

# **Texas Institute for Education Reform**

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### **Texas Public Schools Today and Tomorrow: Call to Action and Agenda for Success**

#### *Perspective and Vision*

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#### **The Challenge**

Texans well understand the importance of public education and have invested an enormous effort to create public schools that prepare students to achieve success in the wide variety of opportunities they face after graduation. During the 1990s educators, administrators, legislators, and business leaders collaborated in reform that produced dramatic gains in elementary and middle schools, and helped reduce the achievement gap between student groups. These successes propelled Texas to the forefront of education reform in the nation, and furnished other states with a powerful model for improving student achievement.

Almost a dozen years have passed since Texas established standards and accountability as the framework for transforming public schools. During this time Texas and the world have experienced, and continue to be molded by, increasingly rapid shifts in the economy, technology, and population demographics that have combined to perceptibly change our lives today and will radically change our tomorrow.

These shifts force us to confront the old assumption that “college isn’t for everyone,” and recognize that this assumption has been made obsolete by the new reality that college readiness and the demands of the 21<sup>st</sup> century workplace are now one and the same in terms of the knowledge and skills needed for success. Texas public schools are now challenged by economic and social imperatives to provide *all* students with the same rigorous academic preparation necessary to successfully transition from high school to college or workplace training.

Given current conditions and the pace of enhancement in student achievement, we must ask ourselves, are our schools ready for these new realities?

Although Texas public schools have improved and continue to improve, the student achievement gains are too small and progress is far too slow to counter the global economic challenges that erode and threaten to overwhelm our state and national wellbeing.

### **The “Flat Earth” Has Arrived**

Advantages once enjoyed by the U.S. as the world’s largest economic power are now receding as powerhouse economies in Asia expand in the global market, in many ways outpacing our transition from an industrial economy to a knowledge-based economy. China and India promise to surpass the gross domestic product, wages, and consumption power of the U.S. within 15 years, and become world centers for both manufacturing and knowledge-based industries (*Foresight 2020 Study* conducted by the Economist Intelligence Unit). China will be the world’s largest contributor to and beneficiary of the global market, replacing the U.S. as the largest economy in the world by 2045, according to another study conducted by Goldman Sachs. These studies conclude that China alone will be responsible for 27 percent of the growth in the world economy over the next 20 years, an economy that is expected to be two-thirds larger than it is today. It is estimated that, of the 471 million new workers who will enter the global workforce by 2020, China will account for 65 million, India will account for 142 million, and the U.S. will account for just 12.5 million workers.

As Asia’s piece of the global economic pie grows, Americans will hold a dwindling share of the world market. With the service sector assuming an ever greater share of the U.S. economy and decline of the market share of gross domestic product relative to our competitors, there will certainly be downward pressure on wages and the standard of life in the U.S.—unless current trends are reversed.

For Americans, loss of economic primacy is likely to mean that our children will be the first generation economically worse off than their parents. In terms of education attainment, this is already the case. According to the American Community Survey of the Organization of Economic Cooperation and Development, the U.S. and Texas share with Germany the dubious distinction that, of the 30 OECD countries, they alone reflect a lower percentage of their 25-34 age group with a high school diploma than their 45-54 age group (see graph, page 12), and this applies as well to the percentage with an Associate or higher college degree.

We are falling behind our international competitors because many of them—principally China and India—are producing larger, more highly educated workforces to supply the knowledge-based economy of the 21<sup>st</sup> century. Students in China, as well as in most other industrialized nations, outperform American students on international tests of math and science. This is not surprising given that Chinese students, unlike Americans, cannot acquire a high school diploma without completing algebra, geometry, biology, chemistry, and physics. As a result of the rigorous curriculum in Chinese schools, college enrollment has quadrupled over the past 20 years, and, today China and India graduate a combined number of 950,000 engineers annually, compared with only 70,000 new American

engineering graduates (numbers produced by a joint report issued by the National Academies of Sciences, Engineering and Medicine, 2005). In addition, a two-year old Department of Commerce report predicts that China will become the leader in all aspects of semiconductor production over the next decade, attracting the same engineering talent sought by American companies.

For Texans, the future bodes far worse because state education outcomes are below those of the nation, and demographic shifts, with the emergence of a Hispanic majority population, are likely to result in a significantly less educated workforce than we have today.

Studies conducted by the Texas Center for Demographic and Socioeconomic Research predict a dire future for Texas within just 20 short years (Steve H. Murdock, *The Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas*). Based on the current rate of population growth and pace of educational improvement, it is estimated that Texans will experience a 12 percent decrease in average household income and a 40 percent increase in poverty in less than 40 years. While state revenues decline 10 percent, Medicaid enrollment will increase by 182 percent, crime will increase, and prison enrollment will increase by 142 percent.

### **Confronting the Challenge**

This prediction must not become a reality for Texas. We must act now if we are to avert what the Texas Higher Education Coordinating Board described in 2000 as an “impending crisis” (*Closing the Gaps by 2015*). We must close the education gaps by creating a world class system of public education that can respond to the new realities.

To accomplish this goal, Texans must fundamentally change what public schools teach and how they operate, and complete this transformation in time to equip today’s youth with the knowledge and skills needed to compete successfully with their peers in other states and other nations.

We must take up the challenge and work together to build the schools we need to ensure tomorrow will be better than today, equip all youth with the skills necessary for success, improve the state’s economic competitiveness, and ensure the social welfare of our communities.

To make this vision a reality, we must have a comprehensive agenda for long-term systemic reform and enlist all Texans in the effort to align public education with the needs of Texas today.

The first step we must take is to define the current status of public education in Texas, to identify our successes and weaknesses, and build an agenda for change that will produce a system of public education that is second to none among our peers, both nationally and internationally. (Note: All student performance data referenced herein is presented in

more detail in TIER Issue Paper 2 of this policy series, Student Performance in Texas Public Schools).

The current strengths of Texas public schools provide a firm foundation for reform and our weaknesses identify where change must be focused. The unique framework of standards and accountability now guiding Texas schools has proven and offers still a powerful engine for introducing change. This framework has created the capacity for Texans to build the high levels of student performance that are demanded for the 21<sup>st</sup> century. In harnessing the strengths of public schools and building on previous reforms, Texans have a made-to-order formula for creating the schools we need.

Based on state assessments applied to state standards of performance, Texas public schools have demonstrated solid academic achievement with steady annual gains over the past decade, even though passing standards for state assessments have increased almost annually. To some extent, this success is mirrored by the national assessments taken by Texas elementary and middle school students. On the most recent measures of mathematics and reading in 2005, Texas' 4<sup>th</sup> and 8<sup>th</sup> graders performed above the U.S. average on all but one of the tests administered by the National Assessment of Educational Progress (NAEP). In 2006, Texas 4<sup>th</sup> and 8<sup>th</sup> graders again outperformed the national average for each major ethnic group on NAEP science tests, although average state scores for each grade were slightly below the U.S. average.

When NAEP scores for both math and reading are broken down by ethnicity, 4<sup>th</sup> and 8<sup>th</sup> grade students in Texas public schools outperform the national average of students in the same ethnic groups. Gains achieved by Hispanic and African-American students in Texas mean the gap between student groups is shrinking in elementary and middle schools.

### **The Proficiency Gap**

In spite of educational disadvantages, Hispanic and African-American students in Texas public schools are making greater academic gains than most of their peers in other states. When NAEP scores are sorted by ethnicity, Texas elementary and middle school students win top national honors in math, ranking either first, second, or third in the nation. However, while shrinking this gap merits celebration, it is important to acknowledge that Texas will require about 65 years to completely erase the educational disadvantage associated with race and ethnicity in elementary and middle schools at the current rate of closure. This is the second of the three education gaps that must be confronted.

Texas NAEP scores for elementary and middle schools are indeed remarkable. However, a close look suggests some weakness in the *proficiency* of Texas students. From 1998 to present, average state scale scores for 8<sup>th</sup> grade reading in Texas slightly declined (four points) while the percentage of students reading at or above proficient for grades 4 and 8 either remained unchanged or also slightly declined. Because reading proficiency is an absolute necessity, a non-negotiable skill on which all other academic skills build, weak reading skills pose a serious threat to improving Texas public schools. In reading, only 29

percent of 4<sup>th</sup> grade and 26 percent of 8<sup>th</sup> grade students in Texas score at or above proficient on NAEP.

In math, only 40 percent of 4<sup>th</sup> graders and 31 percent of 8<sup>th</sup> graders score at or above proficient on NAEP. In science, the percentages of 4<sup>th</sup> and 8<sup>th</sup> grade students scoring at or above proficient on NAEP are both low (25 and 23, respectively) and fall below the national average.

The relatively low level of academic mastery demonstrated by Texas elementary and middle school students in all subjects tested by NAEP (scores at or above proficient) pose a significant barrier to later success in more advanced high school studies. This is particularly true for Hispanic and African-American students who lag one to two years of schooling behind their Anglo and Asian peers on all of the tests administered by NAEP. If a student does not acquire the level of academic proficiency that is considered mastery in the early years of schooling, success in later, more advanced studies is diminished or impossible.

If elementary and middle school performance is a “good news, bad news” proposition, Texas high school performance can be described as nothing but disturbing. Over the past decade, a variety of strategies have been initiated to increase the graduation rate and raise student achievement. These strategies include increasing high school graduation requirements, administering an exit-level test at 11<sup>th</sup> grade, increasing enrollment in advanced placement courses, providing support programs for 9<sup>th</sup> grade students, and establishing a dropout initiative.

On some measures, high school reforms have achieved significant success. State calculations of graduation rates show steady, annual increases in the percentage of students who earn a high school diploma; The Texas Education Agency reports graduation rates rose from 79.5 percent in 1999 to 84.6 percent in 2004. In 2005, 91 percent of the class of 2005 passed the exit-level TAKS. The number of Advanced Placement tests increased 11 percent between 2004 and 2005, with a 6 percent increase in the number of exams scored at 3+ and accepted as college credit. Enrollment in the state’s “college preparatory” Recommended/Distinguished High School Programs increased from 15 percent in 2000 to 68.5 percent in 2005.

Other measures of high school performance stand in stark contrast. When graduation rates are reported by independent organizations such as *Newsweek’s* Graduation Project 2006 and the Manhattan Institute, the Texas graduation rate is about 70 percent, approximately the national average. There is broad agreement that in Texas as in other states, at least 20-25 percent of students will fail to acquire a diploma, and that in urban districts this rate is much higher, particularly for Hispanic and African-American students.

### **College Readiness**

High school performance leads to the third of the three education gaps that must be confronted. Even for students who do earn a high school diploma, academic proficiency is generally very low. Tests of postsecondary readiness conducted by ACT and the College Board (SAT) indicate broad educational deficits with a pernicious achievement gap between student groups. While the percentage of public school students taking these tests have steadily declined since 1996, Texas scores on both tests remain significantly below the national average. On the SAT, Texas mean scores increased only one point over the past 10 years while average U.S. scores rose 18 points; on the ACT, only 18 percent of Texas public school students who took the test in 2006 demonstrated the academic skills necessary to succeed in college freshman coursework. On both tests of postsecondary readiness, only six states posted average scores lower than Texas.

A look at urban districts raises greater concern. Data from 12 Houston area school districts, including Houston ISD, a district that has been recognized as the best urban school district in America, indicate that in 2004 the gaps between the percentage of 11<sup>th</sup> graders who passed the TAKS exit exam in math and reading and those who did so at the minimum score for college readiness identified by the Higher Education Coordinating Board were 43 percent and 57 percent, respectively.

Weak postsecondary readiness translates into difficult transition into postsecondary experience. Only nine states have a lower percentage of students bridging from high school to college than Texas; while 52 percent of freshman in the institutions of higher education in Texas require remedial instruction.

On all independent measures of high school performance, Hispanic students—the state’s fastest growing ethnic group—and African-American students demonstrate significantly worse outcomes than their White/Anglo peers—performance that underscores the national education gap. Race and ethnicity are strongly linked to lower graduation rates, lower scores on postsecondary readiness, lower transitions into postsecondary institutions, and lower postsecondary completion. These educational disadvantages erect lifelong barriers to success, yet they can be overcome by public schools. For this reason, closing this particular achievement gap must be recognized as the civil rights frontier of the 21<sup>st</sup> century.

The bottom line is that today, regardless of race and ethnicity, the majority of students leave Texas public schools—whether by dropping out or graduating—unprepared to be successful in most employment settings, college, skilled vocational training, or responsible citizenship.

### **Impact of the Education Gaps**

These deficiencies in public education hurt all Texans. At present, only one quarter of Texans aged 25 to 65 have a bachelor’s degree, and an almost equal number lack a high school diploma. This under-educated workforce is also challenged by rapid, fundamental shifts in the economy that make more advanced skills a prerequisite for all jobs that pay a living wage today. Jobs in technical fields are now growing at five times the rate of other

occupations throughout the U.S. In Texas, nine of the 25 fastest growing occupations in Texas require some postsecondary education, with half of these jobs requiring at least a bachelor's degree. Only 20 percent of American jobs are currently available for unskilled labor. As under-educated Texans face the disappearance of unskilled jobs, they must also deal with the challenge of increased competition for jobs. With the advent of the global economy, Texans must now compete with workers throughout the nation and world for both skilled and unskilled jobs. The magnitude of this challenge is portrayed in the last page of this report with a graph that compares the percent of adults with a high school diploma in Texas with adults in nations participating in the Organization of Economic Cooperation and Development.

Throughout every corner of the state, the impact of our education deficit grows increasingly evident. In San Antonio, Mayor Phil Hardberger recently issued a plea for reform in a *San Antonio Express-News* commentary (7/9/06). "While we have been enjoying good economic times recently in our city, we are already seeing the future limitations of our workforce. Businesses today demand education, well-trained and technologically competent workers. Unless we equip our citizens and children to compete for good jobs and better incomes we will limit both our city's growth as well as our personal growth."

The Greater Austin Chamber of Commerce recently warned, "Major employers have to look beyond Texas to recruit and hire enough employees with the strong math, science, and technical backgrounds they need. We can't keep jobs in Texas if we can't compete with our talent."

A new report by the Texas Gulf Coast Workforce Board rated the region "behind the grades" in a comparison with cities it competes with in the global market (Workforce Report Card, June 2006). "Improving the region's educational system is the single most important tool we have to improve our region's competitiveness. Improving the education system will enable us to attract and grow businesses, improve incomes, reduce poverty, improve market alignments, and enhance the perceived attractiveness of the Texas Gulf Coast as a place to live and work."

### **Call for Action**

The challenge is before us, and the time to act is now. The Texas public education system must be fundamentally and systemically changed and Texans must brook no delay in beginning or completing reform.

House Bill 1, passed by the 3<sup>rd</sup> Called Session of the 79<sup>th</sup> Texas Legislature, offers a strong platform for developing the comprehensive, long-term agenda needed to reform Texas public schools. This innovative bill takes the bold step of identifying post-secondary readiness as the goal of public education and introduces a package of reforms to strengthen teacher quality, academic and financial accountability, and boost high school performance. Using these reforms as a foundation—with sights set on the level of academic proficiency that public school graduates require for successfully competing

with their national and international peers—we must go one step further and incorporate them into a long-term agenda for comprehensive K-12 reform, as follows:

### **Elements of a Long-Term Reform Agenda**

- *Higher Standards for Teaching and Learning:* Strengthen the state curriculum standards, the Texas Essential Knowledge and Skills (TEKS), establish explicit, objective, and measurable benchmarks for academic proficiency K-12, and identify the reforms necessary for moving students enrolled in public schools from the current level of performance to a level of proficiency that is competitive both nationally and internationally.
- *New, Better Assessments:* Strengthen the state’s criterion-referenced assessments and supplement them with norm-referenced tests, add end-of-course exams for core high school courses, correlate exit assessments with post-secondary readiness expectations, and use results of value-added student assessments for teacher appraisals, teacher preparation, accreditation of teacher preparation programs, and the school accountability system, particularly for evaluating the performance of charter and alternative schools.
- *Higher Standards for Academic and Financial Accountability:* Significantly increase the state standards for school district and campus performance, eliminate the Alternative Accountability System and use results of value-added assessments for rating all schools, hold schools accountable for workplace/college readiness, as determined by the ACT and SAT, and accelerate serious consequences for underperforming districts and campuses. Develop and implement a financial accountability rating system that distinguishes among districts’ financial performance, brings additional transparency to education finance, and establishes productivity standards down to the campus level.
- *Attack the Reading Crisis:* Improve the system of accrediting, preparing, certifying, and evaluating K-8 teachers by assessing all according to the value they add to student reading proficiency; change state policies to give teachers responsibility for classroom instruction by replacing learner-centered instruction with teacher-centered instruction; establish credentials for a K-8 Reading Specialist; create a new, improved K-8 Texas Reading Initiative with revised rigorous standards for reading and reading assessments.
- *Increase Educator Effectiveness:* Expand alternative educator preparation and certification; expand new teacher mentoring; aggressively recruit non-traditional leadership for school administration; enhance professional development; create new career paths for teachers; adopt the Koret Texas Task Force recommendation for professional contracts for educators; introduce performance-based compensation for all educators based on value-added evaluation; and establish policies for mandatory remediation for ineffective educators leading to dismissal.
- *Accelerate Deregulation and Innovation:* Encourage districts to develop new, better ways of serving students, particularly for high school students, and allow wide-ranging authority at the district level for deregulation of human resource management as well as innovations in scheduling and delivery; establish new, rigorous standards for charter schools, with expanded authority for charters and equalized funding, and base continued accreditation on results of value-added assessments; adopt district and statewide public school choice; award scholarships to students with special education needs; provide district-funded transfers to students in failing schools; and establish a virtual/electronic high school program for all students in Texas public schools.

### **New Thinking for the New Realities**

Establishing a 10-year agenda for systemic K-12 reform must represent top priority for the 80<sup>th</sup> Session of the Texas Legislature. New thinking will be required. Instead of incremental reforms that are designed to change selected aspects of education (such as improving 9<sup>th</sup> grade retention), we must insist on comprehensive, systemic K-12 reform to align all components of the state system of public education with new expectations for

higher performance. Instead of simply targeting incremental improvements in student achievement, specific academic outcomes must be identified as the expectations required for reform. Instead of allowing generations of youth to graduate without necessary skills because reform is designed to produce gradual improvement over time, the pace of reform must be quickened to deliver results for the children in public schools today.

New thinking will also be required about how public education is delivered and what students are expected to learn. Entrenched resistance to changing the status quo must be confronted and overcome in the face of necessity and urgency. Immediate, fundamental, systemic change is required to produce the magnitude of improvement required of Texas public schools today. Well-worn arguments for small, incremental changes that tinker around the edges of public education over an extended period of time must give way to this necessity.

Opposition to continuous improvement and the insistence on giving schools “time out” to adjust to change must be convinced of the need to align public education to increasingly rapid socio-economic changes in a relatively short period of time. Similar opposition to reform that is motivated by the desire to increase education funding before introducing more reform must be countered by the evidence that more education spending does not equate with better student outcomes and that the most highly funded schools and systems often produce the least education results.

Well-intended opposition to standardized curriculum and high-stakes testing—in the belief that students should discover knowledge for themselves and that accountability leaches creativity and interest from learning—dismisses the body of knowledge and skills that must be mastered if students are to succeed in today’s highly competitive world. The opposition also ignores the evidence that disadvantaged students suffer significant educational harm when robbed of a highly structured classroom with a coherent, rich curriculum. Less well-intended opposition to establishing a common, coherent curriculum and high standards for all students must be soundly refuted with the evidence that educational disadvantages associated with income, race, and ethnicity *can* and *are* being overcome by public schools.

Rejection of new ways to enrich student learning—such as online instruction, early college high schools, and scholarships for underperforming students—must be turned aside and priority given to educational outcomes rather than the means by which outcomes are achieved. Objections to expectations that education reforms should produce quick education results—in the unfounded and disproved assumption that changes in student performance require generations to produce—must be corrected by the evidence of the ability of disadvantaged students to gain multiple years worth of schooling in just one year with effective teachers.

To produce the schools we need, new thinking, solidly based on research and experience, must embrace all that is possible.

This new thinking can serve as a new framework for reforms recently introduced by House Bill 1 and suggests some immediate objectives for the 80<sup>th</sup> Texas Legislature:

- Benchmarking high school performance with recognized world class standards for student achievement;
- Developing new curriculum standards for K-12 that are nationally and internationally competitive;
- Strengthening TAKS to reflect world class expectations, particularly for literacy, and providing a value-added measure;
- Creating cross-jurisdictional task forces to improve the reading skills of students in public schools today;
- Enhancing teacher quality with mentoring and training, particularly in reading;
- Reinforcing academic accountability with concrete, immediate consequences;
- Creating a new form of school accountability by awarding parents authority to exercise public school choice;
- Dismantling the operational regulations that restrict how schools achieve required educational outcomes, and most importantly;
- Examining every aspect of the way in which we prepare, certify, mentor, retain, evaluate, and compensate educators, so that this entire chain and all of its links are assessed based on their value added to Texas student achievement.

Finally, we should create a comprehensive agenda for systemic long-term reform for public education in Texas that will equip all young Texans with the knowledge and skills to compete successfully in the global workplace and contribute meaningfully to their communities.

Working together, Texans can do this. Together, we can build the schools we need to thrive in today's knowledge-based economy and, once again, lead the nation in public education reform.

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### **Texas Institute for Education Reform (TIER)**

TIER, founded in 2006 as a non-profit, non-partisan collaboration of Texas business leaders, is committed to helping make the vision of a world class system of public

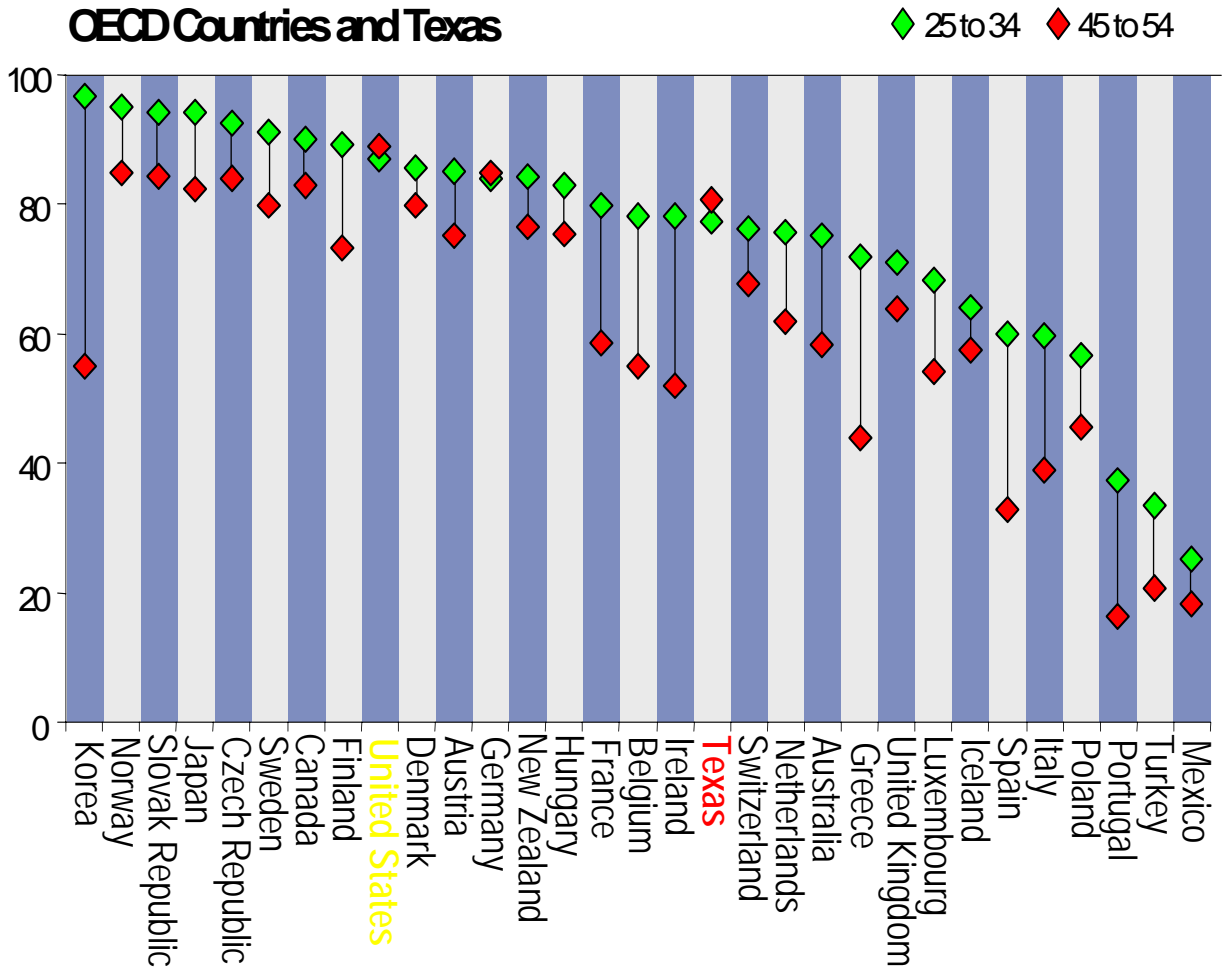
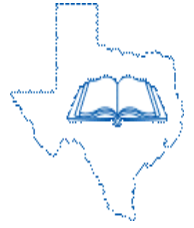
education a reality now for all children in Texas. Its mission is to enable Texas public schools to realize this vision through educating public opinion leadership.

Guiding the organization's efforts are 10 basic principles:

1. Significant, large improvements in public school outcomes require significant and sweeping change in K-12.
2. Reforms must be based on empirical evidence (not ideology or conventional beliefs) and driven by measurable results.
3. Standards, assessments, and accountability—the Texas-brand of reform—has proven the most effective means to improve student outcomes.
4. All students need and deserve a rigorous common core curriculum that is designed to equip students for success no matter what path students elect to follow after graduation—skilled employment, college, or vocational training.
5. All student groups, regardless of race and ethnicity, must be challenged by one, identical set of academic expectations.
6. Educational disadvantages associated with race, ethnicity, and low family income can be erased and are being erased in some Texas schools today.
7. Highly effective teachers are key, the most essential ingredient, for improving student performance.
8. Systemic reform can and should produce results in a relatively short period of time.
9. Achieving the educational results we need depends more on how money is spent in the classroom rather than how much money is spent.
10. Reform can never be finished—Texans must be committed to ongoing, vigorous public school reform to ensure education keeps pace with rapidly accelerating socio-economic changes and remains aligned with the demand for increasingly better educated graduates.

For more information and to access other papers in this policy series, visit TIER at [www.texaseducationreform.org](http://www.texaseducationreform.org).

# Percent of Adults with a High School Diploma



Source: Organisation of Economic Cooperation and Development, American Community Survey