



Influential Issues

Education

TEXAS PUBLIC POLICY FOUNDATION

By Brooke Dollens Terry & Michael Alexander

Talking Points

An Expensive Debacle

- ★ Many families spend large amounts of money to buy into suburban school districts in order to get their children into what they perceive to be quality schools. However, many of these schools are just as bad educationally as the urban districts they are avoiding.¹
- ★ In the 2006-07 school year, public schools spent \$46.5 billion, according to Texas Education Agency.²
- ★ Per-student costs have almost doubled in the last 11 years, going from \$5,282 per student in 1995-96 to \$10,162 in 2006-07 without a significant increase in the quality of education as demonstrated by stagnant test scores and student achievement.³
- ★ Texas needs to pursue new ways to improve education—throwing money at the problem has not worked. Introducing competition into the schools is key. This could be accomplished through increasing school choice, allowing more charter schools, paying teachers based on results, requiring more rigorous standards and greater accountability, and avoiding wasteful spending.

Assessment, Standards, and Accountability

- ★ A 2006 survey found that 81 percent of employers viewed recent high school graduates

as “deficient in written communications” needed for letters, memos, formal reports, and technical reports.⁴

- ★ Only 19 percent of Texas high school graduates were “college ready” for math, science, reading and English in 2007 according to ACT.⁵
- ★ For a public school to be rated Academically Acceptable, only 45 percent of students must pass the science TAKS, and only 50 percent must pass the math TAKS in 2008.
- ★ Texas should use end-of-course exam scores in assessing high school performance and high school accountability ratings.
- ★ High schools should be accountable for the number of students they graduate that require remedial education in college.
- ★ Texas should include a growth measurement in the accountability system to track improvement at the school and district level.

Teacher Quality and Compensation

- ★ The likelihood that a highly talented female (one ranked among the top 10 percent of all high school students) will become a teacher fell roughly from 20 percent in 1964 to just over 11 percent in 2000.⁶
- ★ Texas’ minimum single salary schedule acts as a type of minimum wage for teachers requiring

- ★ According to the Texas Education Agency, the average Texas teacher made \$47,000 during the 2007-08 school year.
- ★ Texas' minimum salary schedule should be eliminated to allow more freedom at the local level for merit and differentiated pay based on local needs and conditions.
- ★ School districts should not pay teachers more for possession of a master's degree.
- ★ Schools should not give teachers a raise if they received a negative performance review.

School Choice

- ★ In San Antonio's Edgewood ISD a school choice program led to improved academic performance for both students at private schools and traditional public schools.⁷
- ★ A Harwood Group study found that 80 percent of African-American families would choose private schools if tuition were not an issue.⁸
- ★ The Urban Institute found that African-American students showed greater improvement with each year spent in a private school compared to their public school peers.⁹
- ★ Under the special needs scholarship program in Florida, parents are more satisfied (92.7 percent parental satisfaction in schools they chose versus 32.7 percent for the assigned public school) and students receive more needed services (86 percent of students received all the services they required versus 30.2 percent of students in traditional public schools) according to the Manhattan Institute.¹⁰

- ★ Texas needs to move toward a student-centered educational funding program in which parents and students have a choice in which school they attend.
- ★ Texas should eliminate the cap on the number of charter schools.

Early Childhood Education

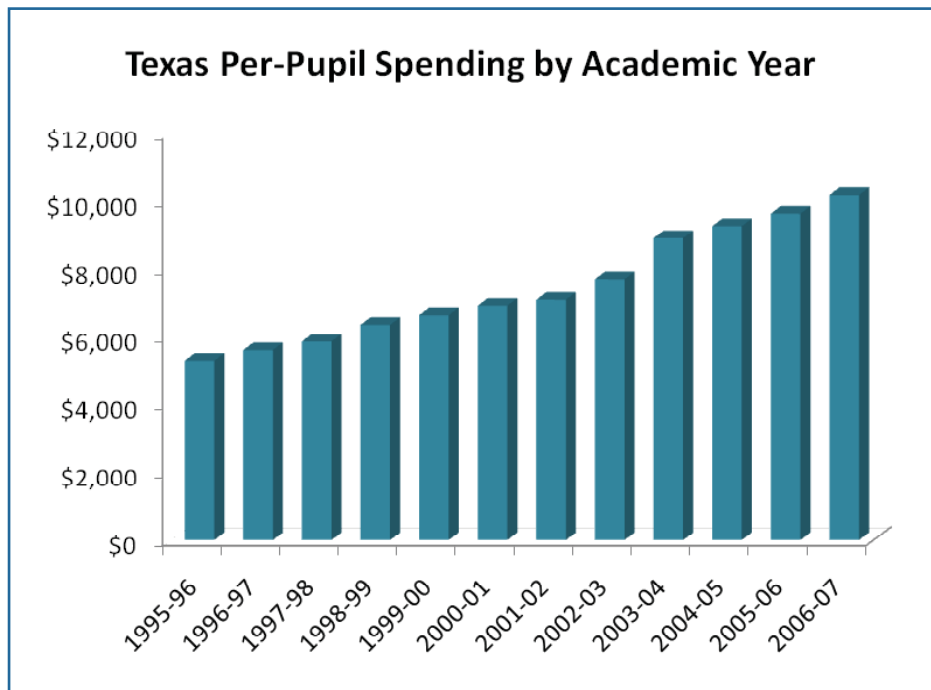
- ★ In 1965, only 16 percent of U.S. four-year-olds enrolled in school; that number rose to 69 percent by 2004. Over the same period, student performance has been little better than stagnant.¹¹
- ★ U.S. fourth-graders routinely outperform their counterparts in most developed countries—including France, a country well-known for its nearly universal preschool model. By 12th grade, however, U.S. students are outperformed by 86 percent of countries in math and 71 percent in science.¹²
- ★ Researchers estimate that universal pre-k would cost Texas taxpayers an *additional* \$1.8 billion each year.¹³
- ★ All current early childhood education spending should be transformed into grants that allow parents to choose the appropriate preschool setting for their child.
- ★ Texas should assess the impact on kindergarten readiness of the more than \$1 billion spent each year on early childhood care and education (funds include state pre-k, childcare, Head Start, TEEM, and private pre-k tuition).¹⁴
- ★ Texas should also increase transparency to current spending by tracking the amount of federal, state, and local preschool spending on a per-student basis.

An Expensive Debacle

Texans are being short changed. Among voters, quality education is a primary concern and is often seen as essential to ensuring a strong economic future for the state. In *Not as Good as You Think: Why the Middle Class Needs School Choice*, Izumi, Murray, and Chaney found that many families are willing to spend massive amounts of money on expensive houses in order to get their children into what they perceive to be good schools. Many of these school districts however are no better educationally than the urban districts they are avoiding. All over Texas, the high school dropout rate is alarmingly high and of those who do graduate, large percentages do not possess adequate communications and math skills. At the same time, more money is being dumped into the system and property taxes are soaring. Texans are paying a high cost for low quality education. Throwing more money into the system will not solve Texas' education challenges. Radical change is needed to improve Texas' public education system. Solutions include: inserting competition in education through school choice,

allowing more charter schools, paying teachers based on results, requiring more rigorous standards and greater accountability, and moving away from questionable new spending programs such as universal pre-k.

Within the current system there is a strong resistance to change. There is always a cry for more money and more of the same policies and programs. Many are pushing for universal pre-k for Texans but if the system is already broken, is that what Texans need? Before extending an already troubled system to even younger kids Texas should properly evaluate the costs and benefits that could be associated with doing so. Texas should focus on actually fixing the problems within the current system instead of throwing more money at them and hoping they go away. Accountability is essential. Students are not graduating with adequate skills and it is costing taxpayers large sums of money in remedial education at the college level. Texas should create more rigorous standards and use end-of-course testing to ensure that students are getting the skills they need in order to pursue higher education and enter the workplace. Teachers should be subject to



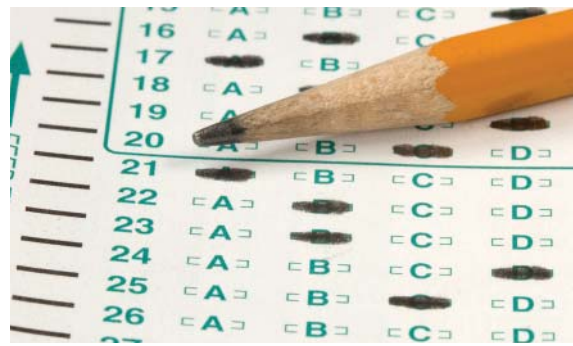
Source: Texas Education Agency, AEIS Reports

accountability as well. In order to improve teacher quality and operate more efficiently schools should reward teachers for achievement rather than depending on some arbitrary system where money is meted out based on years in the classroom.

Finally, competition should be at the heart of education reform in Texas if there is to be success. Introducing competition into the public schools could be accomplished in many ways. One of the most important ways is school choice. As Texas as already seen in the experience of Edgewood ISD, school choice can benefit both those who choose private schools and those who opt to stay at traditional public schools. By bringing the competitive market to education, a school choice plan will help to weed out bad schools and create incentives for new and existing schools to operate in a more efficient and effective manner. Furthermore, school choice will make more options available to families for whom the traditional one-size-fits-all model of public education does not work. Whether it is through tax credits, more charter schools, open enrollment public schools, or scholarships for disabled students, schools need competition in order to thrive.

Assessments, Standards, and Accountability

A large number of public schools in Texas are not adequately preparing students for success in college or the workforce. Too many students graduate from Texas high schools deficit in basics and need remedial education courses in college to be ready for college-level work. Over 162,000 Texas high school graduates took remedial education courses in the fall of 2006.¹⁵ The Texas Legislature appropriated \$206 million in General Revenue funds for the instructional cost of developmental education at public higher education institutions for the 2006-07 biennium. Clearly, the disconnect between high school preparation and college expectations costs students, parents, higher education institutions, and taxpayers.



A large number of public schools in Texas are not adequately preparing students for success in college or the workforce. In the fall of 2006, over 162,000 Texas high school graduates took remedial education courses.

The need for remedial coursework makes the attainment of a college degree less likely. Research finds the leading predictor that a student will drop out and not finish their college education is the need for remedial reading coursework.¹⁶ Data from the National Center for Education Statistics reveals that only 17 percent of students who enroll in a remedial reading course receive a college degree within eight years compared to 58 percent of students who did not need remedial courses.¹⁷ When students take remedial courses in college, taxpayers are charged for the same education twice.

Coupled with these issues is an overly complex state accountability system that is not aligned with the federal accountability system nor easily understood by parents and the public. In the 2006-07 school year, 26 schools did not meet federal Adequate Yearly Progress but were rated either *Exemplary* or *Recognized* by Texas' accountability system. This lack of alignment is confusing to parents and makes it difficult for them to determine the quality of their child's school. In addition, the system lacks rigor and does not give schools and districts credit for student improvement if they miss the benchmark. Hopefully, Texas' Select Committee on Public School Accountability will have recommendations to improve and simplify Texas' accountability system.

Texas lawmakers took a step in the right direction by eliminating the Texas Assessment of Knowledge and Skills (TAKS) tests in high school and replacing them with end-of-course exams. End-of-course exams test students at the end of each course directly after they have studied the material and, if designed properly, provide a more in-depth assessment of skills and concepts than a cumulative multi-subject exam.¹⁸ Beginning in the 2011-12 school year, Texas students will no longer need to pass a cumulative high-stakes test to graduate; instead they will be assessed over the course of their high school career in the core subject areas of math, science, English, and history.

Teacher Quality and Compensation

Research clearly shows that the quality of a student's teacher is the most important school-related factor in raising student achievement. In fact, a University of Tennessee study found that a student with a strong teacher for three consecutive years can erase the achievement gap associated with race, ethnicity, and income within three to five years.¹⁹ As large numbers of economically-disadvantaged and minority students continue to fall behind academically and drop out of school, it is vital that policymakers focus on improving teacher quality.



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At the same time, fewer high-ability individuals are choosing to teach. With numerous career options now available to women, many bright female students choose to become lawyers and doctors over becoming a teacher. Research finds that teachers with strong academic credentials, such as strong verbal scores on the SAT or ACT or attendance at a selective college, are more likely to produce large gains in student learning.²⁰ Yet college graduates with the lowest SAT or ACT scores were more than twice as likely as those with top scores to choose teaching as their profession according to the National Center for Education Statistics.

Money can be a powerful incentive in attracting and retaining the best teachers. However, most public school districts in Texas and nationwide pay their teachers off of a rigid salary schedule. This schedule, designed in 1921, rewards longevity over effectiveness in the classroom. Contrary to popular belief, teachers do not improve every year in the classroom after the first few years. Nonetheless, after each year of teaching, teachers move a step up the salary schedule and gain a corresponding pay raise.

Another misconception about teacher quality is that possession of a master's degree leads to a more effective teacher. Many school districts encourage their teachers to get an advanced degree by subsidizing the tuition and then paying those teachers higher salaries. Roughly 50 percent of teachers nationwide have a master's degree according to the National Center for Education Statistics. Surprisingly, research finds no correlation between possession of an advanced degree and higher teacher effectiveness.²¹ Therefore, paying for the attainment and possession of an advanced degree seems to be an ineffective way to improve student learning.

Across-the-board pay raises are also touted as a way to increase teacher quality. Research suggests that selective and targeted pay raises are more effective at increasing teacher quality and improving student learning.²² School districts need to use local discretion not a one-size-fits-all method for determining teacher compensation.

Texas has the largest incentive pay system in the country, and many of Texas' locally designed incentive pay plans show promise for attracting, rewarding, and keeping the best teachers in the classroom.

Texas also needs to target resources where the money will be most effective, such as: paying higher salaries or stipends for teaching in shortage areas such as math, science, bilingual education and special education; paying higher salaries or stipends for working in low-performing schools; tying pay raises to positive performance reviews; and rewarding large student gains with bonuses or raises. Texas has the largest incentive pay system in the country, and many of Texas' locally designed incentive pay plans show promise for attracting, rewarding, and keeping the best teachers in the classroom.

School Choice

In Texas 86 percent of school-aged children attend public schools, giving the government a monopoly over K-12 education.²³ While entities operating in a free market have an incentive to meet the needs of their customers or lose business and possibly face bankruptcy when their customers choose different providers, a monopoly does not face the same pressures since they have a captive customer base. In the world of education, parents and students are the customers. Students are typically assigned a government-run school by their zip code leaving them little choice in which school they attend. Faced with a low-performing or secular school, a family's only alternatives are to move neighborhoods, home school, or send their child to a private school. The private

school option is cost prohibitive to many parents as they have to pay for both private school tuition and taxes that fund public schools.

As rising property taxes, the primary form of financing public schools, continue to burden Texas homeowners, it is instructive to examine the cost of public education and the results. Over the past 11 years, per-student costs have almost doubled—growing from \$5,282 per student in 1995-96 to \$10,162 in 2006-07—with little to show for it in student achievement and thousands of students dropping out of school.²⁴ Expensive reforms such as across-the-board teacher pay raises and class size reductions have done little to improve student learning. Since public schools do not have to compete with each other for students, it is no wonder that they resist change and have failed to significantly improve. Competition, not more money, is the ultimate means to improve public education and can include vouchers to private schools, transfers within a public school district, education scholarships, magnet schools, and charter schools.

Competition

Competition among schools and education models leads to real improvement in education. By allowing students to move to different schools whether they are traditional public schools, private schools, or charter schools, there is a greater incentive for schools to serve the individual needs of students and to operate efficiently. In a school choice program in Edgewood ISD in San Antonio, the academic performance of students who went to private school improved as did the students who stayed in public school.²⁵ In addition, the graduation rate at Edgewood ISD improved from 59 percent to 75 percent.

A way to help foster competition in Texas is to create open-enrollment school district policies that allow students to pick which school in their district they want to attend and improve student transfer policies within school districts and with neighboring districts so that



Charter schools are another form of school choice. Charters are public schools funded with tax dollars that are subject to fewer government regulations.

students are not trapped in low-performing schools. Students should also be given more options within their school district by creating more magnet schools with a specialized and rigorous curriculum.

Charter Schools

Charter schools are another form of school choice. Charters are public schools funded with tax dollars that are subject to fewer government regulations. Currently, over 113,000 Texas students attend a charter school comprising approximately 2 percent of all public school students.²⁷ They are held accountable for student academic performance just like traditional schools. Students and parents choose to attend a charter school. Charters do not have to hire certified teachers, are not subject to collective bargaining agreements, and have the freedom to try various teaching strategies, school structure, and hours of instruction to meet the needs of its students. Texas charter schools serve students that are 80 percent minority and more than 60 percent economically-disadvantaged.²⁸ Some charters are so popular with students and parents that they have long waiting lists and determine attendees by lottery. State law limits the number of open-enrollment charters to 215 and the cap may be reached later this year.

Special Education Scholarships

There is growing consensus that students with special needs require individualized education services that not all traditional public schools are equipped to provide. As a result, momentum is growing around the country for better options for parents of special needs children. In 1999, the state of Florida passed scholarships to children with special needs that allow them to choose the school that best meets their educational needs, public or private. Research on the program has found “extraordinarily high parental satisfaction, reduction in student harassment, and improvement in academic performance.”²⁹ Arizona, Georgia, Ohio, and Utah have followed Florida’s lead. Texas should do the same and provide more and better options to students with special needs.

School Tax Credits

Another school choice method worthy of more study is the education tax credit. As lawmakers consider making changes to the business tax, one option is to allow organizations and businesses to make contributions to a non-profit education scholarship fund and receive a tax credit.³⁰ The scholarship fund would help students receive an education at the school of their choice, public or private.³¹

Early Childhood Education (Pre-k)

Preschool enrollment has rapidly increased in Texas and around the country over the past several decades. States such as Oklahoma, Georgia, and Illinois have implemented taxpayer-funded pre-kindergarten for every four-year-old. Of Texas four-year-olds, 44 percent participate in state pre-k, 10 percent in Head Start, and 4 percent in public special education.³² When including private preschool, an estimated 85 percent of Texas four-year-olds are enrolled in some type of center-based care which means that Texas actually has higher participation rates than most states offering universal pre-k.



Research has found long-term academic gains only for the most disadvantaged children; these children—and more are already eligible for Texas pre-k and federal Head Start programs.

Pre-k advocates cite studies claiming positive returns from taxpayer investments in pre-k, due to increased future wages and lower welfare and prison costs. For example, a Texas A&M study claims that every dollar invested in universal pre-k in Texas will return \$3.50 to Texas communities.³³ However, this study overestimates benefits, underestimates costs, and is based on a Chicago program that not only included schooling, but also incorporated parent training and involvement— aspects which would *not* be part of universal pre-k in Texas, but which many experts believe contributed substantially to the benefits realized in Chicago.³⁴

Research has found long-term academic gains only for the most disadvantaged children; these children—and more are already eligible for Texas pre-k and federal Head Start programs.³⁵ The vast majority of Texas kindergarteners are appropriately “developed” according to results of the Texas Primary Reading Inventory (TPRI), a test

administered in the state’s public school kindergarten classes.³⁶ To qualify for free pre-k in Texas, students must be low-income, homeless (including foster children), children of military personnel, or have limited English proficiency.

The research is clear: pre-k benefits generally fade out by the third grade, particularly for non-at-risk children.³⁷ A substantial body of research shows that formal early education can actually be detrimental to the behavioral development of mainstream children (non-special education children).³⁸ If the goal is to increase kindergarten readiness, pre-k is already helping those children who may benefit from it. But if the goal is to improve graduation rates and academic achievement in the later grades, pre-k is not the solution for failing public schools.

Conclusion

There are many problems in Texas education, but there are also great opportunities for Texas to become a leader. As more young Texans are failing to meet the standards that are needed to make it in the modern world, Texas needs to make bold choices and go against the failing status quo of more money and more of the same. By implementing school choice in one of its many forms, Texas can create new incentives for schools to perform better and to do more with less. Paying teachers based on results could help improve student learning, improve working conditions, and decrease teacher turnover. Texas can also work to increase accountability by using rigorous end-of-course examinations and setting high standards for achievement. If Texas makes these kinds of changes, it can begin to improve the education system without bankrupting its citizens. ★

Influential Issues EDUCATION

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