888	1,137	1,713	1,916	2,042	1,722	1,456	1,254	1,018
Private Students*	(50)	(59)	(111)	(131)	(154)	(147)	(117)	(98)	(77)	(53)
Net Enrollment	720	829	1,026	1,582	1,762	1,895	1,605	1,358	1,331	956
% of EISD Enrollment	5.1	6.0	7.5	10.5	11.8	12.8	11.3	10.1	10.1	7.4

* "Private Students" are students who were enrolled in private school prior to Horizon.
 Sources: CEO Foundation Horizon Grade Distribution report, July 25, 2008; TEA Snapshot

- If the best and brightest left, the graduation rates would have gone down. Since the graduation rates went up by almost 60 percent the opposite is obviously true
- If the best and brightest left, student achievement would have dramatically decreased. In fact, student achievement improved faster than 85 percent of the school districts in Texas.
- The families who chose to leave Edgewood were the poorest of the poor. The families that chose to stay in Edgewood had an average family income that was 60 percent greater than those who chose to leave—the more economically disadvantaged, the lower the expected academic performance.
- Lastly, the population profile of voucher students was virtually identical to non-voucher Edgewood students in terms of student suspensions, absences, and tardiness, clearly indicating that the overall population of voucher students closely represented that of the Edgewood student population as a whole.

Shortly after the Horizon Program was announced, an officer of the teacher union, Texas Federation of Teachers, predicted that the private schools would "cherry pick" desirable students so as to "shorten the honor roll" in public schools.¹³ Edgewood Superintendent, Dr. Dolores Muñoz, speaking on national tele-

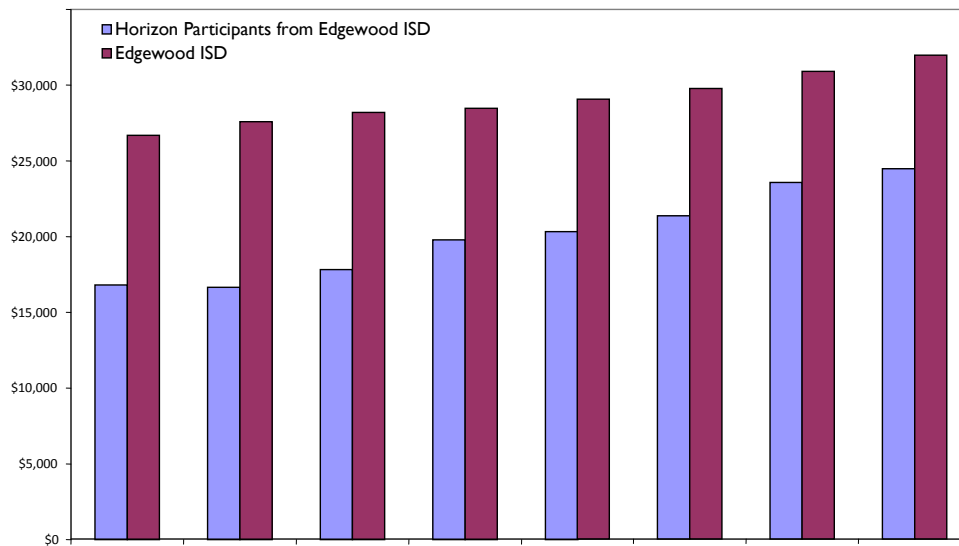
vision, said that "Right now, I don't have the profile of every child," but she was willing to "guarantee you that at least 80 percent will be the highest achieving students. The private schools are having the choice of the best students around, because they have a criteria, and not every child is taken into consideration, and their doors are...not open for every child."¹⁴

Did Edgewood agree that their earlier statements had been proven invalid with respect to shortening the honor role in public education? Yes, reluctantly.

An undistributed Edgewood school district memorandum summarized their own research findings as follows:

"With respect to the ITBS [Iowa Test of Basic Skills], a norm-referenced test, few statistically significant differences are to be found between students identified by CEO as scholarship recipients and those not so identified. There was no statistically significant difference favoring the CEO-identified [Horizon] students."¹⁵

Based upon the list of Horizon students provided to the district by the foundation, Edgewood researchers conducted their own analysis and student testing. Their conclusion matched that of the Harvard study in that they found few statistically significant differences between voucher students and those who decided to remain in their Edgewood school.

Chart 5: Median Annual Income for Families with Children

Sources: Dr. Timothy Gronberg & Dr. Lori Taylor, Texas A&M University; data provided by Horizon program

As a result of the analysis performed by Edgewood researchers, the Harvard study concluded: "In sum, in 25 of 32 comparisons performed by researchers in Edgewood, no statistically significant differences were identified between the performances of students who would accept Horizon scholarships and other Edgewood public-school students."¹⁶

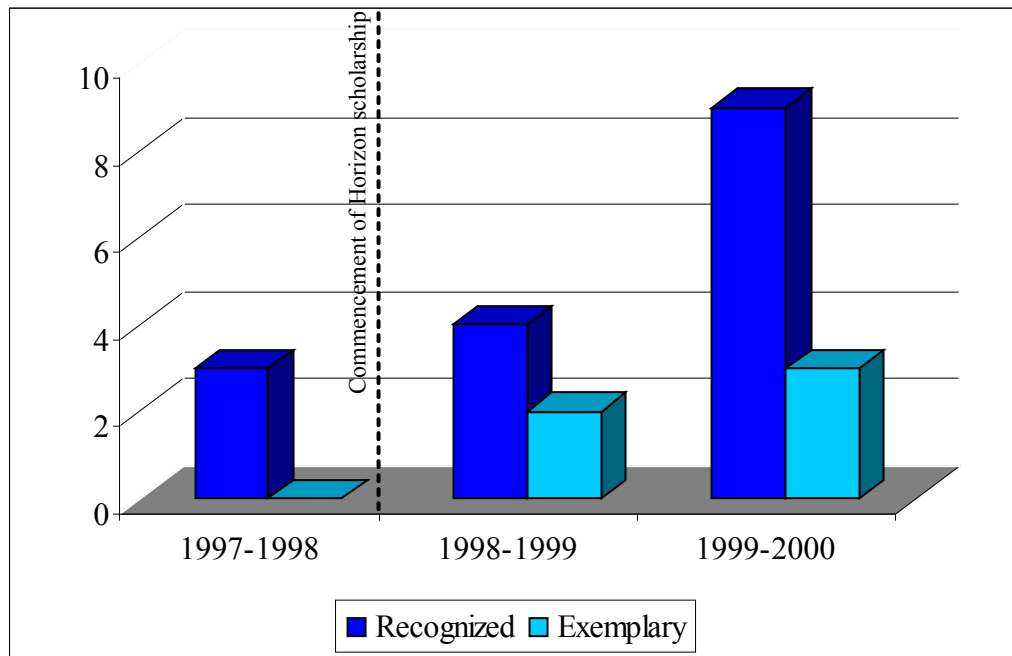
While the students who seek to exercise choice are clearly not the "best and the brightest," it is important to consider the profile of the students and families that seek an alternative educational opportunity.

In the Horizon program, the first families to exercise choice were the poorest of the poor. The median annual family income of a Horizon student was approximately \$16,000¹⁷ and the average family size was 5.4 (see Chart 5). At the end of the first Horizon year, the Harvard report stated, "Participants in the Horizon program in Edgewood might be roughly classified as the children of the working poor. The program has hardly skimmed the cream [best students] of the Edgewood public schools"¹⁸ The comparison of Horizon student's family income to Edgewood for the first eight years of the program demonstrates that choosing families remained more economically disadvantaged the entire time.¹⁹

Question #6: In a school choice environment, what are the academic impacts on the students in the school district?

When Horizon began, Edgewood had 25 campuses of which 19 were ranked "Acceptable," three were "Recognized," and none were "Exemplary" based upon the state's accountability rating system (based upon TAAS scores, dropouts, and attendance rates). Within just two Horizon years Edgewood's student performance, in stark contrast to its past, far surpassed that of its peer districts as well as the state of Texas as a whole. As illustrated in Chart 6, by the end of the second Horizon year Edgewood had, for the first time in its history, earned a rating of "Recognized" from the state with three "Exemplary" campuses, nine "Recognized" schools, and 18 ranked "Acceptable." By the end of the third Horizon year, Edgewood students posted even more remarkable academic increases in reading, writing, and math of 16.4 percent, 12.3 percent, and 21.3 percent respectively, far surpassing the overall state results in that same time period of 5 percent, 1.5 percent, and 19.3 percent. Chart 6 illustrates the improvement in Edgewood campuses after just two years of parents having choice.

Chart 6
Edgewood Independent School District Campus Ratings



Source: Texas Education Agency

This was a tremendous accomplishment for Edgewood. After years of academic mediocrity, they were compelled to improve—and they did, beyond all expectations.

The student academic achievement data presents an even more amazing picture of Edgewood student accomplishment.

In the year prior to Horizon, Edgewood students had a composite score of 75.1 in reading on the state mandated Texas Assessment of Academic Skills (TAAS) test. By the end of the fourth Horizon year (2001-02), that score had risen to 87.4—an increase of 16.4 percent. But how did this compare to surrounding districts of similar characteristics, as well as the state as a whole? Table 5 illustrates the comparative tale.

By the end of the fourth Horizon year, the gain posted by the Edgewood students in reading was nearly three times the state average and four times that of the contiguous Northside ISD.

Tables 6 and 7 illustrate comparative writing and math scores between Edgewood and its surrounding districts.

In the year prior to Horizon, Edgewood students had a composite score of 76.7 in writing. By the end of the fourth Horizon year that score had risen to 86.1—an increase of 9.4 points. As in the case of reading, Edgewood outpaced its surrounding districts and posted gains more than seven times the state average.

Edgewood students also had a composite score of 73.3 in math in the year prior to Horizon. By 2001-02 that score had risen to 88.9—an increase of 15.6 points in just four years. And just as in the case of reading and writing, Edgewood’s gain outpaced its surrounding districts as well as the state as a whole.

Table 8 illustrates the composite data of all TAAS test sections for the same surrounding districts as well as the state as a whole.

Table 5: An Analysis of Edgewood ISD TAAS Scores in Reading as compared to Surrounding Districts and the State of Texas 1997-98 to 2001-02

	Edgewood ISD	San Antonio ISD	Northside ISD	South San ISD	All Districts in Texas
Baseline Score (1997-98)	75.1	71.7	89.5	79.5	87.0
2001-02 Score	87.4	83.1	92.4	88.2	91.3
Increase in Score	12.3	9.9	2.9	8.7	4.3

Source: Texas Education Agency

Table 6: An Analysis of Edgewood ISD TAAS Scores in Writing as compared to Surrounding Districts and the State of Texas 1997-98 to 2001-02

	Edgewood ISD	San Antonio ISD	Northside ISD	South San ISD	All Districts in Texas
Baseline Score (1997-98)	76.7	75.7	88.2	81.9	87.4
2001-02 Score	86.1	80.8	89.4	88.7	88.7
Increase in Score	9.4	5.1	1.2	6.6	1.3

Source: Texas Education Agency

Table 7: An Analysis of Edgewood ISD TAAS Scores in Math as compared to Surrounding Districts and the State of Texas 1997-98 to 2001-02

	Edgewood ISD	San Antonio ISD	Northside ISD	South San ISD	All Districts in Texas
Baseline Score (1997-98)	73.3	65.4	84.5	77.6	77.7
2001-02 Score	88.9	84.3	93.2	90.1	92.7
Increase in Score	15.6	11.9	8.7	12.5	15.0

Source: Texas Education Agency

Table 8: An Analysis of Edgewood ISD TAAS Scores in All Sections as Compared to Surrounding Districts and the State of Texas 1997-98 to 2001-02

	Edgewood ISD	San Antonio ISD	Northside ISD	South San ISD	All Districts in Texas
Baseline Score (1997-98)	62.0	56.5	78.5	67.8	77.7
2001-02 Score	79.8	73.3	85.9	80.8	85.3
Increase in Score	17.8	16.8	7.4	13.0	7.6

Source: Texas Education Agency

In all test sections combined, Edgewood’s performance outpaced its surrounding districts and posted gains that were nearly two and a half times greater than the state as a whole.

An analysis performed by independent researchers in 2002 looked at the Horizon impacts on Edgewood achievement in a slightly different way in order to see if the academic conclusions withstood scrutiny. They did. The researchers concluded:

“We found that when Texas school districts were ranked according to the difference between actual gains and expected gains over the study period, the Edgewood school district ranked at the 85th percentile. This means that Edgewood’s performance relative to its expected gain was equal or superior to that of 85 percent of all Texas school districts. Among Hispanic students, who made up 97 percent of Edgewood’s population, Edgewood ranked at the 73rd percentile statewide. Among lower-income students (those in the federal lunch program), who made up 93 percent of Edgewood’s population, Edgewood ranked at the 75th percentile statewide.

This indicates that, after the effects of population demographics and local resources were isolated and removed, Edgewood performed well above the average Texas school district among all students, Hispanic students, and low-income students. This is consistent with the hypothesis

that public schools respond to competition from school choice by improving educational services. Of course, other factors may be at work, including random chance. However, given Edgewood’s unusually strong performance, the data suggest that school choice probably made an important difference in [Edgewood] student outcomes.”²⁰

Does school choice improve public education? Clearly the answer is yes, it does, and at a much faster pace, at a much lower cost, and to a much greater extent than any other education reform initiative.

At the beginning of the first Horizon year the *Wall Street Journal* stated, “By many measures, the Edgewood schools are as woeful as the neighborhood.”²¹ Edgewood has decidedly proven the Journal wrong with respect to its community and its schools.

Question #7: What is the impact of school choice on the public education dropout rate?

Table 9 illustrates the Edgewood district’s enrollment by grade by year from 1994-95 through 1997-98.

From this table it is not at all difficult to see Edgewood’s dramatic drop in students in their annual progression from 9th to 12th grades. Despite the shocking disappearance of hundreds of high school students each year, the TEA reported dropout rates of only 3.0 percent to 4.8 percent.

Table 9: Edgewood Enrollment by Grade by Year 1994-95 to 1997-98

	1994-95	1995-96	1996-97	1997-98
Pre-K	631	711	632	640
.5	1,161	1,222	1,255	1,192
1	1,288	1,239	1,242	1,274
2	1,334	1,207	1,172	1,199
3	1,276	1,260	1,140	1,094
4	1,234	1,224	1,184	1,081
5	1,173	1,220	1,156	1,128
6	1,173	1,133	1,124	1,112
7	1,095	1,122	1,102	1,093
8	1,017	1,017	1,044	1,050
9	1,138	1,251	1,178	1,305
10	763	791	820	836
11	783	601	609	663
12	478	586	520	475
Totals	14,544	14,584	14,178	14,142
TEA Reported Dropout Rate	4.8%	4.1%	4.5%	3.0%

Source: Texas Education Agency

Chart 7 shows the EISD graduation rate using the CPI method. Prior to Horizon, the EISD graduation rate was declining and dipped as low as 31 percent. However, the graduation rate in EISD began to increase in the 1998-99 school year, which is the year the Horizon program began. It supports the view that such a large increase in the graduation rate is inconsistent with the view that private schools under the Horizon program were cherry-picking the best and brightest students away from EISD, which if it were true would likely imply a declining graduation rate after the Horizon program began.²²

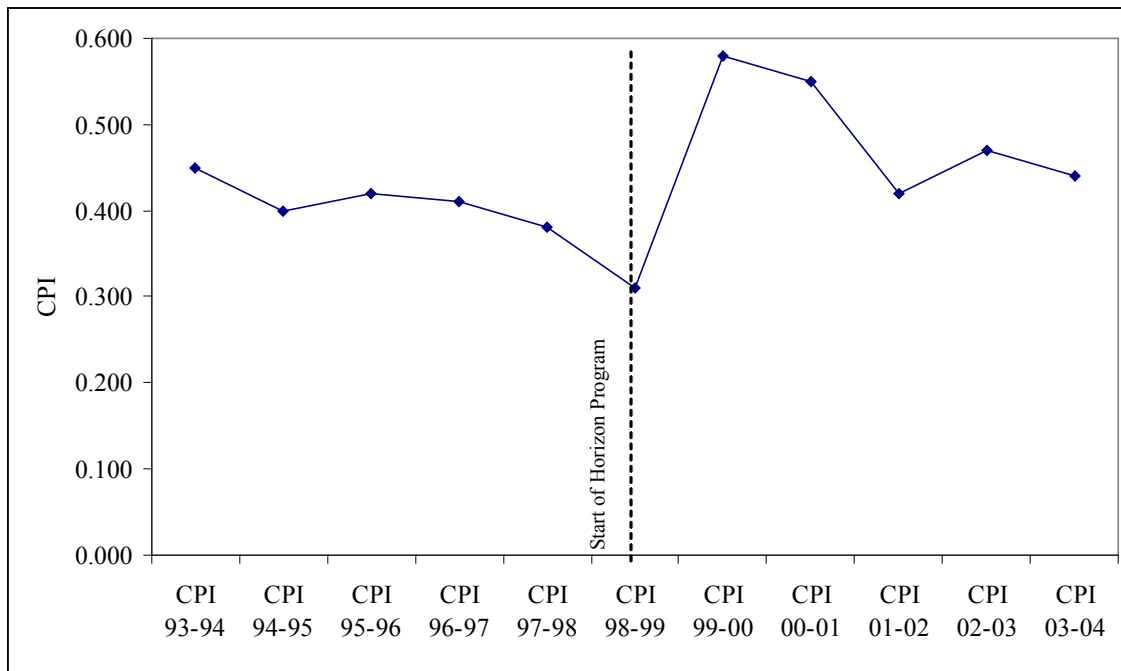
The district's 9-12 dropout rates in the year just prior to the Horizon program was 69 percent. By the end of the sixth Horizon year that rate dropped to 48.2 percent—a decrease in dropouts of 30.1 percent. For the first time Edgewood students had an option available to them other than the option to dropout of school. A reduction of 30.1 percent translates into

estimated revenues to the district of \$1,212,300 per year. These are revenues that would have been lost to the district had the dropout rate remained at its previous level.

In addition to the \$1,212,300 annual additional revenue realized by the district, Texas taxpayers also saved money. The public cost associated with a single dropout is \$3,168 per dropout per year—for life. Based on this cost, the single year's worth of prevented dropouts in Edgewood identified above will save the taxpayers of Texas \$495,000 each year for the entire life expectancy of this group of students. If one considers an average life expectancy of 78, this would equate to a taxpayer's savings of approximately \$31 million each year from each class of students.²³

If school choice claims to have reduced the Edgewood dropout rate, is the proof evident in the dis-

Chart 7
Edgewood Graduation Rate Under the Cumulative Promotion Index



Source: *Should Texas Adopt a School Choice Program?*, John W. Diamond, March 2007

trict’s graduation rates? According to Rice University researcher John W. Diamond, the answer is yes, it is. In his report entitled, “Should Texas Adopt a School Choice Program?” dated March 2007, Diamond states, “The evidence clearly suggests students who participate in voucher programs are more likely to graduate and go to college. It also suggests that increased competition from school vouchers will tend to increase graduation rates in the public school system.”

Question #8: Does school choice cause an increase in teacher’s pay?

Teacher salaries in Edgewood were on the rise before the voucher program came into existence. Over the four years prior to Horizon, teacher salaries posted an increase of 12.7 percent; however, the rate of increase accelerated dramatically after the start of the choice program. In the first four program years (prior to a new state funding formula going into affect) teacher salaries increased 17.6 percent, in addition to the 12.7 per-

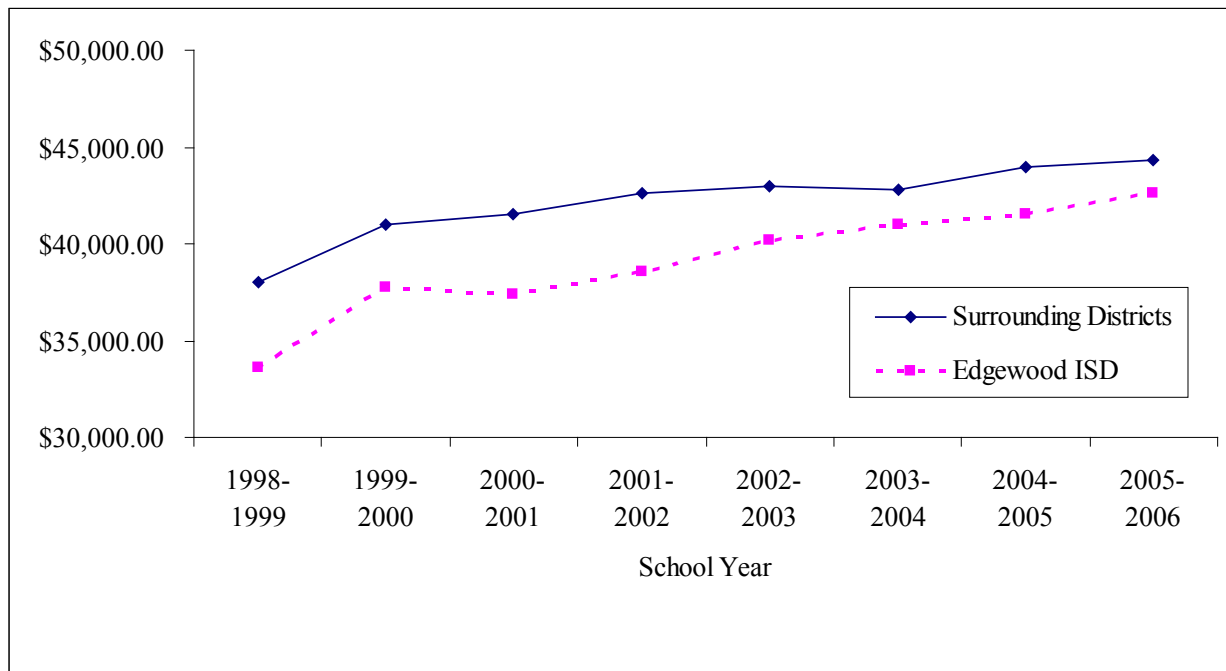
cent pre-Horizon increase. By the 2006-07 school year, teacher salaries had increased 37.2 percent since the inception of vouchers in 1998-99.

Was Edgewood unusual in this dramatic increase, or was it indicative of what was happening in all districts? According to Rice University researcher John Diamond, Edgewood’s surrounding districts posted teacher salary increases of 21.8 percent since the inception of Horizon.²⁴ This meant that the rate of teacher salary increases in Edgewood was 70.6 percent greater than Edgewood’s surrounding districts.

Mary Sanchez, a teacher in Edgewood for 33 years and a Horizon parent, explains some of the dynamics that took place with Edgewood that led to increased teacher pay:

From an internal standpoint, Edgewood had to change in order to better compete with the Horizon Scholarship Program. Everybody from the administrators to the teachers knew that there was a pos-

Chart 8
Teacher Salaries in Edgewood ISD Compared to Surrounding Districts



Source: *Should Texas Adopt a School Choice Program?*, John W. Diamond, March 2007

sibility that the district would hemorrhage students with the new program, so we had to become proactive in working to keep our students and to keep parents happy with the school district. We began offering more tutoring options and began to offer more programs to keep students engaged in the education process.

Teacher salaries had to go up in order to compete with other school districts for better teachers. Edgewood knew that they needed a higher caliber of teachers and a pay increase was part of one such initiative. Another initiative, in order to attract more qualified teachers, was to begin recruiting teachers from Iowa. To this day, we have several teachers from Iowa that are still teaching in the Edgewood school district.

Diamond observed, “EISD teacher salaries have, in fact, increased faster than those of surrounding districts. This pattern is consistent with the research from Vedder and Hall (1999) finding that increased

competition between public and private schools results in higher salaries for public school teachers.”²⁵

Question #9: Does school choice stimulate economic development in the inner-city?

It was anticipated that a scaled program of school choice would have favorable systemic impacts beyond just the classroom and school district. The unique characteristics of a choice program reach deep into a community and can greatly impact revitalization and economic development in ways that would surprise even the most optimistic urban planner. Choice fundamentally changes the equation that causes inner-city flight creating a new dynamic of community values. The Horizon program proved this to be true.

By any reasonable measure, the Edgewood community is a poor one. In 1990, the census data showed a total population of 62,720 of whom 92.0 percent



Lago Vista Village Apartments, San Antonio, Texas

were Hispanic and 38.6 percent were below the poverty line. This poverty rate was more than double the 17.7 percent figure for Texas, and more than triple the 12.8 percent figure for the country as a whole in 1990. Per capita income in Edgewood in 1990 was \$5,620 compared to \$12,904 for Texas and \$14,420 for the United States. The median home value was \$31,976 compared to \$58,941 for Texas and \$78,500 for the country.²⁶ The Edgewood community had not seen any new housing developments since the 1950s.

On April 22, 1998 CEO Foundation Managing Director, Robert Aguirre, announced the Horizon program. In his announcement he stated, "Three years from now, there's going to be plenty of evidence that people are going to move into Edgewood to take advantage of the schools, the area, and the scholarships [which] they can't get anywhere else." But Edgewood Superintendent, Dolores Muñoz, disputed Aguirre's projection by saying, "It's unrealistic. I don't see how providing scholarships would revitalize Edgewood and build homes."²⁷

Within weeks of the announcement a San Antonio architectural firm contacted CEO. Their question was, "If we were to build an apartment complex in the Edgewood district, would our residents qualify for a voucher?" The answer was yes. The result was a new 90 unit apartment complex, Lago Vista Village, which constituted the first multi-family housing develop-

ment in Edgewood in 40 years. Their marketing brochure highlighted "If you rent here, your child will get a scholarship to go to any school you choose."

Again, within weeks of the Horizon announcement, the Managing Director was contacted by a member of the board of directors of a non-profit affordable housing organization requesting a briefing of how the voucher program worked, and who exactly was qualified to participate. The result of that briefing: a new single family housing development, Villas de San Antonio, completed in 2000 consisting of 65 single family homes in what had been a weed infested and trash-laden tract of land located on a major thoroughfare in the heart of the Edgewood district.

Amazingly, the developer reported that every one of the 65 homes in the new subdivision sold in 90 days.

As in the case of the new apartment complex, these single family homes constituted the first single-family housing development in the Edgewood community in 40 years.

Table 10 illustrates the significance of these new housing developments to the tax base of the Edgewood district.

How is it that a low-income, inner-city neighborhood, that had experienced an out-migration of urban flight for decades, and had not seen a new housing development in 40 years, suddenly become a place where people wanted to live? In 2001, an independent survey of Horizon families produced some startling results. The survey found that the Horizon school choice program was attracting families to the Edgewood community. Eleven percent of respondents reported that they moved to Edgewood to become eligible for the school choice program.²⁸

The district's critical property tax-based statistic, Taxable Property Value Per Pupil, prior to Horizon is shown in Table 11. The data indicates that in the

Table 10: New Housing in Edgewood Since the Establishment of the Horizon Program

Property	Year Built	2007 Tax Value
Lago Vista Village Apts.	1998	\$2,580,130
Villas de San Antonio*	2000	\$4,668,300
Bexar Creek Apts.	2004	\$2,538,000
Total		\$9,786,430

*Based upon an average home value of \$71,820 in the subdivision
 Source: Bexar County Appraisal District

Table 11: Taxable Property Value Per Pupil Pre-Horizon Values

	1994-95	1995-96	1996-97	1997-98
	\$ 34,363	33,393	29,893	31,024
Annual Change		(2.8%) Decrease	(10.5%) Decrease	3.8%+ Increase
	Net Overall Decrease:			(9.7%)

Source: Bexar County Appraisal District

four years immediately prior to residents having school choice, Taxable Property Value Per Pupil was on a sharp decline—9.7 percent. This was not a new trend as Edgewood had been in an economic decline for several decades.

Table 12 provides the data which shows that the district’s taxable Property Value Per Pupil after the fourth Horizon year had increased 23.0 percent. By the ninth school choice year the increase grew to an unprecedented 114.9 percent.

Certainly it should not be claimed that the school choice program in the Edgewood community was solely responsible for this historic turn-around in its entirety. Other factors were at work, not the least of which was an effort by the Bexar County Appraisal District to raise appraised property values in all sectors of the county. Therefore, in order to better assess changes in Edgewood, its gains should be viewed within the context of a neighboring surrounding district’s similar changes in Taxable Property Value Per Pupil. Table 13 compares Edgewood’s gains to that of its neighbor—the San Antonio Independent School District. The data indicates that Edgewood’s four year pre-Horizon decrease was more than four times that of its neighbor, and that its post-Horizon increase (1997-98 through 2006-07) was one and a half times greater than its neighbor.

As compelling as the data is, some would surely remain skeptical as to the impact of choice on revitalizing inner-city communities. But these results were not all together unexpected.

Milwaukee’s long time progressive Democratic mayor, John O. Norquist, learned first hand what school choice can do to revitalize inner-city neighborhoods. Norquist served as mayor from 1988 until 2004 and he was a part of a coalition of democrats in 1989, led by state legislator Polly Williams, who were successful in passing a school choice bill in the state legislature for the inner-city of Milwaukee.

When speaking of urban renewal efforts, John Norquist says that when school choice becomes a reality, “the central city economy will pick up, property values will rise, racial integration will increase, and central city test scores rise.”²⁹

Shortly before leaving office, in a published opinion article, Norquist wrote that “[school choice] is good for this city’s poor children. It’s good for all of this city’s schools. And it’s good for the community. A city with a large and vibrant middle class is likely to be a large and vibrant city in general, a city with jobs that help the poor get out of poverty, a city flowing with non-governmental resources that help enrich civic life.”³⁰

Within the context of the Edgewood results, it is safe to say that the economic impact of school choice on community revitalization is a critical element too often ignored. Fortunately, this discussion is now spreading from teacher union halls and political hallways to other arenas from which real and fundamental economic change might occur. One such arena is The Congress on the New Urbanism (CNU).

Table 12: Taxable Property Value Per Pupil Post-Horizon Values

97-98	98-99*	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07
\$31,024	\$34,209	\$35,929	\$37,928	\$38,150	\$44,734	\$50,550	\$54,101	\$60,709	\$66,676
Annual Change	10.3%+ Increase	5.0%+ Increase	5.6%+ Increase	.6%+ Increase	17.3%+ Increase	13.0%+ Increase	7.0%+ Increase	12.2%+ Increase	9.8%+ Increase
Net Overall Increase: 114.9%+									

*First year of Horizon

Source: Texas Education Agency

Table 13: Comparative Taxable Property Values Per Pupil Edgewood ISD vs. San Antonio ISD

	1994-95	1997-98	2006-07
San Antonio ISD	\$ 95,953	\$ 96,936	\$ 171,362
Net Overall Change		1.0% Increase	76.8%+ Increase
Edgewood ISD	\$ 34,363	\$ 31,024	\$ 66,676
Net Overall Change		(9.7%) Decrease	114.9%+ Increase

Source: Texas Education Agency

In March 2006, the CNU Board of Directors adopted three resolutions regarding community schools. Two of those resolutions dealt with building design issues, but the third called for a change in urban education policy:

Parents should be allowed to choose the best school for their child without having to move away from communities that enjoy income diversity. CNU recommends a range of policy options to address this issue, including open enrollment across school district lines, metro-wide magnet schools, independently chartered schools and school vouchers to private and parochial schools.³¹

CNU convened a special education summit of its members in Chicago in 2006. Addressing the summit in his keynote address, former Milwaukee mayor John Norquist stated:

Vouchers are tools in the battle against segregation and sprawl because school choice helps people who

prefer urban life to live in the city. In cities with vouchers, middle-class parents no longer feel compelled to flee to give their children a good education. Even more important, poor families locked out of the market for real estate-based choice see their schooling options improve. City families of all incomes need access to good schools without having to move to enclaves that exclude the poor.³²

The 10-year Horizon program provided a dramatic glimpse of the enormous potential for real and fundamental change school choice bodes for families and communities if it were to be translated into public policy.

Question #10: Does school choice improve public education?

The Horizon voucher program began in the fall of 1998 and concluded in the spring of 2008—10 full school years. The purpose of the program was to have a system of school choice that was large enough and

The 10-year Horizon program provided a dramatic glimpse of the enormous potential for real and fundamental change school choice bodes for families and communities if it were to be translated into public policy.

comprehensive enough to truly answer the fundamental questions regarding the theory of choice. The Horizon voucher program in Edgewood accomplished just that.

Despite receiving more per-pupil funding than the state average and more than all but one of the school districts in San Antonio, Edgewood had seen years of declining enrollment, academic achievement, and tax base. There were chronic problems with drugs, crime, and gang activity. Edgewood suddenly found itself in a position where parents had the ability to leave their assigned school for something better. Edgewood was compelled to improve and, to their great credit, they did so beyond all expectations.

- Edgewood academic performance greatly increased (better than 85 percent of the school districts in Texas)
- Edgewood school district dropout rates decreased by 30.1 percent
- Edgewood revenues increased by 42.1 percent
- The school district rose from "Acceptable" to "Recognized" for the first time in its history

- Property value per pupil increased by 114.9 percent
- Edgewood had its first new housing developments in over 40 years
- Per pupil spending increased by 57.3 percent
- Teacher's salaries increased by 37.2 percent (outpacing its surrounding districts by 70.6 percent)

These vast improvements were the result of a system of school choice that was large enough, and comprehensive enough, to answer the important basic questions regarding vouchers. More importantly, these systemic improvements demonstrate the dramatic affect that school choice can bring to at-risk children and a declining inner-city economy.

The privately funded 10-year Horizon program provided a true glimpse of the dramatic and fundamental change that is possible in public education in a school choice environment. It therefore provides a roadmap for the adoption of a well designed system of school choice as a matter of public policy that bodes well for families and communities. ★

Endnotes

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- ⁴ The unofficial agreement between the public school superintendents in San Antonio to not take voucher students was reported to the CEO Foundation by Dr. John Moore, Chair, Department of Education, Trinity University.
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- ²⁴ Diamond, 13.
- ²⁵ Diamond, 12.
- ²⁶ Manhattan Institute for Policy Research, 4.
- ²⁷ *San Antonio Express-News* (23 Apr. 1998) 1.
- ²⁸ McGroarty, 7.
- ²⁹ David Van Heemst, "Empowering the Poor: Why Justice Requires School Choice," 182.
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- ³² Ibid, 3.

Appendix 1: Edgewood's Response to the Competitive Challenge—the First Two Years

With the beginning of the Horizon program in the fall of 1998 came new competitive challenges for the Edgewood District. The day after the Horizon announcement, Edgewood superintendent Dolores Muñoz stated in the *San Antonio Express-News*, "We know choice is out there. We also know that we, ourselves, have to create reform to keep students."

In a May 7, 1998 editorial, the *San Antonio Express-News* opined in a headline "Edgewood students winners with proposal." Media from all across the country ran articles on the program and on the challenge that faced the district. (See the section entitled Media Log.)

Within weeks of the April 1998 Horizon announcement, the district announced a major admissions policy change. Breaking from a long standing agreement among the 15 school districts in San Antonio, Edgewood announced that it would now take student transfers from other districts (inter-district school choice). Although no record of any students applying for such a transfer have ever been identified, the irony of Edgewood's new policy, juxtaposed against their public position against school choice, did not escape even the most casual observer.

In the summer of 1998, the Edgewood school board engaged MGT of America, Inc. of Austin, Texas to perform a complete management, financial, and operational review of the district. The stated purpose of the study was to improve educational services to the community by streamlining administration and by asking parents what educational services they needed and wanted. This top-to-bottom review was estimated to cost Edgewood taxpayers \$120,000. The CEO Foundation invited the district to submit a grant request to the foundation in order to pay the \$120,000 cost of the betterment study, but the district declined the grant.

In another short-term response to the challenge, the Edgewood School Board passed a lengthy resolution on August 25, 1998 which, while decrying school choice, stated in part:

"WHEREAS, Edgewood has made great strides in academic achievement and campus improvement; it recognizes that competition, even in the academic arena, is a vital part of our country's democratic system; and

WHEREAS, Edgewood is committed to furthering a culture of excellence and highest expectations; it is prepared to meet the challenges of providing academic choices to our students and providing the best educational opportunities available."

Shortly after the Edgewood Board of Trustees passed their resolution, the Wall Street Journal published an extensive article (September 11, 1998, p. 1) on the district's challenge saying, "Can competition fix America's imploding public schools? Whether vouchers are going to result in better-educated kids and better-run schools is a question whose answer is years away. But Edgewood defines the problem of America's troubled public schools, and the voucher experiment proposes an intriguing solution." Such was the context in which the 1998-1999 academic year began for Edgewood.

While the new school year saw the unfolding of the MGT management review study, the national teachers' union—National Education Association (NEA)—pledged to join Edgewood in fighting educational opportunities through school choice. The NEA pledged their assistance to help organize grassroots parents to oppose parental rights in education and student vouchers. Sheila Simmons of the NEA, who headed the effort, stated "Communities should organize and lend vocal support for their neighborhood schools and reach for defenders by implementing a good news campaign." (*San Antonio Express-News*, November 30, 1998, p.4)

continued

As a result of the NEA's involvement, a workshop to train parents on how to oppose educational vouchers was held the evening of December 10, 1998 at one of the district's high schools. The event drew a total attendance of four people.

By the spring of 1999, MGT had completed its review and submitted a comprehensive analysis to the board of trustees on March 11, 1999. However, the final report made no recommendations. The consultants' recommendations were made in a separate document labeled "draft," which meant that the district could withhold it from public disclosure. When asked by the media when it would be finalized, the district responded that the consultants' recommendations would remain in draft form and the district promptly cancelled a board meeting at which those recommendations were to be presented. To this day the 1999 recommendations have not been released by the district.

Nonetheless, some of the consultants' recommendations became publicly known. Less than a month later, the *San Antonio Express-News* reported, "Teachers give low marks to Edgewood board, boss." (April 7, 1999) The article included the consultants' findings that the board and the superintendent held little credibility with the district's teachers. Additionally, the consultants' recommended the closure of a number of campuses and a significant realignment of administrative personnel in order to save money and increase effectiveness.

Alan Shoho, a University of Texas at San Antonio assistant professor of education, said of the MGT study, "It's only valuable if people who receive it are willing to look at themselves and take an honest assessment... But if they are like the ostrich sticking its head in the ground... then they probably have wasted \$120,000."

By the 1999-2000 school year Dr. Noe Saucedo had replaced Dr. Muñoz as the superintendent of Edgewood. On September 1, 2000 the CEO Foundation's Managing Director, Robert Aguirre, met with Dr. Saucedo in his Edgewood office for the purpose of getting acquainted and to establish a working relationship.

In that meeting Aguirre posed a question to Dr. Saucedo: "What is the biggest challenge facing Edgewood?" His response was immediate: "Attracting and retaining good teachers."

At the end of the meeting, Aguirre told the superintendent the foundation would be willing to establish an Edgewood Teaching Fellowship for up to fifty district teachers by augmenting their pay \$10,000 per year (in addition to their district salary), provide them with an annual classroom expense allowance of \$2,500, and pay for one professional development conference per year. The fellowships would be awarded based upon teacher applications and the final selections would be made by Dr. Saucedo and a foundation representative.

Dr. Saucedo declined the offer. The reason given was that such a program "would cause teachers to have to compete for the fellowship positions, and that would not be fair to inferior teachers."

Appendix 2: Program Evaluations and Reports

Below is an listing of reports and studies that have been published with respect to the Horizon/Edgewood voucher program:

1. A Case Study of Private Vouchers in the Edgewood School District, Jay Greene, The Manhattan Institute for Policy Research, July 20, 2000.
2. A Report on the First Semester of the Horizon Voucher Program, Robert B. Aguirre, CEO Foundation, January 1999.
3. An Evaluation of the Horizon Scholarship Program in the Edgewood School District, San Antonio, Texas: The First Year, Paul E. Peterson, David Meyers, and William G. Howell, Report Number PEPG99-03, Education Policy and Governance, Harvard University and Mathematica Policy Research, September 1999.
4. Choice, Change & Progress: School Choice and the Hispanic Education Crisis, Matthew Ladner and Jennifer Aguirre, CEO Foundation, October 2003.
5. Power to Choose, Horizon Scholarship Program Second Annual Report, Children's Educational Opportunity Foundation, October 2000.
6. Rising to the Challenge: The Effect of School Choice on Public Schools in Milwaukee and San Antonio, Jay Greene and Greg Forster, September 2002.
7. Should Texas Adopt a School Choice Program? An Evaluation of the Horizon Scholarship Program in San Antonio, John W. Diamond, Texas Public Policy Foundation, March 2007.
8. The CEO Horizon Scholarship Program: A Case Study of School Vouchers in the Edgewood Independent School District, San Antonio, Texas, Jay Greene and Daryl Hall, Mathematica Policy Research, Inc. May 23, 2001.
9. The Edgewood School District Political Machine, Jay Greene, Senior Fellow, The Manhattan Institute for Policy Research, February 2001.
10. The High Cost of Failing to Reform Public Education in Texas, Brian J. Gottlob, Milton and Rose D. Friedman Foundation, February 2007.
11. Who Chooses, and Why? – Findings from San Antonio Horizon Program, Daniel McGroarty, June 1, 2001.

About the Authors

Robert B. Aguirre was one of the founders of the CEO Foundation and he designed and oversaw the Horizon privately funded voucher program, the largest program of its kind in the country. He helped establish 102 such privately funded programs nationwide representing a total investment of over half a billion dollars in private philanthropy. He was one of six founding members of the national school choice organization now known as the Alliance for School Choice, the founder of the Hispanic Council for Reform and Educational Options based in Washington, DC, and Hispanics for School Choice. He owns a management consulting practice based in Helotes, Texas.

Jessica R. Sanchez holds a degree in political science and served overseas in the United States Peace Corps before joining the CEO Foundation in 2001. In 2004 she assumed the position of Program Manager and was responsible for all aspects of the foundation's operations, including the development of the highly unique parent group called Las Comadres which developed into a corps of parent advocates.

Brooke Dollens Terry is an education policy analyst within the Texas Public Policy Foundation's Center for Education Policy. Before joining the Foundation, she worked at the Texas Workforce Commission in government relations and as a policy analyst for Commissioner Diane Rath. At the Workforce Commission, she researched and analyzed child care, welfare, foster care, food stamps, and a host of other workforce policy issues.

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