

## How reform-friendly is Houston?

CATEGORY	HUMAN CAPITAL	FINANCIAL CAPITAL	CHARTER ENVIRONMENT	QUALITY CONTROL	DISTRICT ENVIRONMENT	MUNICIPAL ENVIRONMENT
Rank	9 of 26	4 of 25	16 of 24	3 of 25	13 of 26	9 of 25

### Overview

Which American cities are most hospitable to education reform, especially the “entrepreneurial” kind? To answer this question for Houston and other cities examined in this study, we used publicly available data, national and local surveys, and interviews conducted with on-the-ground insiders.<sup>1</sup> Respondents provided information about the city environment as a whole as well as the Houston Independent School District. Judgments based upon these data, however, are the responsibility of the authors. Note, too, that due to the study’s timing, any major policy changes that cities (or states) may have made in connection with the *Race to the Top* competition are not captured in these rankings (but see sidebar for partial update).

### Background

**Houston** has long been known as a hotspot for innovation, at least as far back as the late 80s when Rod Paige served on the school board then later as superintendent (starting in 1994). This reputation is

now carried on by Superintendent Terry Grier, who arrived in fall 2009. The two-decade-old reform conversation in Houston is driven largely by the school board, which, election cycle after election cycle, has remained reform-friendly. But like other hard-charging superintendents, Grier’s style has riled some sensibilities—the

#### Race to the Top Update: Texas—Houston

Texas did not apply for either round of Race to the Top. Indeed, Texas governor Rick Perry has been a vocal critic of the competition, citing it as an example of federal overreach.

teachers’ union in particular, which is powerful at the polls and whose opposition therefore puts the reform agenda in jeopardy each election cycle. Support for reform from outside the system, however, is robust and constant: Not only are the philanthropic and business communities powerful advocates, but Houston is the birthplace of two high-achieving charter management organizations (CMOs): the Knowledge is Power Program (KIPP) and YES-Prep, which have had significant impact on the city’s—and the nation’s—reform conversation. However, the changing demographics in Houston—an influx of Hispanic immigrants means the number of English language learners has skyrocketed—present a new challenge.

### Snapshot

Houston’s **human capital** pipelines are decent. Teach For America’s largest and oldest Texas placement site (since 1991), Houston Independent School District (HISD) has a history of focusing on teacher quality. Nearby Rice University recently started an MBA program for principals (Rice Educational

1. This profile provides a snapshot of the data collected for Houston, Texas, in fall 2009. For the full data, see [http://edexcellence.net/index.cfm/news\\_american-best-and-worst-cities-for-school-reform](http://edexcellence.net/index.cfm/news_american-best-and-worst-cities-for-school-reform).

Entrepreneurial Program, or REEP), in which HISD and charter school leaders have been eager to take part. But internal changes are still needed: Though the city has plenty of homegrown and imported talent, archaic district hiring and firing practices have traditionally kept much of that talent out of the classroom. This is due less to the district's slim agreement (as opposed to a traditional legally binding contract) with the Houston Federation of Teachers, which is rather flexible,<sup>2</sup> than to entrenched interests in the district's own bureaucracy.

**Financial capital** is widely accessible in Houston. Private sources are the main drivers here, giving plentifully to nontraditional reforms. The philanthropic community has played an important role in promoting reform in the city, attracted in part by Houston's reputation. Giving is robust and often directed to reform-friendly initiatives.

**Charter schools** are a significant sector of Houston public schools, but they have run into some roadblocks. Vast local resources have been mustered to grow Houston's charters, but the public contribution to those efforts is lagging: Charter funding under Texas state law is hardly equitable with district schools. Still, Houston is home to some of the nation's most rigorous, oldest, and best-known charter organizations, such as the still locally based YES Prep, and the now-nationwide KIPP program, which was founded there in 1994. Other lesser-known charters, such as Harmony Public Schools and Energized for Excellence, flourish too. Though both HISD and the state Texas Education Agency authorize charter schools in Houston, HISD-sponsored charters do not enjoy the same autonomy, nor have they been as successful. Charter schools serve 14 percent of students in HISD.<sup>3</sup>

**Quality control** plays an important role in Houston and is bolstered by an infrastructure that supports it at the state level. Texas has a strong statewide longitudinal data system—not only can it track numerous outcomes for students and teachers over time, but the system presents the data in a user-friendly and effectual manner.<sup>4</sup> Unfortunately, Texas maintains a low proficiency bar on its state test, as compared to the National Assessment of Educational Progress (NAEP).<sup>5</sup> Quality matters on the local level too: Local survey respondents report that non-district support for nontraditional reformers—for example, entities that help them navigate regulatory hurdles—is highly attuned to quality. And HISD does a moderately good job of using data to inform mid-course corrections in district operations.

A tradition of education reform sets the tone for Houston's **district environment**. The school board has managed to remain relatively reform-friendly for nearly twenty years and the past three superintendents have been at the fore of education reform. Though Texas is a right-to-work state, the teachers' union makes itself known: Though it doesn't hold much sway over district decisions, it comes out in full force for school board elections. Interviewees paint a conflicting portrait of recent appointee Grier, with some indicating that he has done too much too quickly and runs roughshod over detractors; others believe

2. For more information, see: National Council on Teacher Quality, *Teacher Rules, Roles and Rights (TR3)* database, <http://www.nctq.org/tr3/home.jsp>.

3. *Top 10 Charter Communities by Market Share* (Washington, D.C.: National Alliance for Public Charter Schools, 2009).

4. For more information, see: *2009-10 Survey Results Compendium—10 Elements and 10 Actions* (Washington, D.C.: Data Quality Campaign, 2010), [http://www.dataqualitycampaign.org/files/Elements\\_Compendium.pdf](http://www.dataqualitycampaign.org/files/Elements_Compendium.pdf) and [http://www.dataqualitycampaign.org/files/Actions\\_Compendium.pdf](http://www.dataqualitycampaign.org/files/Actions_Compendium.pdf).

5. For more information, see: Victor Bandeira de Mello, Charles Blankenship, Don McLaughlin, and Taslima Rahman, *Mapping State Proficiency Standards onto NAEP Scales: 2005-2007 (NCES 2010-456)* (Washington, D.C.: National Center for Education Statistics, October 2009), <http://nces.ed.gov/nationsreportcard/pubs/studies/2010456.asp>.

his hard-hitting tactics will prove helpful and point to the recent value-added system (initiated under a previous superintendent) as evidence.

Houston's **municipal environment** has pluses and minuses. The business and philanthropic communities are largely supportive of education reform, and in particular of the speed at which Grier has implemented reforms in the last year, and both are willing to expend political capital on potentially controversial reform ideas. The largest local newspaper (the *Houston Chronicle*), however, often won't take a strong stance on education reform, so a few strong op-eds are tempered by a lot of neutral coverage.

### Bottom Line

Houston is largely welcoming to reformers. Private-sector education reform is, and has been, quite strong, and the human capital pipeline and quality-control mechanisms in this Texas city are quite good. That said, the state charter law and some elements of the municipal environment could be improved.

### Our Categories

**Human Capital.** Entrepreneurs must have access to a steady flow of talented individuals, whether to staff the organization's central office or to fill the district's classrooms. This component evaluates an entrepreneur's ability to find talent in the city and/or recruit talent to move there. We examined such factors as the alternative certification routes for aspiring teachers, district human resource policies for teachers and central office staff, and the restrictiveness of the local collective bargaining agreement as it pertained to tenure and differentiated pay, among other areas.

**Financial Capital.** A pipeline of readily accessible funding from private and public sources is particularly important for nonprofit organizations trying to break into a new market or scale up their operations. This component tests whether, and how much, national and local philanthropic organizations give to nontraditional providers in each city, as well as the local availability of dollars from public sources. Though education reformers often tout the importance of quality over quantity, from the perspective of an entrepreneur, free-flowing dollars are an asset.

**Charter Environment.** Charters are one of the main ways in which entrepreneurs can enter new education markets, both as providers of instruction and services and as consumers of other nontraditional goods and services. We evaluated both the current market share of charters in each city—under the assumption that, once a path has been blazed by others, it is easier for new providers to follow it—as well as the various legal and policy hurdles faced by current or potential charter operators. More formal barriers often occur on the state level (e.g., charter laws) so, where appropriate, we incorporated state-level metrics into city grades.

**Quality Control.** Lest we unduly credit innovation for its own sake, the study takes into account the quality-control metrics that guide and regulate entrepreneurial ventures in our cities. These may take the form of official regulations and practices, such as the quality of the state achievement test (again, we extrapolate state grades for our cities), or more informal guides, such as support organizations for nontraditional providers that also keep an eye on quality, such as private groups that help entrepreneurs to navigate district rules and policies.

**District Environment.** Since many nontraditional providers must contract or otherwise work with the district to do business in the city, finding a district that is both open to nontraditional reforms and has the organizational capacity to handle dealings with such operators in a speedy and professional manner can make or break an entrepreneur's forays into a new market. We considered formal barriers, such as the power of the local teachers' union over district decisions, as well as informal ones, such as whether district leaders were audible voices for reform.

**Municipal Environment.** Beyond the school district is also the question of general municipal openness to nontraditional education providers. This amorphous sphere includes such entities as the local business community, newspaper editorial boards, and the city government. Having these folks on the side of reform, even if they are not the ultimate consumer of entrepreneurs' wares, can be a powerful asset.