Texas Public Policy Foundation

How Education Savings Accounts Could Help Texas' Most Vulnerable Students Succeed

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Executive summary

Texas' children are generally assigned to their traditional Texas public school based on their residence, with no alternative school option available or guaranteed, regardless of the school's performance (TEA, 2018j).

In August 2018, the Texas Education Agency (TEA) made it possible for the first time for parents to see that their traditional public school is often not teaching their child to read or do math at grade level or preparing their child for college, career, or military success after high school (TEA 2018a; TEA 2018b; TEA 2018c; TEA 2018d). In fact, new TEA data demonstrates that hundreds of thousands of Texas children are reading and doing math below grade level (TEA 2018a; TEA 2018b; TEA 2018c; TEA 2018d). Further, over 606,000 children attend one of the 1,066 Texas traditional public schools that are graded D or F in the state's new A-F School District and School Academic Accountability System.[1]

In addition, parents are increasingly becoming aware that in some neighborhoods, there are school choice options—including many private or charter schools—that are getting far better results, ranking higher in national reports, or are better tailored to their child's unique interests or needs than their traditional school (U.S. News & World Report; DiPerna et al., 2; Lapowsky). As data regarding the poor performance of many of Texas' traditional public schools becomes more widely known, many families may want access to a school choice option.

While wealthier parents may be able to afford the $7,000 to $10,000 tuition annually required to attend a private school, unless something changes in Texas law, Texas' economically disadvantaged children may have to remain in their traditional, assigned public school, unable to afford a private school option (Private School Review).

While all Texas children—including those from wealthy and rural homes—should be offered choices in education, the focus of this paper is on Texas' economically disadvantaged urban children.[2] These children command specific attention because they are in what can only be called a reading and math learning crisis, and Texas' largest urban schools are educating a higher percentage of children with persistent achievement gaps.

Specifically, based on the Texas Education Agency (TEA) 2017-18 school year data:

- 64 percent or 860,154 of Texas' economically disadvantaged urban children's reading scores are below grade level (TEA 2018a);

Key Points

- Texas' economically disadvantaged urban children are in a reading and math learning crisis. Sixty-four percent score below grade level in reading, while 59 percent score below grade level in math.
- Urban children are unnecessarily set up for failure by being assigned—without any alternative—to a traditional public school that is not teaching them how to read or do math.
- The quality of a child's education should not depend on his or her parents' income or ZIP code.
- Quality studies show that providing parents of Texas' economically disadvantaged urban children education savings accounts, modeled after those proposed in SB 3, which passed the Texas Senate in 2017, would improve their educational attainment.
- ESA funding will give parents the opportunity to choose the education services best suited to their child's unique needs, including attending an accredited Texas private school.

1 Correspondence via email with Kara Belew October 18, 2018.

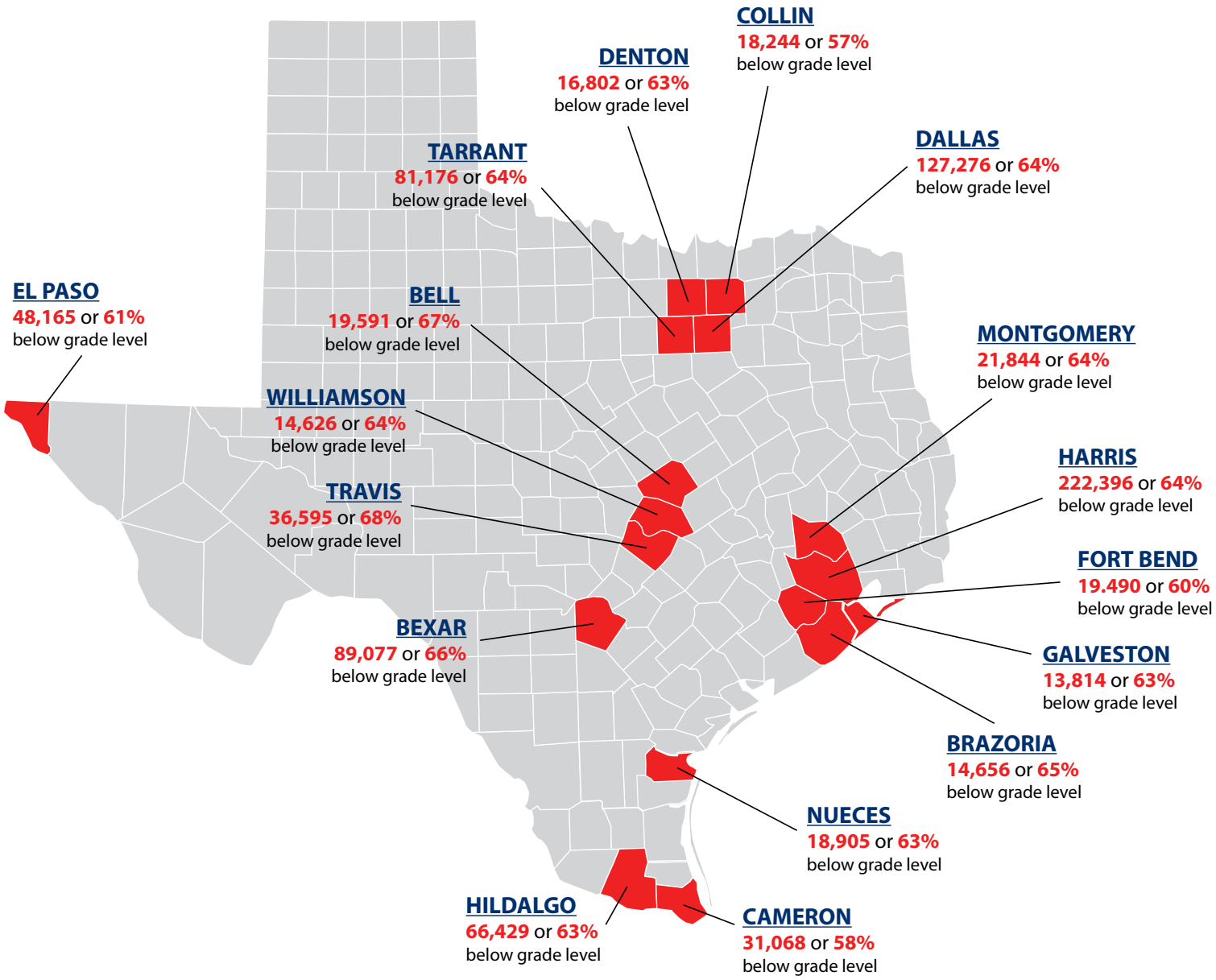
2 For the purpose of this analysis, Texas' economically disadvantaged urban children are the population of children the TEA includes as economically disadvantaged in its 2018 A-F School District Academic Accountability System and being educated in traditional public school districts in one of Texas' 17 most populous counties, in accordance with the provisions of SB 3 (SB 3, 4-5; TEA 2018a; TEA 2018h). According to TEA, an economically disadvantaged child is defined as one who is eligible for free or reduced-price meals under the National School Lunch and Child Nutrition Program (TEA 2007).

- 59 percent or 644,867 of Texas' economically disadvantaged urban children's math scores are below grade level (TEA 2018a);

Further, 2017 Nation's Report Card (NAEP) data indicates that in major urban Texas school districts—specifically, Austin ISD, Dallas ISD, Fort Worth ISD, and Houston ISD—children in households with low family income are *rarely proficient* in either reading or math. There are also significant and persistent achievement gaps between white children and their Hispanic and African-American counterparts (NCES, 2018a; NCES, 2018b).

These statistics—especially concerning reading—underscore the need for systemic change in Texas' traditional schools. Studies demonstrate that despite household poverty, the vast majority of Texas' economically disadvantaged

READING SCORES
OF ECONOMICALLY DISADVANTAGED URBAN CHILDREN BY COUNTY



urban children could learn to read (Hanford; Hirsh-Pasek and Golinkoff).

The Texas Legislature could improve the outcomes for these children by providing their parents with Education Savings Accounts (ESAs) modeled after those proposed in SB 3, which passed the Texas Senate in 2017 (Lueken and McShane). Under SB 3, an ESA would give the parents of qualifying Texas' economically disadvantaged urban children the opportunity to withdraw their child from their Texas public school—where they are often not reading or doing math at grade level—and choose the education services best suited to their child's unique needs (SB 3, 7-9). As a result, the quality of their child's education would no longer depend on their income or ZIP code.

While Texas remains in a minority of states not offering a school choice program, national support for ESAs is

MATH SCORES
OF ECONOMICALLY DISADVANTAGED URBAN CHILDREN BY COUNTY

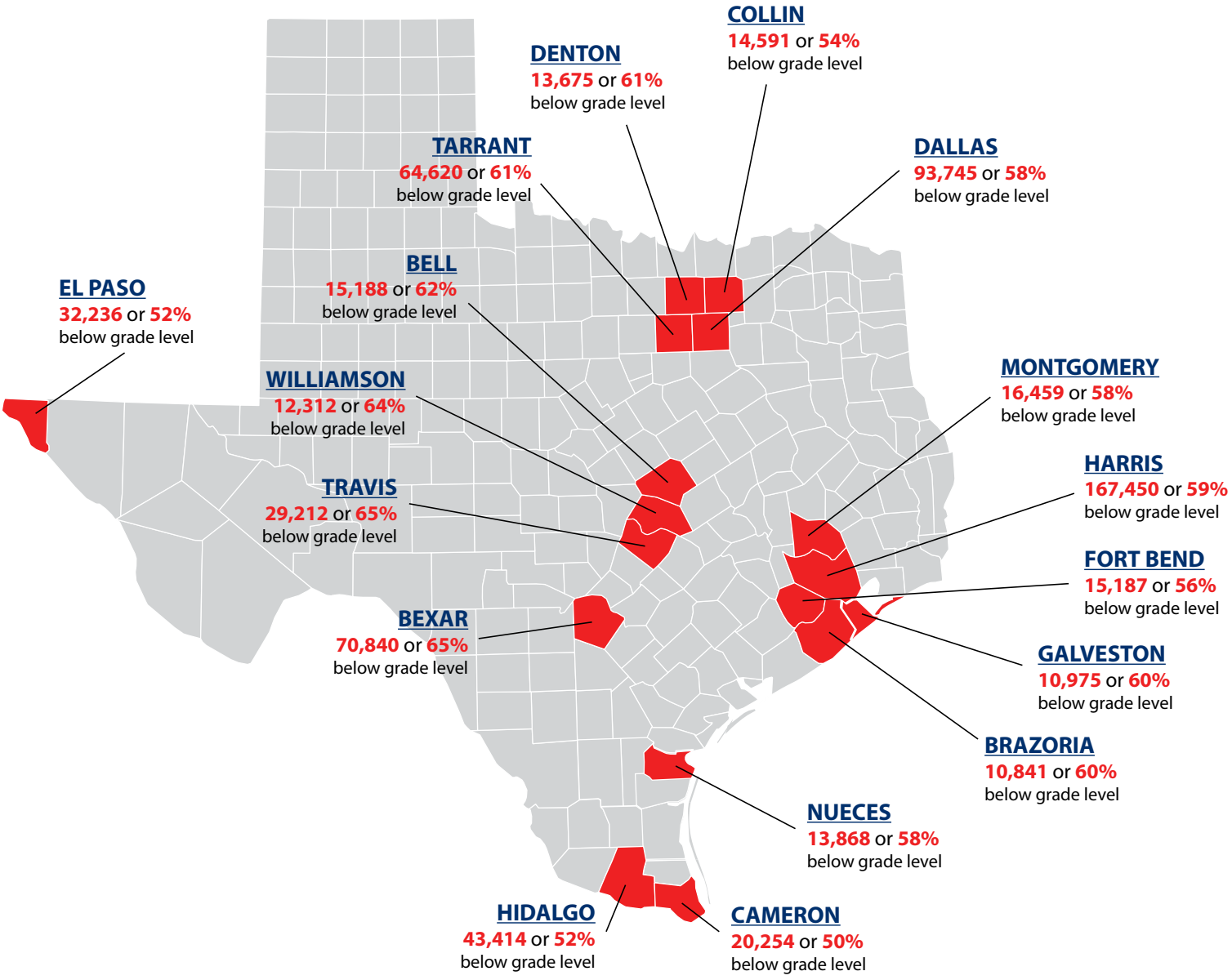


Table 1. Number of school districts, children, and economically disadvantaged children in each urban Texas county.

	County name	Estimated number of school districts per county	Total number of children	Number of economically disadvantaged children	Percent of economically disadvantaged children
1	BELL	15	87,451	48,142	55%
2	BEXAR	20	378,632	217,548	57%
3	BRAZORIA	8	71,525	31,659	44%
4	CAMERON	11	100,492	86,554	86%
5	COLLIN	21	219,057	48,094	22%
6	DALLAS	15	443,521	316,731	71%
7	DENTON	13	129,589	43,014	33%
8	EL PASO	9	171,462	127,344	74%
9	FORT BEND	5	114,639	45,478	40%
10	GALVESTON	8	81,292	34,592	43%
11	HARRIS	21	864,728	534,629	62%
12	HIDALGO	15	199,016	170,418	86%
13	MONTGOMERY	8	115,030	50,810	44%
14	NUECES	13	62,395	45,639	73%
15	TARRANT	19	369,967	201,657	55%
16	TRAVIS	12	182,161	88,004	48%
17	WILLIAMSON	14	122,614	35,143	29%
	Total	**227**	**3,713,571**	**2,125,454**	**57%**

Source: SB 3, 5; Texas State Library and Archives Commission; TEA 2018a; TEA 2018b.[3]

growing rapidly (Lueken and Shaw, 2). Perhaps, this is because 55 percent of Americans think, "K-12 education is on the wrong track … rather than headed in the right direction" (DiPerna et al., 3). Further, 70 percent of parents interviewed said a public school was *not* their first choice. Instead, parents wanted their children in private or charter schools (2).

School choice options like ESAs have been shown to improve the results of not only the children using an ESA, but also the children *remaining* in their traditional public schools (Lueken and McShane). In fact, some Texas education leaders state that choice schools are encouraging new and better practices at Texas' traditional public schools (Evans).

Education Savings Accounts under SB 3

High-quality studies show that providing parents of Texas' economically disadvantaged urban children education savings accounts, modeled after those proposed in SB 3, which passed the Texas Senate in 2017, would improve their educational attainment by giving them choice options (Lueken and McShane). Therefore, at the outset, it is important to explain key provisions of SB 3.

Defining Texas' urban school districts student population under SB 3

Under SB 3, to be eligible for an education savings account, a child must reside in a public school district located in whole or in part in one of the 17 Texas counties with a population exceeding 285,000, according to the 2010 U.S. census (SB 3, 5; Texas State Library and Archives Commission).

As seen in **Table 1**, the Texas Public Policy Foundation estimates that the 17 urban counties include approximately 227 traditional public school districts and collectively educate over 3.7 million children, or an estimated 72 percent of Texas' 5.1 million traditional public school children (TEA 2018k, ix; TEA 2018a). Of the 3.7 million children, an estimated 2.1 million, or 57 percent, are economically disadvantaged. According to TEA, economically disadvantaged children are children eligible for free or reduced-price meals under the National School Lunch and Child Nutrition Program (TEA 2007).

Table 2. Senate and House districts representing each Texas urban school district by county.

	County name	Senate District	House District
1	BELL	22,24	12,54,55,56,59
2	BEXAR	19,21,25,26	4,44,53,73,116,117,118,119,120, 121
3	BRAZORIA	11,17	25
4	CAMERON	20,27	31,35,37,38
5	COLLIN	2,8,30	2,33,62,66,67,70,89
6	DALLAS	2,8,9,16,22,23	100,102,103,109
7	DENTON	9,12,30	61,63,64,106
8	EL PASO	29	75,76,78
9	FORT BEND	13,17,18	26,27,85
10	GALVESTON	4,11	23,24
11	HARRIS	4,6,7,13,18	3,23, 28, 126,127,128,131, 133, 142
12	HIDALGO	20, 27	35,36,39
13	MONTGOMERY	3,4,5	3,13,16,18
14	NUECES	18,20	3,32,34
15	TARRANT	9,10,12,22,30	58,61,90,91,92,93,95,97,98
16	TRAVIS	14,21,24,25	17,20,45,46,47
17	WILLIAMSON	5,18,24	17,20,47,52

Source: Correspondence via email with Kara Belew August 31, 2018.

The analysis and numbers in **Table 1** specifically exclude children enrolled in a Texas open-enrollment charter school because charter schools are schools of choice, and unlike traditional Texas urban public school districts, under the Texas Administrative Code §100.1021, charters generally must be closed after three years of low student achievement.

Senate and House districts representing each urban school district under SB 3

TEA data indicate that the Senate and House districts in **Table 2** represent the school districts included in whole or in part in each of the 17 urban Texas counties.

Education savings accounts under SB 3

According to the Legislative Budget Board (LBB) analysis, under SB 3, the Texas Comptroller of Public Accounts would deposit each year into each qualifying non-disabled child's ESA approximately $6,799, and in each qualifying disabled child's account approximately $8,159 (SB 3 Fiscal Note, 5-6; SB 3, 9-10).[4] Parents could then spend their child's ESA funds on several educational options, including but not limited to tuition for an *accredited* Texas private school, online and other education courses, tuition for institutions of higher education, private tutors, transportation, and technologies (SB 3, 7-9).

The ESA could defray some or all of the $7,000 to $10,000 estimated tuition annually required to attend an *accredited* Texas private school (Private School Review). Accredited private schools are recognized by the Texas Private School Accreditation Commission (SB 3, 7-8; Texas Private School Accreditation Commission). The commission only accredits private schools that uphold *standards comparable to state standards* in the areas of the school's goals and objectives; compliance with applicable state and federal statutes; effectiveness in administration and governance; teaching

3 Correspondence via email with Kara Belew August 31, 2018, and additional Foundation review of county maps, school district maps, and other resources to determine school districts located in whole or in part in each of the 17 counties.

4 The available LBB fiscal note is for an earlier version of SB 3 and not the version that ultimately passed the Senate. For this reason, some of the provisions included in the fiscal note were no longer applicable to SB 3. The Foundation reviewed the relevant LBB estimates, and amounts were based on the LBB state average per-pupil Maintenance and Operation expenditure data of $9,065 multiplied by 75 percent for non-disabled students or 90 percent for disabled students (Fiscal Note, 5-6; SB 3, 9-10).

of a balanced curriculum; hiring qualified instructional leaders with college degrees; child achievement; and using indicator-based quality learning (Texas Private School Accreditation Commission).

Children eligible for an ESA under SB 3

In order to qualify for the ESA, under SB 3, in general, a child must *not* be attending a Texas public school and must:

- Qualify to attend a Texas public school;
- Have attended a Texas public school during the entire preceding academic year;
- Reside in an urban public school district; specifically, an urban public school district is a public school district located in whole or in part in a county with a population of 285,000 or more based upon the 2010 census; and
- Come from a household with low family income; specifically, be a member of a household with a total annual income at or below 175 percent of income guidelines necessary to qualify for the national free and reduced-price lunch program (SB 3, 4-5).

The LBB estimates that if SB 3 passed into law, the number of economically disadvantaged children attending private schools would be 25,000 in the first year, while 20,000 would choose to homeschool in the first year (SB 3 Fiscal Note, 5-6). That means the LBB estimates that around 1 percent of the eligible economically disadvantaged Texas children population would participate in the first year. Further, the LBB estimates that over time, the vast majority of children would remain in their traditional Texas public school (SB 3 Fiscal Note, 5-6).

Current educational attainment of Texas' economically disadvantaged urban children

Determining reading and math education attainment of Texas' economically disadvantaged urban children

Starting in August 2018—for the first time in Texas history—as part of its new A-F School District Academic Accountability System, TEA released reliable and easily accessible information on the number and percent of State of Texas Assessment of Academic Readiness (STAAR) tests scores that (1) met grade level or above, or (2) did not meet grade level in each school district (TEA 2018a; TEA 2018b; TEA 2018c; TEA 2018d).

According to TEA, a child:

- Meets grade level on the STAAR test if the child has strong knowledge of course content indicating the child is prepared to progress to the next grade.
- Does not meet grade level on the STAAR test if the child shows no basic understanding of course expectations and may need significant support in the coming year (TEA 2018d).[5]

STAAR test questions are developed and approved by Texas teachers (TEA 2018e). The STAAR test is generally administrated at the end of the school year and is designed to measure what children know and can do in certain subjects (TEA 2018f). Tested STAAR subjects and grades include:

SUBJECT AND GRADE
Mathematics in grades 3-8
Reading in grades 3-8
Writing in grades 4 and 7
Science in grades 5 and 8
Social studies in grade 8
End of course assessments for Algebra I, biology, and U.S. history
End of course assessments for English I & II

Source: TEA 2018f.

The STAAR test questions align specifically with the adopted Texas state curriculum standards, called the Texas Essential Knowledge and Skills (TEKS) (TEA 2018f). As such, the STAAR is the only test that allows for consistent year-over-year comparisons between school districts, individual schools, and subgroups of students—from the Panhandle to the Rio Grande Valley—based on the Texas curriculum.[6] The STAAR also allows for comparisons of education achievement over time.

Parents can readily access their child's recent STAAR test questions, anwer choices, and other information online, in addition to the Texas curriculum standard assessed (TEA 2018d; TEA 2018f).

As a result of this new, easy-to-access information on each child's grade level performance, the demand for choice options may grow because parents—including wealthy, suburban parents—can now see that their schools are often not teaching their child to read or do math at grade level (TEA 2018a; TEA 2018b; TEA 2018c; TEA 2018d). In fact, new TEA data demonstrates that hundreds of thousands of Texas children are reading and doing math below grade level (TEA 2018a; TEA 2018b; TEA 2018c; TEA 2018d). Further, over 606,000 students attend one of the 1,066 traditional

5 A child does not have to score "meets grade level" to pass the STAAR exam. To pass, the child must score "approaching grade level," "meeting grade level," or "mastering grade level" (TEA 2018f).

6 In this way, the STAAR and NAEP are similar. They both provide valid and reliable assessment data on student progress and report findings (NCES 2018d).

Table 3. Reading results of economically disadvantaged children by Texas urban county.

	County name	Estimated number of school districts per county	Percent of economically disadvantaged children	Number of reading tests	Number of reading tests with scores below grade level	Percent of reading tests with scores below grade level
1	BELL	15	55%	29,399	19,591	67%
2	BEXAR	20	57%	134,210	89,077	66%
3	BRAZORIA	8	44%	22,509	14,656	65%
4	CAMERON	11	86%	53,401	31,068	58%
5	COLLIN	21	22%	31,949	18,244	57%
6	DALLAS	15	71%	198,095	127,276	64%
7	DENTON	13	33%	26,828	16,802	63%
8	EL PASO	9	74%	78,496	48,165	61%
9	FORT BEND	5	40%	32,685	19,490	60%
10	GALVESTON	8	43%	21,905	13,814	63%
11	HARRIS	21	62%	347,405	222,396	64%
12	HIDALGO	15	86%	105,605	66,429	63%
13	MONTGOMERY	8	44%	33,871	21,844	64%
14	NUECES	13	73%	29,826	18,905	63%
15	TARRANT	19	55%	127,679	81,176	64%
16	TRAVIS	12	48%	54,116	36,595	68%
17	WILLIAMSON	14	29%	22,968	14,626	64%
	Total	**227**		**1,350,947**	**860,154**	**64%**

Source: TEA 2018a; TEA 2018h.[8]

public schools that are graded D or F in the state's new A-F School District and School Accountability System.[7]

While STAAR testing includes the subjects of reading, math, writing, science, and social studies, only data from the STAAR reading and math tests were analyzed. Reading skills are widely regarded as the most fundamental for success in educational attainment and in a career or college after high school graduation (Hanford). Specifically, this paper focuses on the number of tests and percent of test scores reaching the "meets grade level or above" threshold, as reported by TEA, for children taking the subject of reading, defined as reading and English language arts (ELA), and the subject of mathematics (TEA 2018h).

Texas' economically disadvantaged children could be learning to read

Texas children are generally assigned to their traditional Texas public school based on their residence, with no alternative school option offered or guaranteed (TEA, 2018j).

The data below indicate that Texas' economically disadvantaged urban children—currently being assigned to and educated by a traditional school district in one of Texas' 17 largest counties—are in what can only be called a reading and math learning crisis.

However, studies show that despite household poverty, the vast majority of Texas' economically disadvantaged urban children could learn to read (Hanford; Hirsh-Pasek and Golinkoff).

Reading: 64 percent or 860,154 of Texas' economically disadvantaged urban children's reading scores are below grade level

As seen in **Table 3**, according to TEA's new A-F School District and School Accountability System, Domain I, Student Achievement, for the 2017-2018 school year, approximately 1.4 million reading tests were administered to economically disadvantaged urban children, of which 860,154, or 64 percent, had scores below grade level (TEA 2018a; TEA 2018h).

7 Correspondence via email with Kara Belew October 18, 2018.

8 According to the TEA, there will be more reading tests administered each year than math tests due to students taking the English Language Arts II test. Correspondence via email with Kara Belew, October 25, 2018.

Table 4. Math results of economically disadvantaged children by Texas urban county.

	County name	Estimated number of school districts per county	Percent of economically disadvantaged children	Number of math tests	Number of math tests with scores below grade level	Percent of math tests with scores below grade level
1	BELL	15	55%	24,495	15,188	62%
2	BEXAR	20	57%	109,736	70,840	65%
3	BRAZORIA	8	44%	18,157	10,841	60%
4	CAMERON	11	86%	40,833	20,254	50%
5	COLLIN	21	22%	27,133	14,591	54%
6	DALLAS	15	71%	160,526	93,745	58%
7	DENTON	13	33%	22,461	13,675	61%
8	EL PASO	9	74%	61,409	32,236	52%
9	FORT BEND	5	40%	26,905	15,187	56%
10	GALVESTON	8	43%	18,364	10,975	60%
11	HARRIS	21	62%	284,526	167,450	59%
12	HIDALGO	15	86%	82,795	43,414	52%
13	MONTGOMERY	8	44%	28,334	16,459	58%
14	NUECES	13	73%	24,026	13,868	58%
15	TARRANT	19	55%	105,358	64,620	61%
16	TRAVIS	12	48%	45,095	29,212	65%
17	WILLIAMSON	14	29%	19,228	12,312	64%
	Total	**227**	**57%**	**1,099,381**	**644,867**	**59%**

Source: TEA 2018a; TEA 2018h.[9]

Significantly, all 17 counties had 57 percent or more economically disadvantaged children's reading scores below grade level.

Math: 59 percent or 644,867 of Texas' economically disadvantaged urban children's math scores are below grade level

As seen in **Table 4**, according to TEA's new A-F School District and School Accountability System, Domain I, Student Achievement data, for the 2017-2018 school year, approximately 1.1 million math tests were administered to economically disadvantaged urban children, of which 644,867, or 59 percent, had scores below grade level (TEA 2018a; TEA 2018h).

Significantly, all 17 counties had 50 percent or more economically disadvantaged children's mathematics scores below grade level.

According to the Nation's Report Card, reading and math results of Texas' children in low-income families are extremely low in major Texas urban areas, and achievement gaps are not closing over time. In recent years, the National Center for Education Statistics, which prepares the Nation's Report Card, has undertaken efforts under its Trial Urban District Assessment (TUDA) to measure educational progress of large urban districts across America (NCES 2018c; NCES 2018g). School districts are selected for participation based on district size, percentages of African-American or Hispanic students, and percentages of students eligible for the free and reduced-price lunch program (low family income) (NCES 2018g).[10] In Texas, the participating TUDA school districts include Austin ISD, Dallas ISD, Fort Worth ISD, and Houston ISD (NCES 2018g). All are school districts located in the 17 counties under SB 3.

The Nation's Report Card TUDA data establishes that in Texas' participating urban ISDs, very few economically disadvantaged children are reading or doing math at a

9 According to the TEA, there will be more reading tests administered each year than math tests due to students taking the English Language Arts II test. Correspondence via email with Kara Belew, October 25, 2018.

10 The NAEP does not use TEA's term of "economically disadvantaged" children when referring to the population of children that come from households with low family income. Instead, NAEP utilizes the terms eligible for free and reduced-price lunch at school or "low family income". While the terminology is different, because both TEA and NAEP rely on free and reduced-price lunch standards, the population of students that TEA defines as economically disadvantaged will likely be similar to the population of students the NAEP would refer to as eligible for free and reduced-price lunch or low family income (NCES 2018a; NCES 2018b, TEA 2007).

Table 5. Percent of Texas low family income urban children scoring below proficient on NAEP TUDA.

County name	Percentage of low family income children below proficient	Percentage of non-low family income children below proficient	Average number of points low family income scored below non-low family income children
4th Grade Reading			
Austin ISD	85%	38%	44 Points
Dallas ISD	87%	Not Available	Not Available
Ft. Worth	86%	60%	26 Points
Houston ISD	87%	55%	29 Points
8th Grade Reading			
Austin ISD	84%	44%	38 Points
Dallas ISD	86%	66%	16 Points
Ft. Worth	86%	74%	14 Points
Houston ISD	87%	67%	15 Points
4th Grade Math			
Austin ISD	74%	29%	33 Points
Dallas ISD	70%	Not Available	Not Available
Ft. Worth	78%	52%	19 Points
Houston ISD	75%	44%	22 Points
8th Grade Math			
Austin ISD	87%	37%	45 Points
Dallas ISD	82%	57%	28 Points
Ft. Worth	84%	71%	14 Points
Houston ISD	82%	61%	19 Points

Source: NCES 2018a; NCES 2018b.

proficient level. The Nation's Report Card indicates that a child is "proficient" in a subject such as reading or math if the child "demonstrate[s] solid academic performance and competency over challenging subject matter" (NCES 2018f).[11]

As seen in **Table 5**, in the Texas TUDA districts:

- 85 percent or more children are not proficient in 4th-grade reading;
- 84 percent or more children are not proficient in 8th-grade reading;
- 70 percent or more children are not proficient in 4th-grade math;
- 82 percent or more children are not proficient in 8th-grade math;
- Achievement gaps between economically disadvantaged and other children are generally both significant and persistent;
- Where data is available, low family income children are performing significantly worse than other children (NCES 2018a; NCES 2018b).

Approximately 46 percent of Texas' urban children are not prepared for success after high school graduation

Forty-six percent of Texas' urban high school children are not career-, college-, or military-ready

The TEA determines the percentage of high school children prepared for success after high school in TEA's new A-F School District and School Accountability System, Domain I, Student Achievement by calculating the percent of

11 Importantly, the NAEP *proficient* achievement level does not represent "grade level" performance as determined by the Texas STAAR test (NCES 2018f). Further, unlike the STAAR test, which is given annually to all children in certain grades, and test the TEKS, the NAEP is given only periodically, tests only a statistical sample of children across Texas, and does not test the TEKS (NCES 2018c; NCES 2018f; TEA 2018f).

Table 6. Percent of Texas students not prepared for success in college, career, or the military after high school graduation.

	County name	Percent of children not prepared for success after high school
1	BELL	53%
2	BEXAR	50%
3	BRAZORIA	45%
4	CAMERON	41%
5	COLLIN	32%
6	DALLAS	50%
7	DENTON	41%
8	EL PASO	47%
9	FORT BEND	41%
10	GALVESTON	39%
11	HARRIS	46%
12	HIDALGO	38%
13	MONTGOMERY	42%
14	NUECES	56%
15	TARRANT	48%
16	TRAVIS	38%
17	WILLIAMSON	62%
	Average	**46%**

Source: TEA 2018a; TEA 2018h.

children who are college-, career-, or military-ready (TEA 2018a; TEA 2018h).[12]

The percent of college-, career-, or military-ready children includes children who:

- Scored high enough to earn college credit on AP/IB exams;
- Scored at or above the college-ready level on SAT, ACT, or TSIA;
- Completed a college-level dual credit course;
- Earned an associate degree;
- Earned an industry-based certification;
- Graduated with a completed Individualized Education Program (IEP) and workforce readiness;
- Enlisted in the Armed Forces; and
- Completed a coherent sequence of Career and Technical Education coursework aligned with industry certification (TEA 2018h).

As seen in **Table 6**, for the 2017-2018 school year, 46 percent of high schoolers are not ready for success (TEA 2018a; TEA 2018h).

Should Texas' initial ESA program focus on economically disadvantaged urban children?

The 20 largest Texas urban districts face significant challenges

Since all children would benefit from an ESA and many Texas children are struggling in their tradtional public school, it is reasonable to ask why Texas' initial ESA program should focus on economically disadvantaged urban children (TEA 2018a; TEA 2018h).

While it is true that many of Texas' economically disadvantaged children—whether enrolled in *urban* or *rural* school districts—are struggling, data indicates that Texas' 20 largest urban districts, which are defined by TEA as having more than 50,000 children, and are included in the 17 largest counties as defined by SB 3, may be facing more challenges than their more rural peers (TEA 2016). For example, the 20 largest school districts as defined by TEA:

- Educate a higher percentage of African-American children than their more rural peers;
- Educate a higher percentage of English language learners than their more rural peers;
- Generally educate a higher percentage of Hispanic children than their more rural peers; and
- Generally have higher dropout rates and lower graduation rates than their more rural peers (TEA 2016).

African-American and Hispanic children have historically lagged behind white children in educational attainment, and closing achievement gaps between white students and these minority populations remains a challenge (Hemphill and Vanneman, iii, Bohrnstedt et al., 3). According to NAEP data, the education achievement gap between white students and their African-American and Hispanic counterparts in Texas' participating TUDA districts is large. Gaps between Hispanic and white students are also an area of focus because Hispanics are the fastest growing population in the nation and Texas (Hemphill and Vanneman, iii; NCES 2018a; Ura; TEA 2018k, 6-9).

As **Table 8** demonstrates, in the NAEP TUDA Texas school districts, African-American and Hispanic students lag far behind their white counterparts in both math and reading proficiency. Importantly, in the NAEP Texas TUDA school districts (all located in the 17 counties included in SB 3):

12 Correspondence via email with Kara Belew August 31, 2018.

Table 7. 2016 district size and percent enrollment.

District Size by Student Enrollment	50,000+	25,000-49,999	10,000-24,999	5,000-9,999	3,000-4,999	1,600-2,999	1,000-1,599	500-999	Under 500
Number of Districts	20	28	63	77	89	139	143	240	408
Percent African American	16%	12%	11%	15%	8%	10%	8%	10%	10%
Percent Hispanic	55%	59%	57%	42%	48%	44%	40%	36%	37%
Percent English Language Learners (ELL)	23%	22%	18%	13%	14%	12%	10%	8%	8%
Annual Dropout Rate Gr. 9-12 (2014-15)	1.9	1.4	1.4	1.2	1.5	1.6	1.3	1.20	2.4
4-Year Longitudinal Graduation Rate (Class of 2015)	89.6	91.5	91.8	91.2	89	91.8	91.2	93.90	85.4

Source: TEA 2016.

Table 8. Texas achievement gaps by urban district on NAEP TUDA.

	Percent of white children that are proficient	Percent of African American children that are proficient	Percent of Hispanic children that are proficient
4th Grade Reading			
Austin ISD	67%	17%	19%
Dallas ISD	Not Available	10%	15%
Ft. Worth	49%	13%	15%
Houston ISD	58%	10%	16%
8th Grade Reading			
Austin ISD	61%	12%	23%
Dallas ISD	Not Available	9%	15%
Ft. Worth	41%	6%	16%
Houston ISD	53%	11%	15%
4th Grade Math			
Austin ISD	73%	26%	30%
Dallas ISD	Not Available	19%	33%
Ft. Worth	62%	12%	25%
Houston ISD	70%	20%	30%
8th Grade Math			
Austin ISD	70%	11%	21%
Dallas ISD	Not Available	13%	19%
Ft. Worth	46%	8%	18%
Houston ISD	67%	13%	21%

Source: NCES 2018a; NCES 2018b.

- The gap between white and African-American children was at least 35 percent in reading and math; and
- The gap between white and Hispanic children was at least 25 percent in reading and math.

Also, as seen in **Table 9** and **Table 10**, in Texas' 20 largest urban districts, the majority of economically disadvantaged children test below grade level in the subjects of reading and math (TEA 2018a; TEA 2018h). Specifically, in Texas' 20 largest urban districts:

- 51 percent or more of economically disadvantaged children are testing at or below grade level in reading, with the average being 64 percent testing below grade level; and
- 48 percent or more of economically disadvantaged children are testing at or below grade level in math, with the average being 60 percent testing below grade level (TEA 2018a; TEA 2018h).

Closing achievement gaps remains the focus of significant federal and state efforts. To encourage Texas school districts to close achievement gaps, under TEA's new A-F School District and School Accountability System, Domain III, Closing the Gaps, school districts are given a letter grade based on the percentage of subgroups—including African-American, Hispanic, and English language learners—that are performing above performance goals (TEA 2018a; TEA 2018h).

Given that the 20 largest Texas school districts are in the 17 largest counties included in SB 3, that these school districts are responsible for educating more African-American children, English language learners, and Hispanic children than their more rural counterparts, and data indicates these

Table 9. Reading results of economically disadvantaged children in Texas' 20 largest urban districts.

	District Name	Number of economically disadvantaged children	Number of reading tests	Number of reading tests with scores below grade level	Percent of reading tests with scores below grade level
1	ALDINE ISD	59,973	36,787	25,560	69%
2	ARLINGTON ISD	39,907	24,430	15,805	65%
3	AUSTIN ISD	43,439	24,494	16,473	67%
4	CONROE ISD	22,812	15,132	9,261	61%
5	CYPRESS- FAIRBANKS ISD	58,069	40,006	22,874	57%
6	DALLAS ISD	135,881	79,072	50,350	64%
7	EL PASO ISD	40,666	23,547	15,346	65%
8	FORT BEND ISD	27,959	21,027	12,503	59%
9	FORT WORTH ISD	66,852	41,973	28,804	69%
10	FRISCO ISD	6,352	4,478	2,359	53%
11	GARLAND ISD	34,221	24,175	14,837	61%
12	HOUSTON ISD	160,146	97,143	64,300	66%
13	KATY ISD	23,973	16,394	8,289	51%
14	KLEIN ISD	21,158	14,682	9,292	63%
15	LEWISVILLE ISD	16,862	10,147	6,362	63%
16	NORTH EAST ISD	30,665	19,129	11,740	61%
17	NORTHSIDE ISD	51,027	32,466	20,022	62%
18	PASADENA ISD	41,762	28,621	18,208	64%
19	PLANO ISD	14,566	9,656	5,736	59%
20	SAN ANTONIO ISD	45,931	26,400	19,377	73%
	Total	**942,224**	**589,759**	**377,498**	**64%**

Source: TEA 2018a; TEA 2018h.

students are lagging in achievement and that achievement gaps are difficult to close, it is reasonable to start an ESA program with economically disadvantaged urban students. However, the data also indicates that many urban and rural districts would benefit from ESA options.

ESAs modeled after SB 3 would improve Texas' economically disadvantaged urban children's educational attainment

National support for ESAs is strong and growing

Despite the fact that national support for ESAs is rapidly growing, Texas remains in a minority of states not offering a school choice program (Lueken and Shaw, 2). According to the 2017 EdChoice survey, "when given a description of education savings account programs, seven out of 10 Americans (71 percent) said they were in favor of them" (DiPerna et al., 2). These results were up by 19 percentage points from a similar EdChoice survey in 2016 (2). Perhaps, this is because 55 percent of Americans "think K-12 education is on the wrong track … rather than headed in the right direction" (3).

Further, 70 percent of parents interviewed said a public school was *not* their first choice. Instead, parents wanted their children in private or charter schools (DiPerna et al., 2). The specific reasons parents gave for favoring ESAs included access to schools that have better academics, individual attention, and more freedom and flexibility for parents (3).

School choice would immediately offer many benefits to all Texas children. Benefits include:

- Parents choosing the best option for their unique child;
- The quality of a Texas child's education no longer depending on the family's income or ZIP code;

Table 10. Math results of economically disadvantaged children in Texas' 20 largest urban districts.

	District Name	Number of economically disadvantaged children	Number of math tests	Number of math tests with scores below grade level	Percent of math tests with scores below grade level
1	ALDINE ISD	59,973	30,465	18,363	60%
2	ARLINGTON ISD	39,907	19,842	12,387	62%
3	AUSTIN ISD	43,439	20,645	12,900	62%
4	CONROE ISD	22,812	12,893	6,927	54%
5	CYPRESS- FAIRBANKS ISD	58,069	32,487	17,528	54%
6	DALLAS ISD	135,881	63,373	35,691	56%
7	EL PASO ISD	40,666	17,930	10,305	57%
8	FORT BEND ISD	27,959	17,025	9,990	59%
9	FORT WORTH ISD	66,852	34,932	23,670	68%
10	FRISCO ISD	6,352	3,743	1,948	52%
11	GARLAND ISD	34,221	20,188	11,321	56%
12	HOUSTON ISD	160,146	80,587	48,319	60%
13	KATY ISD	23,973	13,277	6,385	48%
14	KLEIN ISD	21,158	12,115	7,214	60%
15	LEWISVILLE ISD	16,862	8,500	5,363	63%
16	NORTH EAST ISD	30,665	15,588	9,629	62%
17	NORTHSIDE ISD	51,027	27,036	16,206	60%
18	PASADENA ISD	41,762	22,815	13,539	59%
19	PLANO ISD	14,566	8,416	4,937	59%
20	SAN ANTONIO ISD	45,931	21,494	15,390	72%
	Total	**942,224**	**483,350**	**288,012**	**60%**

Source: TEA 2018a; TEA 2018h.

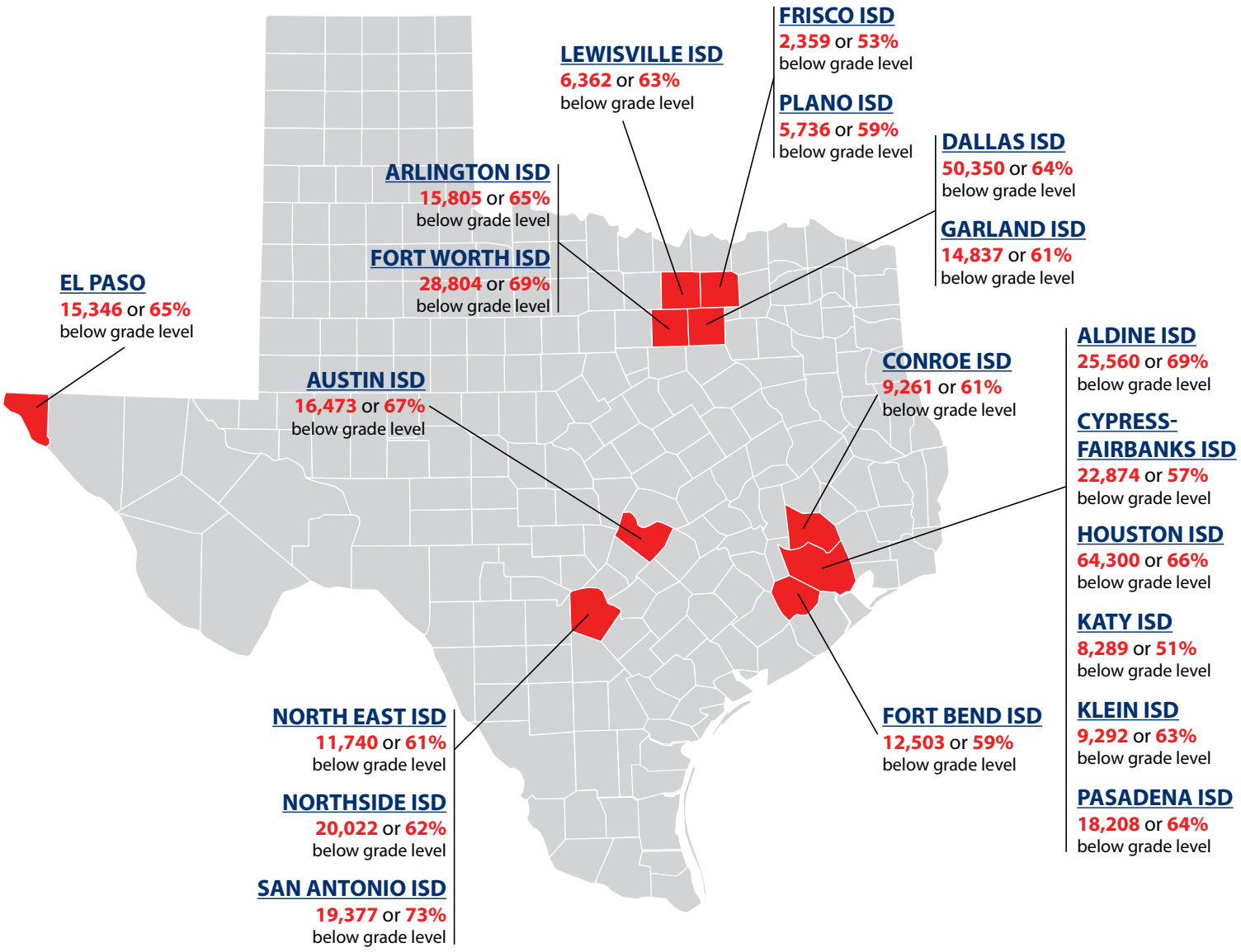
- Allowing for personalized education tailored to each child, instead of having to follow a one-size-fits-all government system and its mandates;
- Spurring education innovation;
- Providing individual liberty; and
- Encouraging market-based competition among schools that rarely exists in a government-run school monopoly.

Studies demonstrate school choice improves all students' outcomes

There is strong evidence that the educational performance of both children leaving and those *remaining* in their traditional public school will improve if the Texas Legislature adopts an ESA program modeled after SB 3.

Studies show that children participing in choice program have improved academic outcomes. According to

READING SCORES
OF ECONOMICALLY DISADVANTAGED URBAN CHILDREN BY SCHOOL DISTRICT

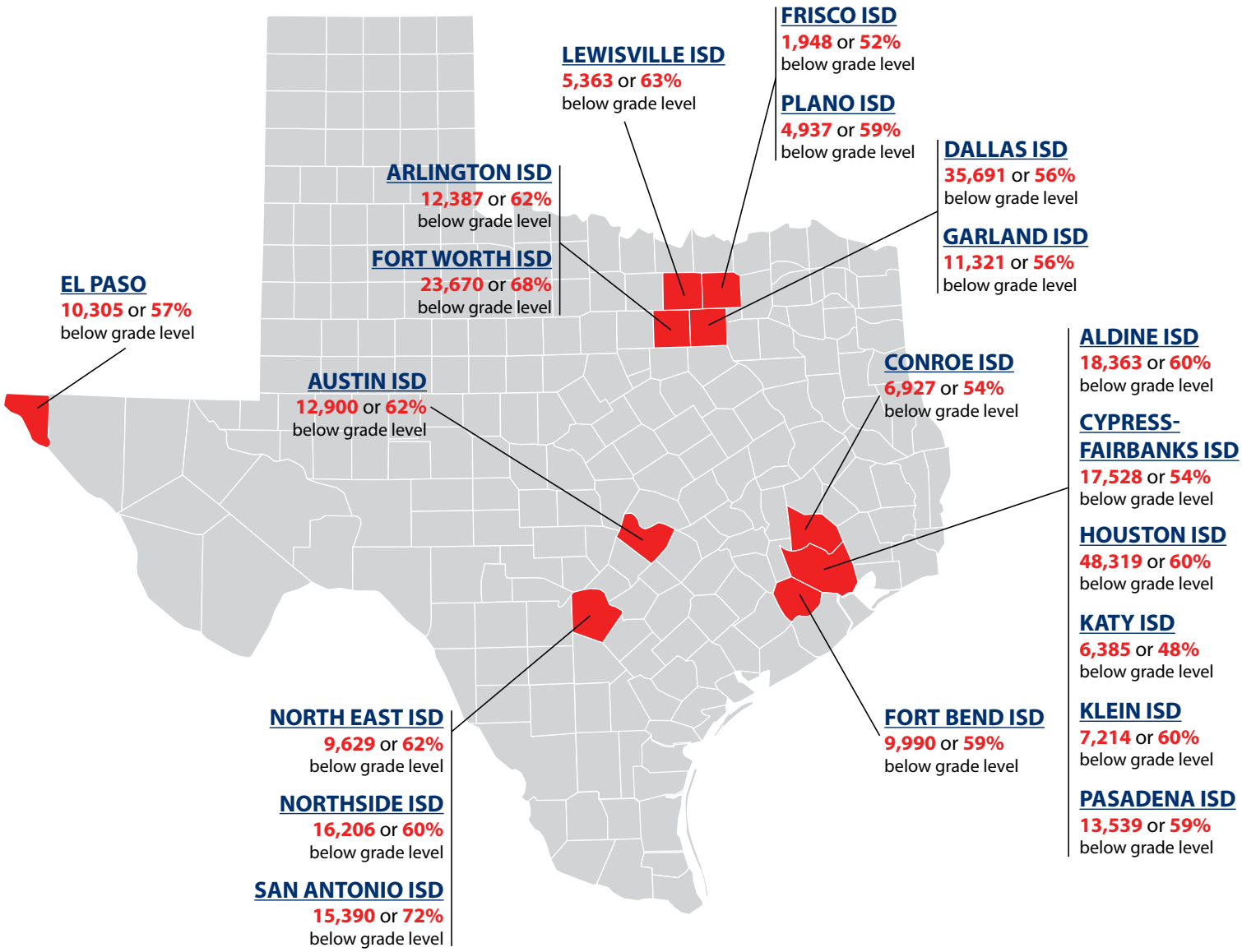


EdChoice's review of the highest-quality school choice studies:

- 18 different school choice studies have been conducted on student outcomes. Of those, 13 found positive outcomes for either the full sample or at least one of the sub-samples of children studied, 4 found no visible effect, and 2 found negative outcomes for all or some of the children; and
- Of the 5 studies examining educational attainment after high school, 4 found a positive effect (Lueken and McShane; Lueken and Shaw, 13).

Additionally, studies indicate that children *remaining* in their traditional public schools also experience outcome gains. Of 34 studies examining the competitive effects of school choice, 32 found positive effects for students who remained in their public school (Lueken and Shaw, 16). In

MATH SCORES
OF ECONOMICALLY DISADVANTAGED URBAN CHILDREN BY SCHOOL DISTRICT



fact, some Texas education leaders state that choice schools are encouraging new and better practices at Texas' traditional public schools (Evans).

ESA funding would give the parents of Texas' economically disadvantaged urban children the opportunity to withdraw their child from their traditional Texas public school—where data indicates they are likely not reading or doing math at grade level—and choose the education services best suited to their child's unique educational needs (SB 3, 7-9). The ESA, for example, could be used to help pay the tuition at an *accredited* Texas private school, with better student results (Texas Private School Accreditation Commission).

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About the Author

Kara L. Belew works at the Texas Public Policy Foundation as the senior education policy advisor. In this role, she leads Foundation efforts to formulate policies to improve student outcomes across Texas. She also plays an integral role in developing statewide budget policies.

Prior to TPPF, Kara worked as deputy commissioner of finance at the Texas Education Agency and managed the state's $60 billion per year school finance system. Her accomplishments included vastly improving the transparency of the state's school finance system.

Prior to joining TEA, Belew served as statewide budget director for Gov. Greg Abbott. In that capacity, she helped to pass and fund the governor's education legislative initiatives including Teacher Reading and Math Academies and Reading Excellence Teams.

Belew was also part of Gov. Rick Perry's administration as an education policy and budget advisor. She was promoted to team leader and senior education advisor for public education policy. As part of the education team, Belew helped to pass and implement legislation to ensure college and career-readiness standards for the state's public education system. Her work also focused on school finance and economic development issues. She was appointed to the ducation Commission of the States and served on the board of the Texas High School Project (now known as Educate Texas), which created STEM and early college high schools statewide. Belew also worked as Gov. Perry's director of fiscal accountability, where she routinely negotiated with the U.S. Department of Education and other federal agencies on behalf of Texas. She implemented procedures to evaluate statewide fiscal operations and tax and budget concerns.

Belew has also worked at the Office of the Attorney General as senior counsel and helped formulate the legal strategy for the state's successful school finance litigation.

A graduate with honors from Southern Methodist University with degrees in accounting and political science, Belew worked for five years at PricewaterhouseCoopers LLP as a senior associate on major public accounts. She became a C.P.A. in 2000, and then attended the University of Texas School of Law where she graduated with honors. Following law school, she completed a two-year law clerkship with the Supreme Court of Texas.

In her commitment to community service, Belew serves on the Board of Literacy First, a nonprofit dedicated to ensuring Texas students are reading by third grade.

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