

Why Does Texas Need Universal School Choice?

Overview

Despite increases in public education expenditures with taxpayer money in Texas, student performance is flat or declining. Texas is falling behind thriving states that offer educational choice as part of the [school choice revolution](#), in which [more than ten states](#) have or nearly have universal ESAs.

Economist [Milton Friedman](#), who championed school choice well before it became popular, famously said, "The only solution is to break the monopoly, introduce competition and give the customers alternatives." Texas can follow this optimistic vision to improve student learning and outcomes, increase teacher pay, and advance parent empowerment from universal ESAs by passing the "*Texas approach*, as Public Education Chairman Brad Buckley says, in the next session. This approach should build on what has worked well in other states rather than starting from scratch to make it universal for every child now.

Why Universal ESAs?

1. Students and Texas are Falling Behind

- While Texas has historically been a leader in many areas, we are now [trailing behind 12 other states](#) that have complete or near-universal school choice with ESAs. These states, including Arizona, Arkansas, Florida, Louisiana, West Virginia, and more, have recognized the power of school choice in driving educational improvement. If Texas does not act swiftly, we risk [falling further behind](#) as other states benefit from a competitive education system that empowers parents, students, and teachers.
- The outcomes of standardized tests (STAAR and NAEP), though flawed in many ways, indicate that performance over time either stays the same or worsens.
 - Despite large increases in funding (see below), student performance is flat or declining per the Texas Education Agency's ([TEA](#)) STAAR scores in Texas (see **Table 1**).
 - The National Assessment of Educational Progress ([NAEP](#)) scores show that only 24% of Texas 8th graders are at or above proficient for grade level in mathematics (the lowest since 2000) and 23% in reading (the lowest since at least 1999).
 - The current system is [failing our students](#) and placing an unnecessary financial burden on taxpayers. However, the ultimate accountability factor is parents, who should be in charge instead of politicians and unelected bureaucrats.

2. Excessive and Inefficient Funding of Public Education

- **Regarding the total budget**, Texas increased appropriations by major funding sources by a record amount in the last session. Unlike the LBB's reporting in the Fiscal Size-Up,

this results from my consistent two-year budget comparison of [2022-23 initial appropriations](#) to [2024-25 initial appropriations](#).

- Comparing estimated/budgeted in 2022-23 to appropriated in 2024-25, as the LBB does, is informative but incomplete. The 2022-23 total amounts include initial appropriations in the General Appropriations Act in 2021, supplemental appropriations in 2023, and other expenditures, whereas the latter two amounts are not available for 2024-25 yet and will likely increase.
- **Table 2** shows general revenue funds increased by 21.2%, state funds by 32%, and all funds (including state and federal funds that are all taxpayer money) by 21.5% from the previous budget cycle, which are all historic increases.
- **Regarding public education**, the Legislature increased taxpayer funding by \$20.3 billion or 33.3% in state funds and by \$20.7 billion or 28.6% in all funds (see **Table 3**). While \$12.7 billion in state funds was used to provide school district property tax relief, the state provided about \$7 billion more to public education.
 - Despite this historic budget increase for public education, the monopoly government school system remains [riddled with inefficiencies](#), and the return on these expenditures is highly questionable. For example, less than 20% of classroom expenditures directly fund teachers.
 - Specifically, the average of roughly [\\$17,000](#) per student going into a classroom of 20 students is \$340,000, but teachers receive less than 20% of it for a 10-month \$60,000 salary, on average. The rest goes to the [non-teaching administrative staff surge](#) primarily to deal with federal, state, and local requirements, including taking standardized tests with questionable results because the ultimate accountability factor of a child's education is parents.

3. Public Support for School Choice and Fiscal Responsibility

- [Public support](#) for school choice is strong across multiple surveys. Also, consider the results of the [Republican primary elections](#). The time to act is now.
- The **path forward** should include the Texas Legislature passing a [universal ESA bill next session](#), establishing universal ESAs for all Texas families.
 - This should be based on what works well in other states to streamline and start the program quickly for every student.
 - More taxpayer money should not be spent on public education unless outcomes improve, school district debt should be reduced, more money should go to teachers over administrators, and superintendent pay and other excesses should be changed
 - *Public schools would not get less funding unless they are not competitive and parents choose to send their kids elsewhere. Why would some assume public schools cannot compete and thus get less funding?*
- The **path forward** should include a simplified school finance system based on ESAs funding public, private, home, co-op, charter, and other schooling options.
 - Texas could move from spending about \$17,000 for each of the 5.5 million students, or \$93 billion per year, on public education today to a fully funded ESA

- model with \$12,000 for each of the 6.3 million school-age kids, or \$75 billion per year
- This improved school finance system could [save Texans \\$18 billion annually](#). The excessive taxpayer money collected should be returned to taxpayers by reducing school district M&O property tax rates for a path to elimination.

4. Overwhelming Evidence of Success

- The evidence favoring universal school choice is [compelling](#). Studies consistently find outcomes improve when parents can choose the best educational environment for their children. **Table 3** from the [University of Arkansas](#) shows how this includes improvements at public schools from competitive pressure.
 - **Better Outcomes:** *Out of 18 academic publications then, 12 (67%) found all or some students had improved outcomes, four found no effects, and two found negative effects (based on a limited choice program in Louisiana—but the [Louisiana Legislature passed universal school choice this year](#) so should have improvements soon).*
 - **Better Teacher Pay:** While about 90% of [Texas teachers](#) are employed by public school districts, they have little bargaining power under the current monopsony system. The introduction of ESAs would create a more competitive labor market, allowing teachers to negotiate better salaries and working conditions. ESAs could lead to an average salary increase of \$14,000 per year for teachers, with some seeing as much as \$28,000 more per year.
 - **Better Economy:** [Research](#) indicates that increasing school choice improves educational quality, reduces dropout rates, and improves labor market outcomes. School choice supports higher property values, spurs job creation, and provides better matches between students and their educational needs, leading to a more robust and adaptable workforce.

Conclusion

Texas must lead in the race for educational excellence. The evidence is clear: universal Education Savings Accounts will improve educational outcomes, increase economic opportunity, and provide the competitive edge that our state needs. Texas should pass a universal ESA bill so kids in Texas can access a high-quality education tailored to their unique needs. This is an educational reform and a commitment to Texas's future. We can fully fund students with ESAs, who can use them to attend public or other types of schooling, spend less money and pay lower taxes, and improve outcomes and teacher pay through universal school choice.

Table 1

2024 STAAR 3-8 Results

SPRING 2019, 2021, 2022, 2023, and 2024 STAAR GRADE 3-8 RESULTS											
RLA	Performance	Spring 2019	Spring 2020	Spring 2021	Spring 2022	Spring 2023	Spring 2024	Change in Meets			
3	Approaches	75%	COVID	66%	75%	75%	72%	-2%			
	Meets	43%		37%	50%	48%	46%				
	Masters	27%		19%	30%	19%	20%				
4	Approaches	73%		COVID	62%	76%	76%	79%	+3%		
	Meets	43%			35%	52%	46%	49%			
	Masters	21%			17%	28%	21%	22%			
5	Approaches	77%			COVID	72%	80%	80%	78%	-2%	
	Meets	51%				45%	56%	55%	53%		
	Masters	28%				30%	36%	28%	28%		
6	Approaches	66%				COVID	61%	69%	75%	75%	+4%
	Meets	35%					31%	42%	50%	54%	
	Masters	17%					14%	22%	21%	25%	
7	Approaches	74%	COVID				68%	78%	77%	72%	No Change
	Meets	47%					44%	54%	52%	52%	
	Masters	28%					25%	37%	26%	28%	
8	Approaches	77%		COVID			72%	82%	82%	79%	-2%
	Meets	53%					45%	56%	56%	54%	
	Masters	27%					21%	37%	27%	28%	

*In 2023, the STAAR test was redesigned to better align with classroom instruction, which necessitated re-setting of standards and scales from 2022 to 2023.

SPRING 2019, 2021, 2022, 2023, and 2024 STAAR GRADE 3-8 RESULTS											
Mathematics	Performance	Spring 2019	Spring 2020	Spring 2021	Spring 2022	Spring 2023	Spring 2024	Change in Meets			
3	Approaches	78%	COVID	61%	70%	72%	68%	-3%			
	Meets	47%		29%	41%	43%	40%				
	Masters	24%		14%	20%	18%	15%				
4	Approaches	74%		COVID	58%	68%	69%	67%	-2%		
	Meets	46%			34%	41%	46%	44%			
	Masters	27%			21%	22%	21%	20%			
5	Approaches	83%			COVID	69%	75%	79%	75%	-1%	
	Meets	55%				42%	46%	49%	48%		
	Masters	35%				24%	24%	21%	19%		
6	Approaches	79%				COVID	66%	72%	74%	69%	No Change
	Meets	45%					34%	37%	37%	37%	
	Masters	20%					14%	15%	15%	13%	
7	Approaches	73%	COVID				54%	59%	61%	53%	-3%
	Meets	41%					25%	29%	35%	32%	
	Masters	16%					11%	12%	10%	10%	
8	Approaches	81%		COVID			60%	70%	74%	70%	-4%
	Meets	55%					35%	38%	44%	40%	
	Masters	16%					10%	13%	16%	15%	

*In 2023, the STAAR test was redesigned to better align with classroom instruction, which necessitated re-setting of standards and scales from 2022 to 2023.

SPRING 2019, 2021, 2022, 2023, and 2024 STAAR GRADE 3-8 RESULTS										
Grade/Subject	Performance	Spring 2019	Spring 2020	Spring 2021	Spring 2022	Spring 2023	Spring 2024	Change in Meets		
5 Science	Approaches	73%	COVID	60%	65%	63%	56%	-8%		
	Meets	47%		29%	37%	34%	26%			
	Masters	23%		12%	17%	15%	10%			
8 Science	Approaches	79%		COVID	67%	73%	72%	68%	-3%	
	Meets	49%			42%	43%	45%	42%		
	Masters	24%			23%	22%	16%	16%		
8 Social Studies	Approaches	67%			COVID	56%	59%	60%	57%	No Change
	Meets	35%				27%	29%	31%	31%	
	Masters	20%				13%	17%	15%	16%	

*In 2023, the STAAR test was redesigned to better align with classroom instruction, which necessitated re-setting of standards and scales from 2022 to 2023.

Research supporting Testimony by Vance Ginn, Ph.D. on August 12, 2024, before the Texas House Committee on Public Education

Table 2: Texas Budget Comparison by Article in General Revenue (in Millions)

Article/State Funds	2022-23 Appropriated	2024-25 Appropriated	Change	Percent Change
I - General Government	\$7,232.6	\$13,202.9	\$5,970.3	82.5%
II - Health and Human Services	\$36,171.6	\$44,740.3	\$8,568.7	23.7%
III - Agencies of Education	\$83,080.1	\$107,661.1	\$24,581.0	29.6%
Public Education	\$60,467.6	\$80,623.1	\$20,155.5	33.3%
Higher Education	\$22,612.4	\$27,037.8	\$4,425.4	19.6%
IV - The Judiciary	\$967.2	\$1,218.3	\$251.1	26.0%
V - Public Safety and Criminal Justice	\$12,182.0	\$13,524.8	\$1,342.8	11.0%
VI - Natural Resources	\$2,956.1	\$5,531.4	\$2,575.3	87.1%
VII - Business and Economic Development	\$22,548.6	\$27,195.8	\$4,647.2	20.6%
VIII - Regulatory	\$724.5	\$5,855.9	\$5,131.4	708.3%
IX - General Provisions	\$0.0	\$0.0	\$0.0	0.0%
X - The Legislature	\$410.4	\$489.8	\$79.4	19.3%
State Funds Total	\$166,273.1	\$219,420.3	\$53,147.2	32.0%
Article/All Funds	Appropriated 2022-23	Appropriated 2024-25	Change	Percent Change
I - General Government	\$8,476.3	\$14,506.9	\$6,030.6	71.1%
II - Health and Human Services	\$86,970.3	\$102,404.7	\$15,434.4	17.7%
III - Agencies of Education	\$96,053.5	\$122,946.3	\$26,892.8	28.0%
Public Education	\$72,402.9	\$93,140.5	\$20,737.6	28.6%
Higher Education	\$23,650.5	\$29,805.6	\$6,155.1	26.0%
IV - The Judiciary	\$971.7	\$1,222.5	\$250.8	25.8%
V - Public Safety and Criminal Justice	\$13,509.6	\$19,384.1	\$5,874.5	43.5%
VI - Natural Resources	\$7,816.0	\$8,784.1	\$968.1	12.4%
VII - Business and Economic Development	\$36,547.9	\$46,043.4	\$9,495.5	26.0%
VIII - Regulatory	\$734.0	\$5,927.0	\$5,193.0	707.5%
IX - General Provisions	\$0.0	\$0.0	\$0.0	0.0%
X - The Legislature	\$410.4	\$489.8	\$79.4	19.3%
XII - American Rescue Plan Act of 2021 (ARPA)	\$13,314.9	\$0.0		
All Funds Total	\$264,804.6	\$321,708.8	\$56,904.2	21.5%

Table 3.

The Impact of School Choice on Math and Reading Achievement

Benefit	Study	City	Finding for Private School Choice
All Students (8)	Cowen (2008)	Charlotte	+8 points in reading, +7 points in math
	Greene (2001)	Charlotte	+6 points on combined reading and math test
	Greene et al. (1999)	Milwaukee	+6 points in reading, +11 points in math
	Rouse (1998)	Milwaukee	+8 points in math, no difference in reading
	Lamarche (2008)	Milwaukee	+2.3 points in math, no difference in reading
	Howell et al. (2002)	D.C.	+3 points combined reading and math
	Wolf et al. (2013)	D.C.	+4.8 points in reading
	Anderson & Wolf (2017)	D.C.	+8.7 points in reading
Some Students (4)	Barnard et al. (2003)	New York	+5 points in math for students leaving low-performing schools
	Jin et al. (2010)	New York	+4 points in math for students leaving low-performing schools
	Howell et al. (2002)	New York	+4 points for African-American students on combined reading/math test
	Howell et al. (2002)	Dayton	+6.5 points for African-American students on combined reading/math test
No Effects (4)	Webber et al. (2019)	D.C.	No difference in math or reading
	Krueger & Zhu (2004)	New York	No difference in math or reading
	Bitler et al. (2013)	New York	No difference in math or reading by quartile
	Bettinger & Slonim (2006)	Toledo	No difference in math or reading
Negative (2)	Abdulkadiroglu et al. (2016)	Louisiana	-0.4 standard deviation 1-year effect on math
	Mills & Wolf (2019)	Louisiana	4-year effects on math, reading, and science of -0.21 to -0.39 standard deviation

SOURCE: Literature review conducted by Patrick J. Wolf, "The Academic & Civic Effects of School Choice," University of Arkansas, April 11, 2023.

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