



**Financial Futures Committee  
January 29, 2019  
6:00 PM, Mac Bernd Professional Development Center**

WELCOME & OPENING REMARKS ..... Stephen Crumby  
FFC Chairperson

PRE-KINDERGARTEN.....  
Cindy Powell, Chief Financial Officer  
Dr. Steven Wurtz, Chief Academic Officer

COMMISSION ON PUBLIC SCHOOL FINANCE UPDATE.....Cindy Powell

86TH LEGISLATURE UPDATE.....Cindy Powell

SMALL GROUP DISCUSSIONS ON PRE-KINDERGARTEN.....Stephen Crumby

FFC PRESENTATION TO CAPITAL NEEDS STEERING COMMITTEE.....  
Cindy Powell  
Stephen Crumby

*Topic: General Operating Budget*

CLOSING THOUGHTS.....Stephen Crumby





# **Financial Futures Committee**

January 29, 2019



# Agenda

- Pre-Kindergarten
- School Finance Commission Report
- 86<sup>th</sup> Legislature Update



# Big Picture

- Long-range planning must consider strategic plan, budget, legislative actions & inactions, program offerings & designs, facility needs





# Pre-Kindergarten

**We recommend investing in the overall elementary experience including facilities, programs of choice, services, personnel, and marketing to counter declining enrollment trends.**

FFC 2018 Recommendations

## **Examples:**

- **Elementary STEM Academy**
- **Full-day pre-k/expanded pre-k**
- **Reimagined spaces for 21st Century learning**
- **Foreign language offerings**
- **Teacher Aides to relieve teachers**

FFC 2018 Recommendations





# Why Pre-k?

## Does high-quality pre-K have lasting benefits?

- Cognitive gains when focus is on intentional teaching, small group learning and individualized teaching
- Long term effects:
  - ✓ Cognition (pre-reading and reading skills, pre-writing and spelling and math reasoning and problem solving abilities) Improvements in social and emotional development
  - ✓ Reduction in retention rates and special education placement
  - ✓ Increased graduation rates

Sources: Barnett (2017); Gormley, et. Al. (2005)

- High-quality PK programs generate billions of dollars in economic benefits
- Lower incarceration rates

## Effects for Full vs Half-Day Programs?

- Children gain more from PK programs when they attend for more hours per day and more days per week
- Children who attend full-day programs outperform children in part-day programs in math, language and social-emotional skills

Source: Friedman-Krauss, et. al. (2016)



## State Pre-K Eligibility Criteria

- Children meeting any one/more of following are eligible for Pre-K:
  - unable to speak and comprehend the English language;
  - educationally disadvantaged (i.e., eligible for national free or reduced-price lunch program);
  - homeless;
  - child of an active duty member of the armed forces;
  - child of a member of the armed forces who was injured or killed while on active duty;
  - is or ever has been in foster care; or
  - child of a person eligible for the Star of Texas Award as a peace officer, firefighter, or emergency medical first responder.



## **State Funding for Eligible Pre-K**

- State funds eligible Pre-K as a half-day program
- Districts can operate a full-day program with funding sources other than state aid



## AISD Pre-K Model

- Half-day program for eligible 4-year olds
- Eligible 3-year olds are served if capacity available
- 48 campuses have Pre-K
- 7 campuses don't offer pre-k for one/more of the following reasons:
  - Low eligibility within attendance zone
  - Space constraints
  - Fine Arts / Dual Language Academies (2) start at Kinder
  - Students in these attendance zones can enroll where Pre-K is offered



## **AISD Pre-K Model (*continued*)**

- **Community-Based Pre-K**
  - Offered in 15 daycare centers (daycares provide space)
  - Two additional sites planned for 2019-20
  - AISD provides the teacher and teaching assistant
  - Wrap around daycare available
  - 2018-19 enrollment: 452 students
- **Paid Pre-K**
  - Offered to non-eligible 4-year olds
  - Available at 5 campuses
  - Full-day Tuition: \$527/month
  - 2018-19 enrollment: 88



# AISD Pre-K

- 2018-19 Enrollment: 3,501





# Considerations for Full-day Pre-K

- Classroom space
- Classroom standard
- FF&E (including technology)
- Staffing
- Curriculum
- Transportation
- Professional Development
- Annual operating cost





# Est. Cost for Full-Day Pre-K

- Est. Annual Cost: \$10.7 million







# **School Finance Commission**



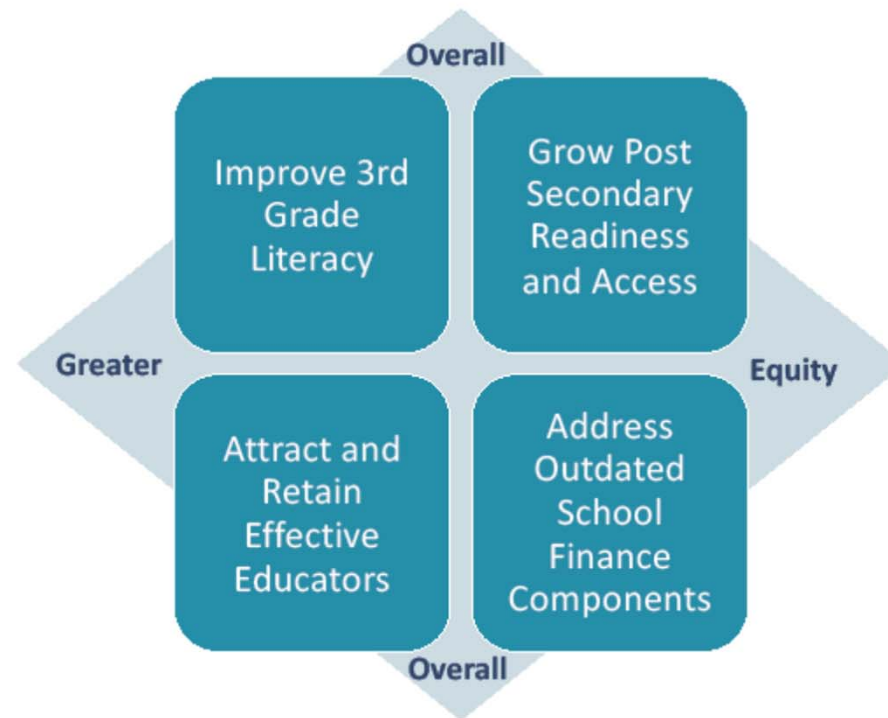
# School Finance Commission

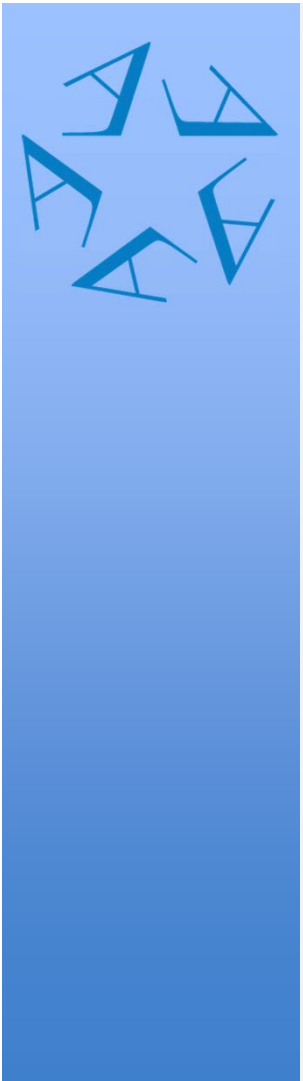
- Submitted final report to Legislature on Dec. 31<sup>st</sup>
- Recommendations
  - Balance between state & local funding
  - Significant new investments in public education
  - Greater equity by allocating more funds for low income and English Language Learners
  - Reduce growth of property taxes & recapture
  - Reallocate existing resources
  - Aligns funding to outcomes
- Recommendations align with FFC letter to Commission dated May 29th



## Overview of Major Recommendations

*Substantial Focus on Improving Key Outcomes via Greater Resources*





Executive Summary

## Overview of Major Recommendations

Substantial Focus on Improving Key Outcomes via Greater Resources

### Improve 3rd Grade Literacy



**\$780mm** 3<sup>rd</sup> Grade Reading Allotment for Eco. Dis./ELL students

**\$400mm** in outcomes-based funding distributed equitably w/ ability to double in size via wise investment

Option to extend elem. school yr. by 30 days (**\$50mm**)

**\$100mm** for dyslexia

### Increase Post Secondary Readiness/Access



**\$400mm** in initial outcomes-based funding distributed equitably w/ ability to double in size via wise investment

Alter graduation requirement to include **either FAFSA/TASFA completion (or a parental opt out)**

### Attract/Retain Effective Educators



**\$100mm** (growing to **\$1bn over time**) for schools wishing to implement multi-measure evaluation system and pay their more effective educators more and sooner in career

Children of Texas public school educators **eligible for free PreK**

### Address Outdated School Finance Components



Increase comp ed. by ~30% (**\$1.1 bn**) and disproportionately allocate to higher poverty

**Collapse CEI, G&T and H.S. allotments** into Basic Allotment

Eliminate “hold harmless” provisions

Move to current yr. values and implement fast growth allotment



## Other Major Recommendations

### Aligned State and School Board Goals



Set statewide goal of 60% proficiency by 2030 in **3<sup>rd</sup> grade reading** and **12<sup>th</sup> grade graduation without need for remediation and access of post-secondary, military or industry certificate**

School boards to **set 3 and 5 year goals** for those same metrics

### Increase Post Secondary Readiness/Access



Expand funding for Career and Technology classes to middle school students (**\$20 million/year**)



Provide transportation funding for recapture districts

Provide full-day credit for districts providing full-day PreK in wealth per WADA calculations

Evaluate mechanisms to cause state to assume larger share of school finance and slow recapture growth

### School Finance



Tie Tier II yields to Basic Allotment vs. equalized wealth levels in future

Increase yield on "copper pennies" and automatically compress to provide districts subsequent taxing flexibility (**\$267 million**)

Increase Instructional Facility Allotment to **\$100 million/year**



# Legislative Update



## Legislative Update

- House budget bill filed
  - \$9 billion in new funding for public education
  - A portion will be used for tax relief
  - Funding is contingent on passage of a school finance bill that sets forth terms for how the funds would be allocated
- Senate budget bill filed
  - \$3.7 billion for teacher raises
  - \$2.3 billion to reduce reliance on recapture (i.e., tax relief)







***Questions?***



Justice Scott Brister  
Chair, Texas Commission on Public School Finance  
1701 N. Congress Avenue  
Austin, Texas, 78701

May 30, 2018

Dear Justice Brister:

The AISD Board, administration and employees, together with the Arlington community, work tirelessly to improve educational outcomes for our children. Taxpayers have invested in new instructional programs, including an early college high school, career and technical center, high school STEM Academy and two elementary fine arts/dual language academies in the past four years. Plans are underway to open a new early college high school in August 2019. STEM labs and strings rooms are being constructed at each of our elementary schools through the 2014 bond program.

The investments detailed above expand choices for students and provide appropriate spaces for relevant, innovative and rigorous learning experiences called for in our mission statement. The structure of the current school funding system, however, is making it ever more difficult to provide basic services, let alone invest in new programming, and we aren't alone. Districts across the state are struggling under the current system.

The system is broken. Left unattended, the result will be bad for Texas – taxpayers will bear a heavier tax burden, schools will have to limit offerings, and the state will not produce the skilled workforce necessary to attract and retain businesses.

The AISD's Financial Futures Committee (FFC), a committee of district stakeholders, makes recommendations to our Board of Trustees related to long-range financial planning in support of the district's strategic plan. The FFC recognizes the dire consequences looming under the current system, and they have formulated a position on the matter (see the attached letter).

Our singular goal is that 100 percent of AISD students will graduate exceptionally prepared for college, career and citizenship. The AISD and the Arlington community stand ready to work with you to identify the difficult recommendations necessary to fulfill the constitutional charge to support and maintain an efficient system of public free schools.

Thank you for your service on the School Finance Commission. Please let us know if you have any questions regarding our position on school finance. You may contact Trustee Bowie Hogg (817-565-2636, bowie@bowiehogg.com) or Superintendent Dr. Marcelo Cavazos (682-867-7344, MCavazos@aisd.net).

Sincerely,

Bowie Hogg  
Board of Trustees  
Chair, Governance Committee

Dr. Marcelo Cavazos  
Superintendent

May 29, 2018

Justice Scott Brister  
Chair, Texas Commission on Public School Finance  
1701 N. Congress Avenue  
Austin, Texas, 78701  
(512) 463-9734

Board of Trustees  
Arlington Independent School District  
1203 W. Pioneer Parkway  
Arlington, TX 76013

Justice Brister and members of the Texas Commission on Public School Finance, AISD Trustees:

Under the current public school finance system, taxpayers bear an unfair burden. School districts see no benefit when property taxes rise, and communities see no benefit for our students. As taxpayers, business owners, parents, teachers and advocates for students, we are looking to your leadership to solve our state's most urgent political and economic policy challenge: **fix public school finance now.**

**We are frustrated and dissatisfied with the status quo.** Our current system relies increasingly more on our local property taxes for funding, while the state has not met its responsibility to support and maintain an efficient system of public schools. Currently, less than 40 percent of school funding comes from the state, while local taxpayers shoulder the burden for more than 60 percent. Still our property taxes rise—while fewer state dollars per student support our schools. Unbeknownst to most taxpayers, the state diverts savings from property value growth to areas other than education.

**It is an untenable system** in which districts and taxpayers are denied leverage for developing solutions. As property taxes go up, the state provides less funding to districts—whose revenue is essentially fixed each year, with no adjustment to state aid for inflation. A system that penalizes taxpayers and students for economic prosperity and rising property values is, by definition, a broken system that is bound for failure.

Our communities can no longer sustain this broken system. **We need your help.** Together we must advocate the state to become an equal partner in funding public education, to establish transparency in taxation of our property owners, and to relieve the growing financial pressures of our school districts. This is the only avenue for all districts to improve student outcomes for all children, to inspire life-long learners, and to develop productive, employable citizens who will advance our Texas legacy of a strong economy.

Texas needs a public school finance system that works, while advancing:

- 1. Student Achievement.** This new finance system must be driven by the outcome of the most prepared students possible. It must improve equity, reduce dependence on local property taxes and ensure that Texas develops a workforce to fortify the state's economy. It should provide tax relief to

property owners and maintain the state's investment in developing a competitive workforce by dedicating state budget savings derived from property value growth to public education.

**2. Recruitment and Retention of a Qualified Education Workforce.** Improve access to affordable health insurance for public school employees and ensure the Teacher Retirement System (TRS) has sound funding. Both are significant strategies to recruit and retain qualified teachers and support staff—and have a direct impact on the quality of the education of our children.

**3. A Reduced Burden on Taxpayers.** Create an equitable system in which the state is an equal partner in funding public education. Require that property tax statements and Truth-in-Taxation notices include statements disclosing the contribution of local funds and state funds for public school districts' operating budgets. Additionally, provide relief from current unfunded state mandates and not add additional unfunded mandates to our already over-burdened school districts.

As a community, **we are committed to working together** and finding common ground that helps all students succeed. We support the Commission's development of a school finance system that includes the state as an equal funding partner, provides relief to local taxpayers, and creates opportunities for school districts to do the work of preparing our children to sustain and grow our Texas economy for years to come. We look forward to sharing our community's call to action with our elected representatives and voters as we work together to make meaningful, lasting change in our public school finance system.

Thank you for your service on the School Finance Commission. Please contact AISD's Financial Futures Committee Chair, David Wilbanks (817-368-5213, [dwilban@gmail.com](mailto:dwilban@gmail.com)) or Superintendent Dr. Marcelo Cavazos (682-867-7344, [MCavazos@aisd.net](mailto:MCavazos@aisd.net)) with any questions you have regarding the Committee's position on school finance.

Sincerely,



David Wilbanks,  
Chair, AISD Financial Futures Committee

The members of the Arlington Independent School District Financial Futures Committee:

Stephen Crumby  
Jeannie Deakyne  
Yvonne Emanuel  
Kyle Fields  
Harry Flood  
Cheryl Hodge  
Tyson Jones  
H.Suzanne Kelley  
Emily Klophaus  
Brenda Lohse  
Shawn Lynch

Kim Martinez  
Anne Mason  
Leesa Monroe  
Vickie Moss  
April Pettitt  
Matt Pierson  
Mark Schatzman  
Sarah Spurrier  
Demi Stewart  
Marcie Walker  
David Wilbanks (*chairperson*)

cc: Rep. Diego Bernal  
Sen. Paul Bettencourt  
Dr. Keven Ellis  
Rep. Dan Huberty  
Nicole Conley Johnson  
Dr. Doug Killian  
Rep. Ken King  
Melissa Martin  
Elvira Reyna  
Sen. Larry Taylor  
Sen. Royce West  
Todd Williams

Sen. Kelly Hancock  
Sen. Konni Burton  
Sen. Brian Birdwell  
Rep. Jonathan Stickland  
Rep. Matt Krause  
Rep. Tony Tinderholt  
Rep. Nicole Collier  
Rep. Bill Zedler  
Rep. Chris Turner  
Ms. Patricia Hardy  
Ms. Erika Beltran

***The Arlington Independent School District (AISD) Financial Futures Committee (FFC) is a citizen-led committee comprised of taxpayers, parents, teachers and other stakeholders within the district. We are tasked by the AISD Board of Trustees with examining long-range budgetary issues and providing feedback, recommendations, and possible solutions to financial challenges our district may face.***



TEXT 'INVESTEDTX' TO 52886 TO STAY INVOLVED IN SCHOOL FINANCE REFORM

x

# Summary of the Texas Commission on Public School Finance Final Report

JANUARY 8, 2019

## Funding for Impact: Equitable Funding for Students Who Need It the Most

For the past 12 months, a select commission of lawmakers, educators, and community members collaborated on the following final recommendations to dramatically improve Texas' public school funding system. All recommendations should be woven into the funding formula where applicable.[1]

### **1. Establish a statewide goal of 60% or higher proficiency for critical PK-12 outcomes, and align local school board goals with these outcomes**

In alignment with the state's ultimate 60x30 goal, the state should set a goal that by 2030, 60% of 3rd graders read at the state's "Meets" standard and 60% of high school seniors graduate without the need for remediation and access either a post-secondary education, the military, or an industry certificate. Local school boards should develop 3 and 5 yr. goals to align with these metrics.

### **2. Focus additional state resources on early education to substantially increase 3rd grade reading levels: \$780M per year**

Provide additional state funding for every kindergarten-3rd grade student who is an English language learner and/or comes from a low-income family, to be spent across Pre-K thru 3rd grade (**\$780M**). Districts offering Pre-K will be required to offer full day Pre-K

for 4 year-olds (subject to capacity constraints) and to meet the high quality pre-K standards established in the 84th legislative session.

**3. Utilize outcomes-based funding to increase early literacy and postsecondary access: \$800M per year**

Provide additional funds in Yr. 1 to public schools for every 3rd grader who achieves “Meets” standard in reading (**\$400M**) and every senior who graduates without needing remediation and enrolls in a postsecondary institution, attains an industry-accepted certification or enlists in the military (**\$400M**). Greater funding (approximately 2.5x) would be provided for low-income students meeting these benchmarks vs. their non low-income peers.

**4. Provide salary increases to our strongest educators with an Effective Educator Allotment: \$100M in year 1, increasing \$100M per year and reaching \$1B in school year 2028-2029**

Provide optional funding via weights in the school finance formula to school districts who develop a multi-measure evaluation system in collaboration with teachers and principals (and approved by TEA). Funding could be used for a variety of strategies, including salary increases for a district’s top performing educators and incentives for teachers who work on the most challenged campuses. Evaluation systems should increase retention of effective educators and enable districts to provide targeted professional development based on each teacher’s needs as identified by the evaluation.

**5. Proposed Other New Allotments and Programs to Improve Early Literacy: \$200M per year**

Increase formula funding for dual language programs (**\$50M**) and for students with dyslexia (**\$100M**). Create an optional program for districts to receive up to 30 additional half-days of instructional funding in Pre-K through 5th grades to help mitigate summer learning loss. (**\$50M**)

**6. Reallocate \$3.5B in existing annual allotments toward more impactful spending and greater system-wide equity**

Reallocate some of the state’s current allotments and other provisions that are either outdated or no longer meeting the needs they were created to address, including: Cost of

Education Index (**\$2.9B**), Chapter 41 Hold Harmless (**\$30M**), Chapter 41 Early Agreement Credit (**\$50M**), Gifted and Talented Allotment (**\$165M**), and the High School Allotment (**\$400M**). The reallocations would provide an estimated **\$3.5B** to be re-directed toward more impactful uses and an increase in the Basic Allotment, which represents the minimum amount of funding guaranteed to every Texas student.

#### **7. Use current year district property values (one time state savings of \$1.8B) and provide additional funding for fast-growth districts: \$280M per year**

Commission recommended (i) moving to current-year vs. prior-year values to more accurately reflect property tax collection revenue and (ii) creating a fast-growth allotment for the top quartile of school districts with particularly rapid population growth to help offset the costs associated with this growth.

#### **8. Proposed Changes in Existing Allotments/Formula Weights**

- Providing more funding for low-income students on a sliding scale, with more dollars allocated to schools reflecting higher concentrations of low-income students: **\$1.1B per year**
- Base transportation funding on mileage rather than linear density (cost neutral)
- Provide transportation funding for recapture districts: **\$60M per year**
- Recreate small/mid-size allotment as a stand-alone allotment (cost neutral)
- Increase New Instructional Facility Allotment appropriation to **\$100M per year**
- Expand funding for Career and Technology classes to middle school students: **\$20M per year**

#### **9. Changes to Tier II Yields**

- Copper Penny Yield: Link Tier II copper penny yield to the percentage of the basic allotment that would initially increase the yield from \$31.50 to approximately \$43.50, with an initial estimated statewide cost of between 0 and \$286M. This increase would benefit school districts taxing above \$1.06, with Chapter 42 districts seeing an increase in their Tier II aid while Chapter 41 districts would see a reduction in their recapture payments. This increase in copper penny yield should be paired with initial automatic compression of a district's tax rate to provide taxpayers with immediate tax relief and provide districts with future capacity to seek increases in funding after a reasonable



timeframe via an initial one-time school board vote up to the previously authorized level or a subsequent tax ratification election thereafter.

- Golden Penny Yield: Decouple the Tier II golden penny from Austin ISD and set the yield at a percentile of the basic allotment per student. (Revenue reduction to districts TBD, based on percentile set).

#### 10. **Slow property tax growth and reduce recapture growth**

As property tax values have risen in Texas, both the local share of school funding and the number of districts subject to recapture has increased. If property values continue to rise at recent rates, recapture is set to triple by 2023. The Commission recommended the following three options be considered by the Legislature to slow the growth of recapture and property taxes:

- Compress districts' Tier 1 tax rates for any value growth above 2.5% annually, with state tax revenues making up any balance needed to ensure school district entitlements are fully funded.
- Use recapture growth to fund statewide compression of property tax rates
- Share recapture dollars with school districts, taxpayers and the state.

#### 11. **Ensure districts receive all Available School Funding before any funds subject to recapture**

#### 12. **Additional Recommendations.**

- Making FAFSA or TASFA completion a graduation requirement (with parent opt out option)
- Funding for one optional in-school SAT, ACT or TSIA assessment per high school student
- Giving full-day attendance credit for districts providing full day pre-K
- Funding for districts using a turnaround model similar to the ACE program in Dallas ISD
- Funding for blended-learning models
- Expansion of educational opportunity for incarcerated students
- Allowing children of educators to be eligible for free pre-K

### 13. New Revenues Identified

- Prioritize projected revenue growth to fund education and property tax reforms (significant growth expected in sales tax and severance tax collections).
- Redirect a portion of severance taxes currently designated for the Rainy Day Fund
- Expand the sales tax base to include internet sales
- If the above identified revenues do not fully cover projected costs for outcomes improvements or property tax reform, the Report states that the Legislature may need to consider additional revenue options, including those listed in the Report’s Appendix.

[1] Special education funding is not included because the Commission deemed it prudent to wait to implement special education formula changes until TEA’s current corrective action plan is implemented.



NEXT

Houston business leaders to Austin: Fix public school funding >

## Who We Are

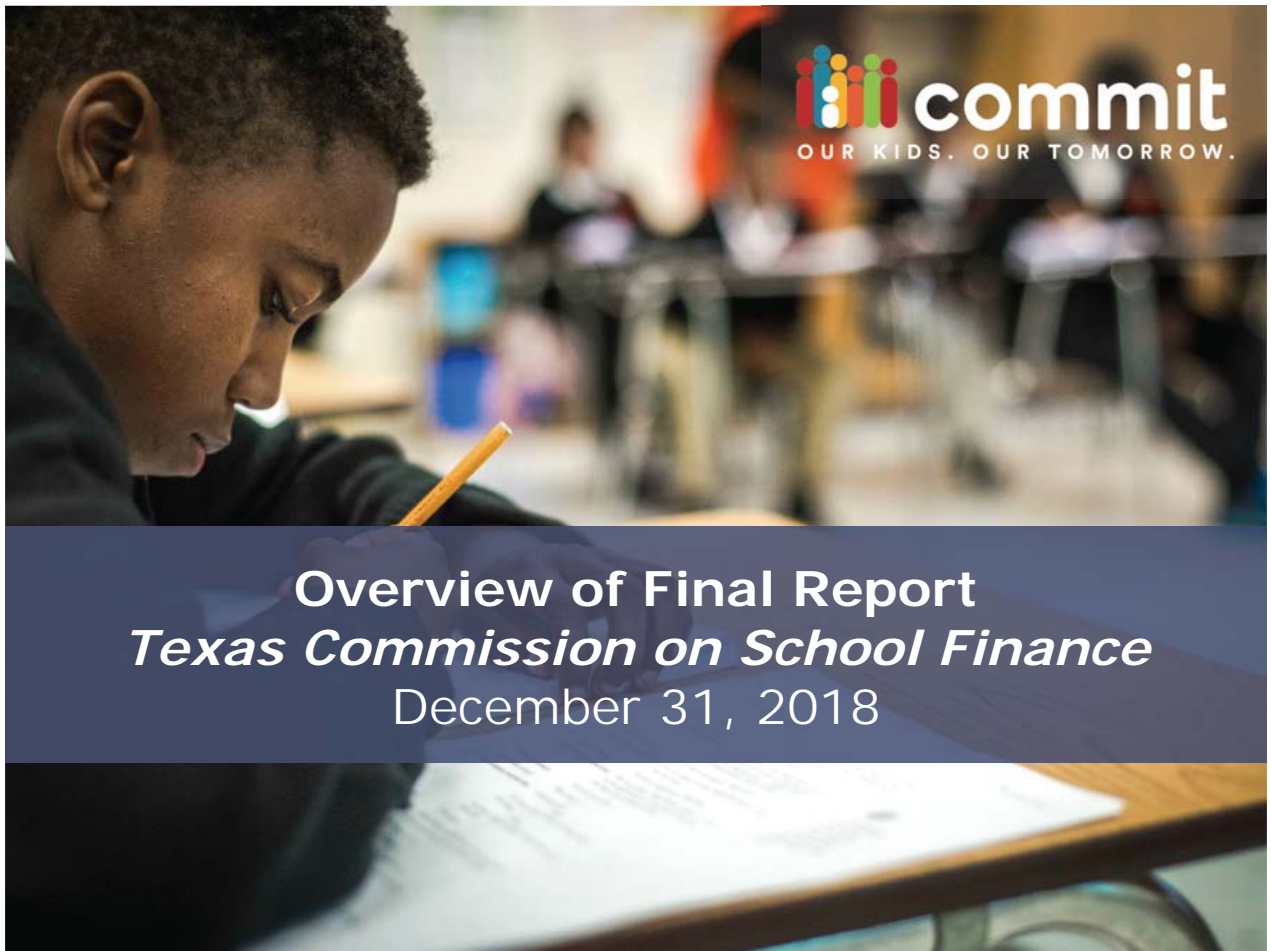
InvestEdTX is a non-profit organization that provides information and resources to help Texas families and communities understand public school finance and make informed decisions about their children's education.

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## Contact

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**Overview of Final Report**  
*Texas Commission on School Finance*  
December 31, 2018

Overview of Final Report  
Texas Commission on Public School Finance

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# Executive Overview of Commission Findings and Major Recommendations



## Executive Overview

### 2018 Texas Commission on Public School Finance Twelve Months, 90 Hours of Testimony, Unanimous Recommendation

#### Commission Chair: Justice Scott Brister

| Outcomes Working Group   | Expenditures Working Group                                    | Revenues Working Group   |
|--|---|--|
| <b>Todd Williams (Chair)</b><br><i>CEO, Commit Partnership</i> | <b>Rep. Dan Huberty (Chair)</b><br><i>Chair, House Pub Ed</i> | <b>Sen. Paul Bettencourt (Chair)</b><br><i>Vice Chair, Intergovernmental Relations</i> |
| Rep. Diego Bernal<br><i>Vice Chair, Pub Ed</i>                 | Sen. Royce West<br><i>Vice Chair, Sen. Higher Ed</i>          | Rep. Ken King<br><i>Chair, Educator Quality</i>  |
| Dr. Doug Killian<br><i>Superintendent, Pflugerville ISD</i>    | Dr. Keven Ellis<br><i>District 9 SBOE Rep</i>                 | Nicole Conley-Johnson<br><i>CFO, Austin ISD</i>  |
|  | Sen. Larry Taylor<br><i>Chair, Sen. Pub Ed</i>                | Elvira Reyna<br><i>Fmr State Representative</i>  |
| Melissa Martin<br><i>Teacher</i>                               | Justice Scott Brister<br><i>Commission Chair</i>              |  |

\*Bolded names represent Working Group Chairs

Compared to the U.S., Texas' large student population reflects much higher proportions of economically-disadvantaged and ELL students

### 5.4 Million Students

(10% of Nationwide K-12 Enrollment and 2<sup>nd</sup> largest in nation)



### 59% Economically Disadvantaged

(9<sup>th</sup> Highest State in the U.S.; TX educates 1 out of every 8 Econ. Disadvantaged Students in U.S.)



### 19% English-Language-Learners

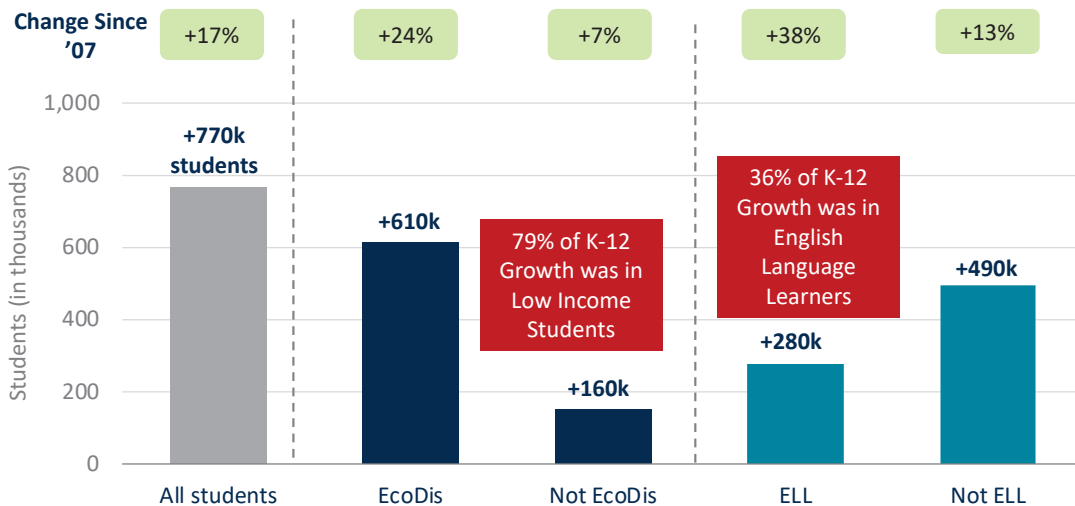
(2<sup>nd</sup> Highest State in the Nation)



= 1 million students

State Can't Sustain Texas' Economic Prosperity Without Altering School Finance to More Equitably Invest in its Fastest Growing Populations

Change in Texas Public PK-12 Student Enrollment, From 2007 to 2017



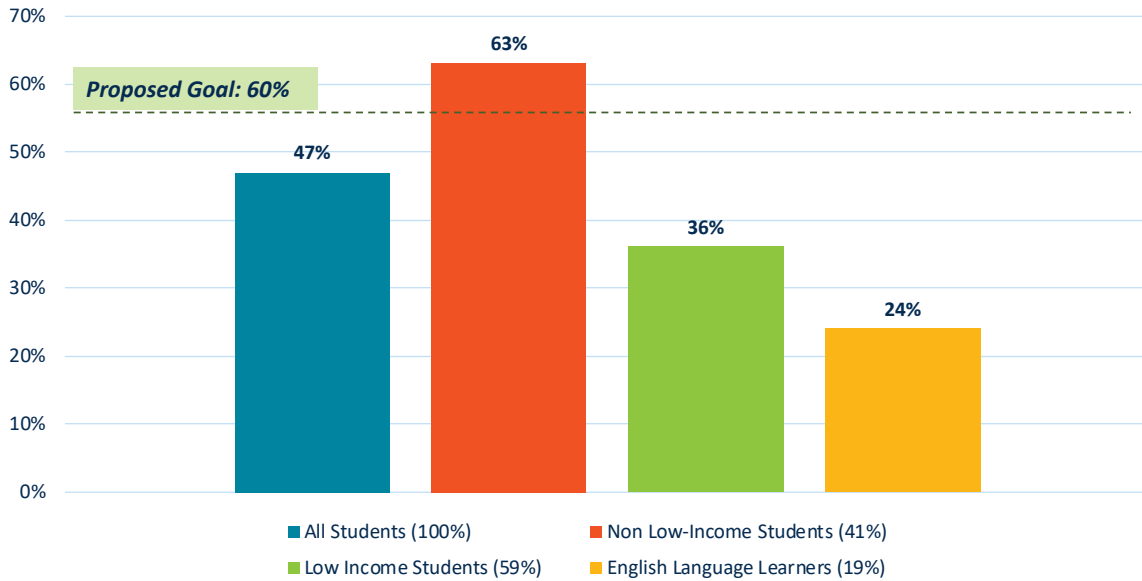
% of HS Grads Earning a Postsecondary Degree Within Six Years<sup>1</sup>



Executive Overview

Data Indicates New Investments Should Disproportionately Invest in Low Income and ELL Students...Both are Well Below a Proposed State PK-12 Goal of 60% Proficiency

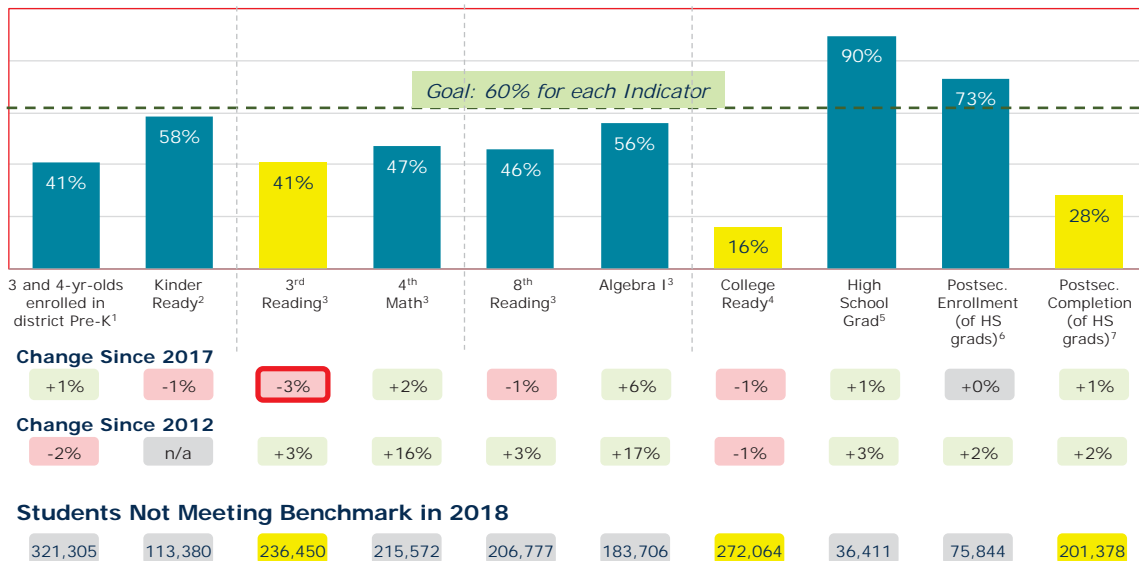
2018 STAAR Proficiency at "Meets" Standard Across All Grades and Subjects



Source: STAAR, 2018 Aggregate Data at Meets Standard

Executive Overview

Where We Stand Today: Texas' Education/Workforce Pipeline  
Higher Areas of Academic "Melt" Occur by 3<sup>rd</sup> Grade and within Post-Secondary Readiness, Access and Completion



Source: Commit Partnership 3/19/18 testimony to Outcomes working group (1) Pre-K Enrollment: Percent of 3- and 4-year-olds enrolled in district Pre-K programs. Texas Education Agency (TEA) – Texas Public Education Information Report (TPEIR) – Texas Pre-Kindergarten Report. (2) Kindergarten Readiness: The percent of students deemed Kindergarten Ready based on assessments given by districts at the beginning of the year to Kindergarteners. (3) STAAR indicators: Achievement levels represent percentage of students achieving "meets grade level" standard on 2018 STAAR exams. (4) College ready: The percent of HS grads who took the SAT or ACT and scored at least a 24 on the ACT or 1110 on the SAT (reading and math) – TEA TAPR 2017. (5) Graduation rate: the percent of the 9<sup>th</sup> grade cohort from 2012 – 2013 school year that graduated four years later in 2016. Texas Education Agency – 2016-2017 Accountability System – 4 year Federal Graduation Rate. (6) College enrollment: The percent of 2010 HS graduates who enrolled in a TX postsecondary institution: THECB 8<sup>th</sup> Grade Cohort 2016 report. (7) College completion: The percent of 2010 HS grads who earned a PS degree/certification within 6 years of HS graduation: THECB 8<sup>th</sup> Grade Cohort Study, 2016 report

Troubling Outcomes Resulting from Relationship of our Spending Relative to our Growing Student Challenges, Particularly in Literacy



## Texas: 43<sup>rd</sup> out of 50 states

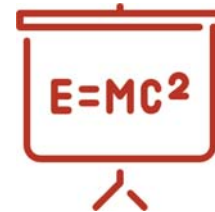
In Per Pupil Public Education Spending

### 2017 "Nation's Report Card" (NAEP) TX Rankings



**46 out of 50** in 4<sup>th</sup> Grade Reading

**41 out of 50** in 8<sup>th</sup> Grade Reading



**19 out of 50** in 4<sup>th</sup> Grade Math

**24 out of 50** in 8<sup>th</sup> Grade Math

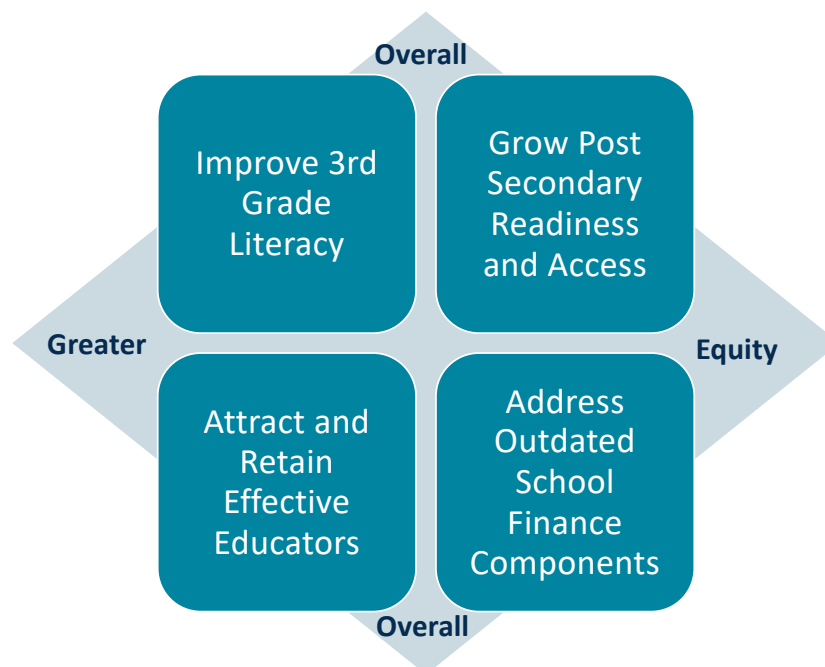


EdWeek, Quality Counts 2018 Report  
National Center for Education Statistics, 2017 NAEP Results

#### Executive Summary

## Overview of Major Recommendations

*Substantial Focus on Improving Key Outcomes via Greater Resources*



## Overview of Major Recommendations

*Substantial Focus on Improving Key Outcomes via Greater Resources*

### Improve 3rd Grade Literacy



**\$780mm** 3<sup>rd</sup> Grade Reading Allotment for Eco. Dis./ELL students

**\$400mm** in outcomes-based funding distributed equitably w/ ability to double in size via wise investment

Option to extend elem. school yr. by 30 days (**\$50mm**)

**\$100mm** for dyslexia

### Increase Post Secondary Readiness/Access



**\$400mm** in initial outcomes-based funding distributed equitably w/ ability to double in size via wise investment

Alter graduation requirement to include **either FAFSA/TASFA completion**

**(or a parental opt out)**

### Attract/Retain Effective Educators



**\$100mm** (growing to **\$1bn over time**) for schools wishing to implement multi-measure evaluation system and pay their more effective educators more and sooner in career

Children of Texas public school educators **eligible for free PreK**

### Address Outdated School Finance Components



Increase comp ed. by ~30% (**\$1.1 bn**) and disproportionately allocate to higher poverty

**Collapse CEI, G&T and H.S. allotments** into Basic Allotment

Eliminate “hold harmless” provisions

Move to current yr. values and implement fast growth allotment

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## Other Major Recommendations

### Aligned State and School Board Goals



Set statewide goal of 60% proficiency by 2030 in **3<sup>rd</sup> grade reading** and **12<sup>th</sup> grade graduation** without need for remediation and access of post-secondary, military or industry certificate

School boards to **set 3 and 5 year goals** for those same metrics

### Increase Post Secondary Readiness/Access



Expand funding for Career and Technology classes to middle school students (**\$20 million/year**)

### Recapture



Provide transportation funding for recapture districts

Provide full-day credit for districts providing full-day PreK in wealth per WADA calculations

Evaluate mechanisms to cause state to assume larger share of school finance and slow recapture growth

### School Finance



Tie Tier II yields to Basic Allotment vs. equalized wealth levels in future

Increase yield on “copper pennies” and automatically compress to provide districts subsequent taxing flexibility (**\$267 million**)

Increase Instructional Facility Allotment to **\$100 million/year**

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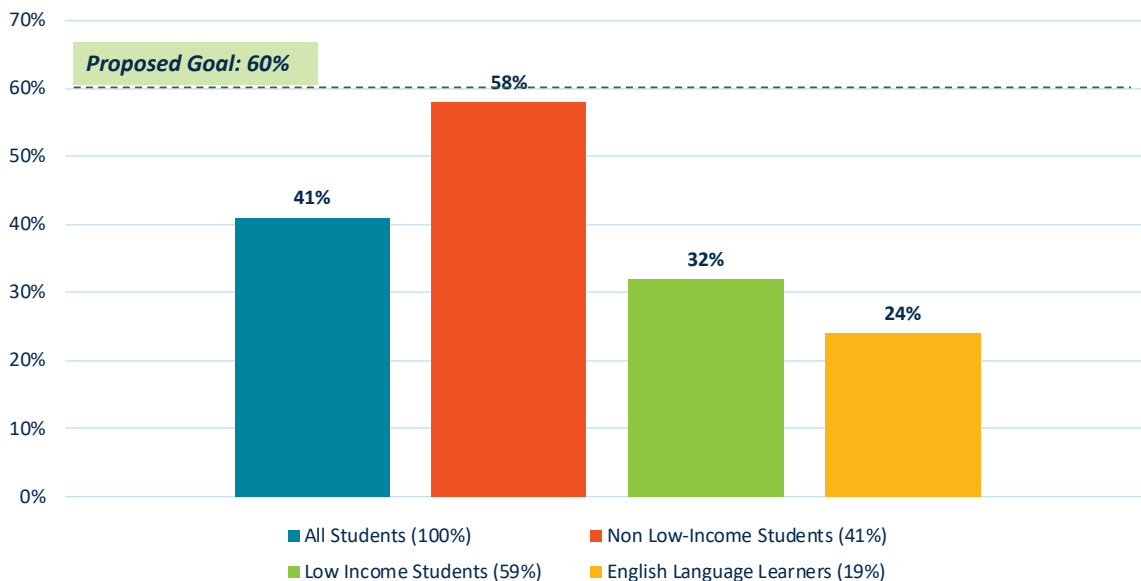
# 3<sup>rd</sup> Grade Reading Proficiency *Current Challenges and Targeted Funding*



## 3<sup>rd</sup> Grade Reading

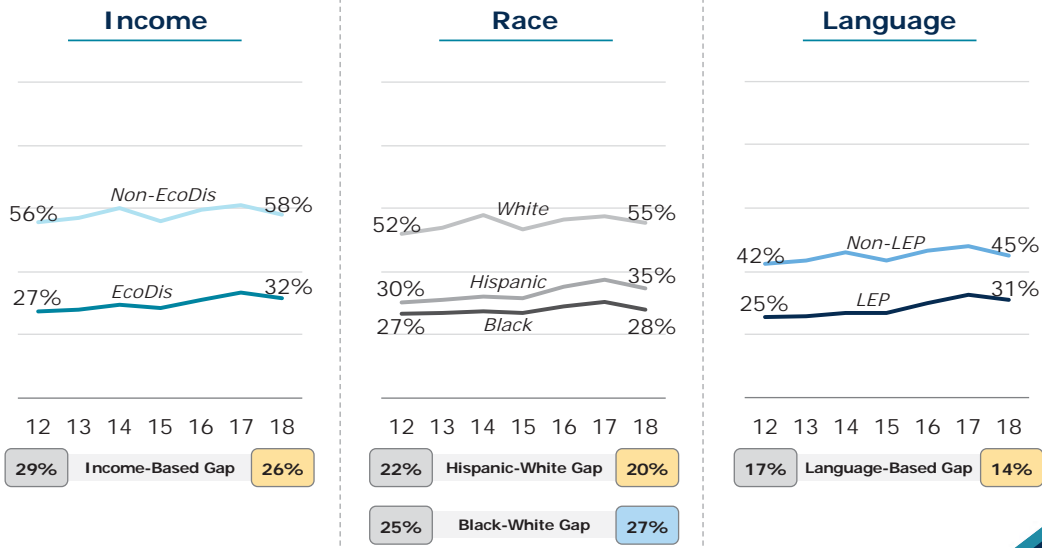
3<sup>rd</sup> Grade Reading Data Indicates New Investments Should Target Low Income and ELL Students...Both are Well Below a Proposed State PK-12 Goal of 60% Proficiency

2018 STAAR Proficiency at "Meets" Standard Across All Grades and Subjects



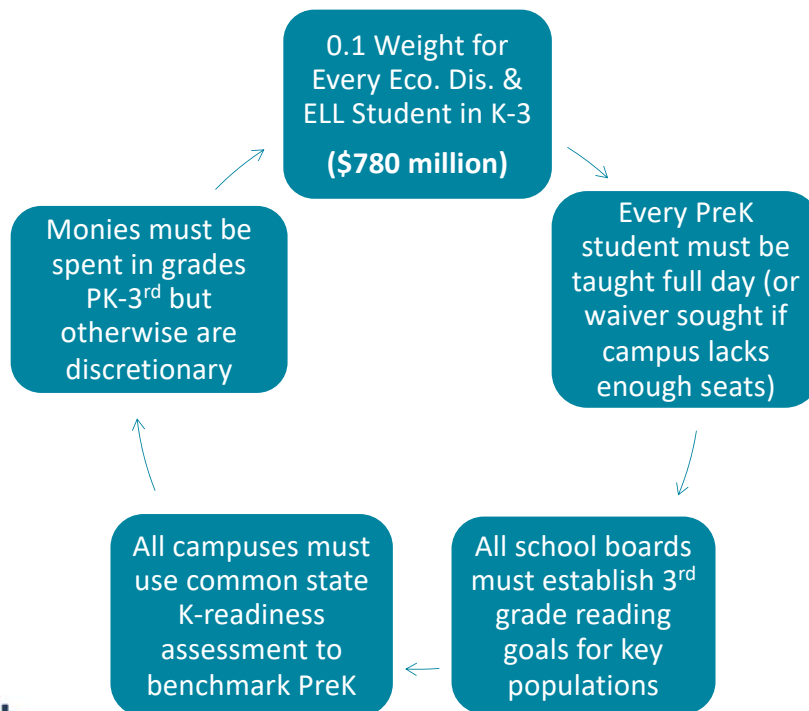
## Significant Gaps in 3<sup>rd</sup> Grade Reading Continue to Exist in Texas Across Income, Race, and Native Language

Statewide STAAR 3<sup>rd</sup> Grade “Meets Grade Level” Rates by Demographic, 2012-2018



Source: TEA STAAR 2012-2018 reports

## \$780 Million Investment in 3<sup>rd</sup> Grade Reading Allotment *Focus on quality, alignment, flexibility and benchmarking*



## Proposed Outcomes-Based Funding for 3<sup>rd</sup> Grade Reading *Flexible Funding With Ability to Grow Much Faster Than Basic Allotment*

- **\$400mm of upfront formula funding paid in 2019-20 school year via a weight** tied to the Basic Allotment (“BA”), equitably allocated based on student economic status and current trailing proficiency rates (~\$3,400/low income proficient student vs. ~\$1,450/non low-income proficient student)
- Monies must be spent in Grades PreK-3<sup>rd</sup> but **schools otherwise have full spending discretion**
- **Outcomes-based funding grows** as 3<sup>rd</sup> grade reading proficiency increases due to wise investment of both \$400mm outcomes-based funding as well as the \$780mm 3<sup>rd</sup> grade reading allotment

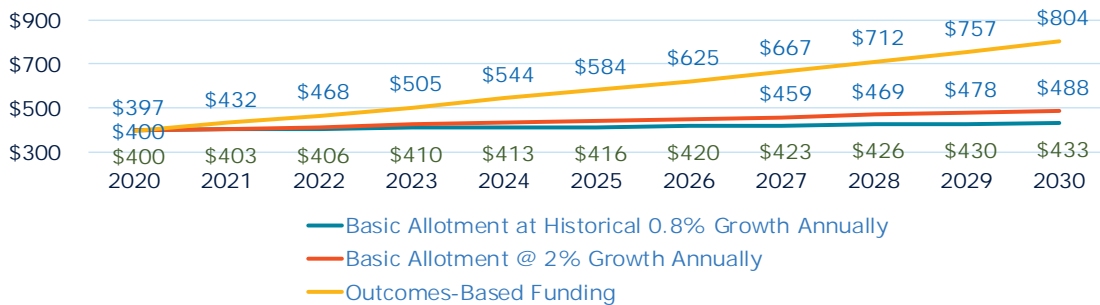
### Benefits to Public Schools:

- Reflects effective way to grow school formula funding much faster than historical increases in the BA (if overall 3<sup>rd</sup> grade reading proficiency grows to 64% from \$1.2bn investment in 3<sup>rd</sup> grade reading, **funding pool will more than double to roughly \$825mm vs. historical <1% average growth in BA over last ten years**)
- More equitably allocated than BA; per current reading proficiency levels, ~69% of the \$400mm goes to low-income students (who only represent 63% of 3<sup>rd</sup> graders in the state).
- As BA increases for inflation, outcomes-based funding pool also grows, Weights tied to BA, so if proficiency just stays flat, overall outcomes funding will still be no worse than BA
- Same spending discretion level as BA so long as spent in grades PK-3<sup>rd</sup>



## Outcomes-Based Funding Can Significantly Exceed Basic Allotment *Wise Investment in 3<sup>rd</sup> Grade Reading Provides Much Higher Resource Potential For Public Schools Across Texas Following Injection of \$1.2 Billion in PreK thru 3<sup>rd</sup>*

Comparison of Outcomes-Based Funding of ~\$400 Million  
vs. Similar Funding in the Basic Allotment  
**3<sup>rd</sup> Grade Reading**



### Estimated Pace of Proficiency Rate Growth Following \$1.2 Billion Investment in 3<sup>rd</sup> Grade Reading

|                | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|----------------|------|------|------|------|------|------|------|------|------|------|------|
| Low Income     | 32%  | 34%  | 37%  | 40%  | 43%  | 46%  | 48%  | 51%  | 54%  | 57%  | 60%  |
| Non Low Income | 58%  | 59%  | 60%  | 61%  | 62%  | 63%  | 64%  | 65%  | 66%  | 67%  | 68%  |
| Total          | 41%  | 42%  | 46%  | 48%  | 50%  | 52%  | 54%  | 56%  | 58%  | 61%  | 63%  |

Note: Reflects growth in Basic Allotment at 0.8% growth rate over last ten years and at 2% annually. Outcomes-Based funding tied to Basic Allotment so weights increase at same rate as Basic Allotment. Model assumes steady increases in full-day Pre-K enrollment such that low-income proficiency in 3<sup>rd</sup> grade increases 2.8% annually while non-low income proficiency increases 1% annually due to investments in K-3 quality.



## How Achievable is 60% Proficiency (vs. 32% Today) for Texas' Low Income Students?

*147 Campuses Already There; Another 1,000+ Campuses Are >40%*

### Analysis of 3<sup>rd</sup> Grade Reading Proficiency Levels in 2018 for Low Income Students Only

| Bands of Low Income Student Proficiency in 3 <sup>rd</sup> Grade Reading | No. of Campuses Within Proficiency Range | Avg. Eco Dis. % Among Campuses | No. of Achieving Campuses with 80% Eco. Dis. or Higher | Highest Performing Campuses in Band with 80% or Higher Economic Disadvantage |  |                    |
|--|--|--------------------------------|--|--|--|--------------------|
|  |  |                                |  | Elementary Campus and District   | Low Income 3 <sup>rd</sup> Grade Reading Proficiency | Campus Eco. Dis. % |
| 80% or higher  | 20                                       | 44%                            | 5  | <b>Tool El.,</b><br>Malakoff ISD   | 96%  | 82%                |
| 70% to 79%   | 27                                       | 27%                            | 7  | <b>Putegnat El.,</b><br>Brownsville ISD                                      | 73%  | 100%               |
| 60% to 69%   | <u>100</u>                               | 36%                            | <u>16</u>  | <b>Zavala El.,</b><br>El Paso ISD  | 65%  | 96%                |
| <b>Total Campuses with 60% or Higher Proficiency</b>                     | <b>147</b>                               |                                | <b>28</b>  |  |  |                    |
| 50% to 59%   | 327                                      | 52%                            | 86   | <b>Marcus El.,</b><br>Dallas ISD   | 58%  | 99%                |
| 40% to 49%   | <u>694</u>                               | 59%                            | <u>220</u>   | <b>Mission Valley El.,</b><br>Ysleta ISD                                     | 49%  | 98%                |
| <b>Total Campuses with 40% or Higher Proficiency</b>                     | <b>1,168</b>                             |                                | <b>334 (29%)</b>                                       |  |  |                    |

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## How Achievable is 60% Proficiency for Texas' Low Income Students?

*High Poverty, High ELL Campuses Across Multiple ISD's Reflect 2x Higher Achievement Than Avg. TX Proficiency Level of 32% for Low Income Students*

### Analysis of 3<sup>rd</sup> Grade Reading Proficiency in 2018 for High Eco. Dis. Campuses (>90%)

| Campus Name             | District        | Campus Eco Dis % | Campus ELL % | Proficiency for All Students | Proficiency for Eco Dis. Students Only |
|-------------------------|-----------------|------------------|--------------|------------------------------|--|
| HIDALGO EL.,            | HIDALGO ISD     | 91%              | 78%          | 81%                          | 81%                                    |
| LAMAR EL.,              | EL PASO ISD     | 91%              | 73%          | 80%                          | 81%                                    |
| FLORENCE J SCOTT EL.,   | ROMA ISD        | 91%              | 89%          | 76%                          | 77%                                    |
| PUTEGNAT EL.,           | BROWNSVILLE ISD | 100%             | 73%          | 73%                          | 73%                                    |
| YNES B ESCOBAR EL.,     | ROMA ISD        | 90%              | 94%          | 76%                          | 76%                                    |
| LYONS EL.               | HOUSTON ISD     | 94%              | 51%          | 69%                          | 70%                                    |
| C. MAURICIO SOTO JR EL. | DALLAS ISD      | 94%              | 63%          | 71%                          | 69%                                    |
| BREEDEN EL.             | BROWNSVILLE ISD | 92%              | 43%          | 66%                          | 67%                                    |
| PIERCE EL.              | LAREDO ISD      | 90%              | 62%          | 66%                          | 66%                                    |
| ZAVALA EL.,             | EL PASO ISD     | 96%              | 83%          | 65%                          | 65%                                    |
| ANNE L MAGEE EL.        | EDINBURG CISD   | 93%              | 67%          | 61%                          | 62%                                    |
| ORTIZ EL.,              | BROWNSVILLE ISD | 98%              | 25%          | 61%                          | 62%                                    |
| CASA VIEW EL            | DALLAS ISD      | 90%              | 60%          | 58%                          | 61%                                    |
| HENRY B GONZALEZ EL,    | DALLAS ISD      | 95%              | 71%          | 64%                          | 61%                                    |
| FLORES-MARK A ZAPATA EL | EDINBURG CISD   | 95%              | 58%          | 61%                          | 60%                                    |
| VALLEY VIEW NORTH EL    | VALLEY VIEW ISD | 94%              | 85%          | 61%                          | 60%                                    |

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Proposed 3<sup>rd</sup> Grade Outcome Based Funding is Equitably Distributed to Reflect the Need for Greater Resources in Higher Low Income Settings

**Assuming a District with 1,000 3<sup>rd</sup> Grade Students (~ 50 Classrooms) Achieving at Avg. State Proficiency Levels for Reading**

| District Economic Disadvantage %   | 0%            | 25%           | 50%           | 75%            | 100%           |
|--|---------------|---------------|---------------|----------------|----------------|
| Number of Eco. Dis. Students   | -             | 250           | 500           | 750            | 1,000          |
| Number of NON Eco. Dis. Students   | 1,000         | 750           | 500           | 250            | -              |
| Proficient Eco. Dis. Students<br><i>(Using State Average of 32%)</i>     | -             | 79            | 158           | 236            | 315            |
| Proficient NON Eco. Dis. Students<br><i>(Using State Average of 58%)</i> | 579           | 434           | 290           | 145            | -              |
| Funding for Eco. Dis. Students @ \$3,400/student                         | -             | \$267,847     | \$535,693     | \$803,540      | \$1,071,386    |
| Funding for NON Eco Dis Students @ \$1,450/student                       | \$839,989     | \$629,991     | \$419,994     | \$209,997      | -              |
| <b>Total Outcome Funding (in \$000's)</b>                                | <b>\$840k</b> | <b>\$898k</b> | <b>\$956k</b> | <b>\$1.01m</b> | <b>\$1.07m</b> |

Under proposed incentives, a district that is 100% Economically Disadvantaged would receive 28% more new funding than a district that has 0% Eco. Dis., consistent with comp ed spectrum recommendations

Note: Incentives of \$3,400 and \$1,450 per proficient student equates to pool of \$400 million in Year 1 based on current proficiency rates of 58% and 32% for Non low-income and low income students, respectively, and 403,000 3<sup>rd</sup> graders assessed.

What Current Actions Would Outcomes-Based Funding Tied to 3<sup>rd</sup> Grade Reading Seek to Both Resource and Encourage?

**3<sup>rd</sup> Grade Reading Improvement**

|  |   |   |   |
|--|---|---|---|
| Prioritizing Pre-K enrollment of (and seat creation for) all eligible students | Reducing social promotion to ensure every child can read by 3 <sup>rd</sup> grade     | Keeping effective teachers in foundational but non-STAAR tested K-2 grades                                  | Reducing the relocation from STAAR-tested grades of less effective teachers to grades K-2 |
| Literacy training for beginning or less effective teachers in early grades     | Financially incenting the placement of effective teachers at more challenged campuses | Retaining strong elementary school principals vs. incenting them (via pay) to move to middle or high school | Providing more effective dual language (vs. bi-lingual) education for ELL students        |

# Post Secondary Readiness and Access

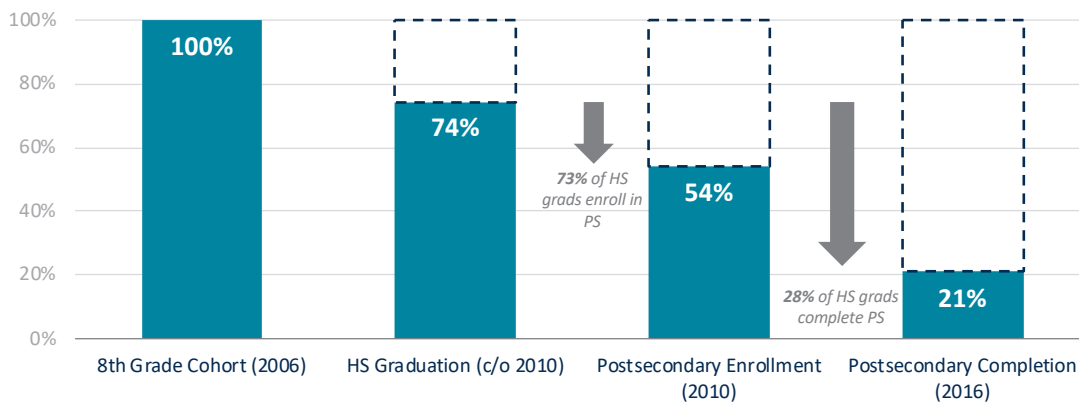
## *Current Challenges and Targeted Funding*



### Post-Secondary Readiness and Access

**Tremendous “Melt”:** Only 1 in 5 Texas 8<sup>th</sup> Graders Earn a Postsecondary Degree in Texas within 6 Years of HS Graduation

**High School Graduation and Postsecondary Attainment Rates of the 2006 Statewide 8<sup>th</sup> Grade Cohort**



**Students Meeting Benchmark**

335,708

249,262

181,869

70,323

**Students Not Meeting Benchmark**

86,446

153,839

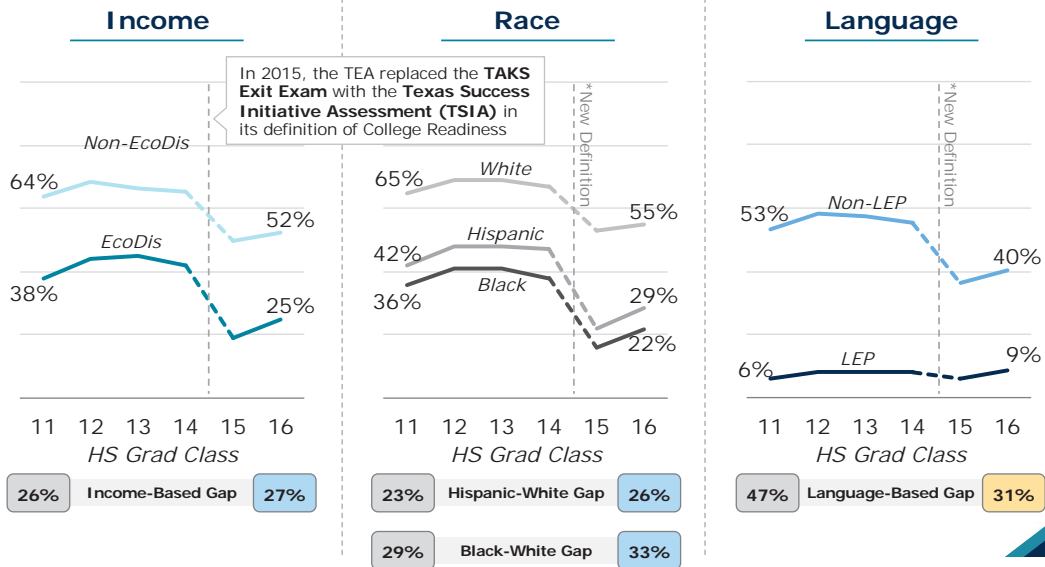
265,385



Source: THECB 8<sup>th</sup> Grade Cohort Study, 2016 report

# College Readiness Rates Show That Early Achievement Gaps Persist Into High School

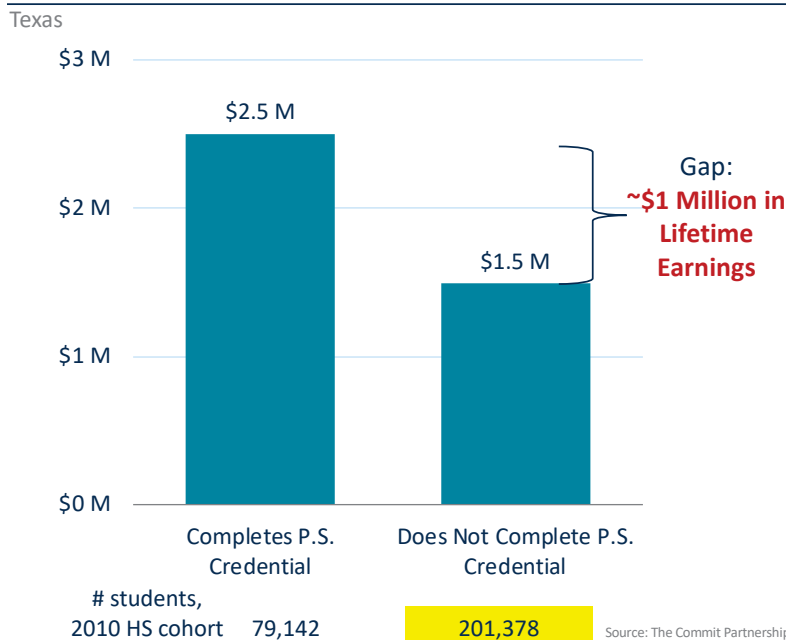
Statewide College Readiness Rates (SAT/ACT/TSIA) of High School Graduates by Demographic, 2011-2016 HS Grad. Classes



Source: TEA TAPR 2012-2017 reports: for weighted averages (Non-EcoDis, non-LEP), TEA Accountability Reports (2012-2017), 4-Year HS Graduation Rates  
 Note: LEP/non-LEP HS grad counts are not published by TEA TAPR standard files; these numbers found in TEA Accountability Reports (4-Year Longitudinal Graduation Rates, 2011-2016)

## Roughly \$200 Billion Dollars Foregone by Each Texas H.S. Class by not Obtaining Postsecondary Credentials

Estimated Lifetime Earnings by Education Level, H.S. class of 2010

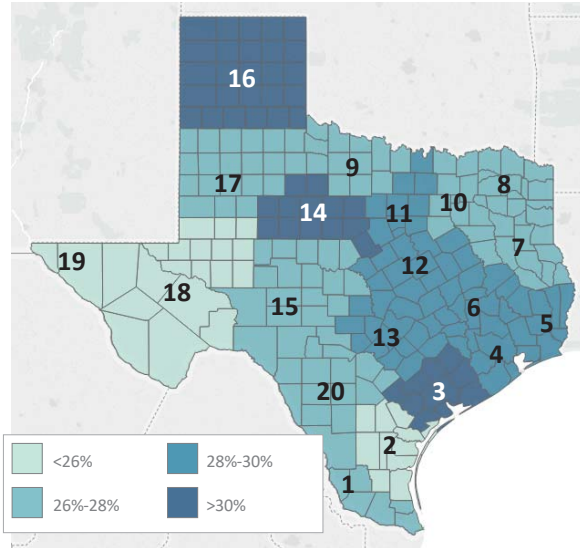


Within each Texas H.S. graduating class, students subsequently not earning a postsecondary credential lose up to ~\$200 Billion in future lifetime earnings (equal to 1/8<sup>th</sup> of Texas \$1.6 trillion GDP)

## Highest Performing Regions Roughly Only Half of Statewide 60% Goal with Roughly 3 in 10 TX HS Grads Completing Overall

### 2016 Postsecondary Completion Rates by ESC Region

Percent of HS graduates (c/o 2010) who completed a postsecondary degree within 6 years of HS graduation, per the THECB 8<sup>th</sup> Grade Cohort Study



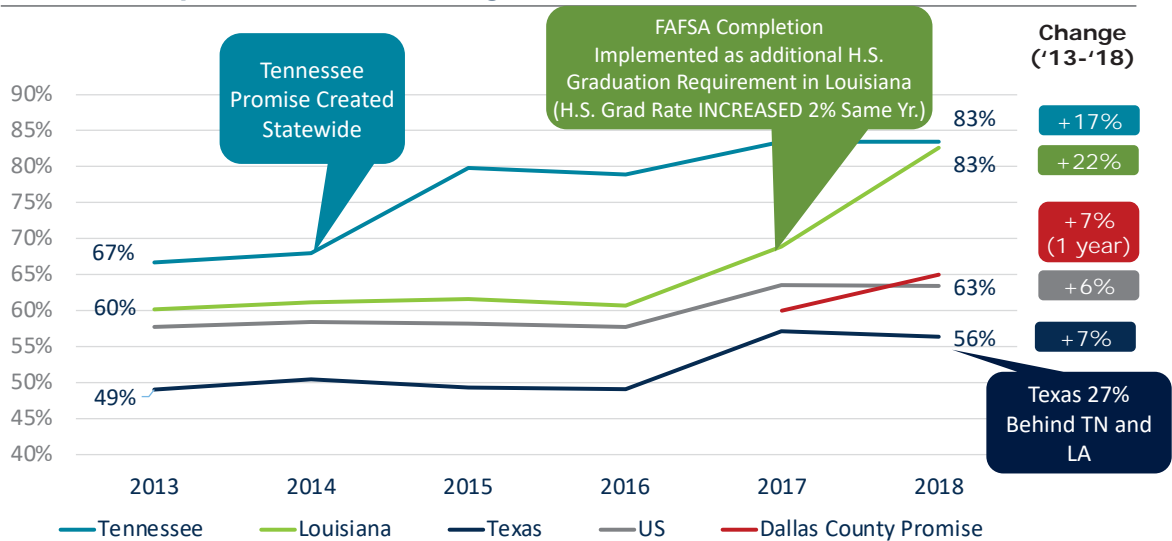
| Region #     | Region Name    | Completion |
|--------------|----------------|------------|
| 1            | Edinburg       | 27%        |
| 2            | Corpus Christi | 24%        |
| 3            | Victoria       | 30%        |
| 4            | Houston        | 30%        |
| 5            | Beaumont       | 28%        |
| 6            | Huntsville     | 28%        |
| 7            | Kilgore        | 28%        |
| 8            | Mt. Pleasant   | 26%        |
| 9            | Wichita Falls  | 27%        |
| 10           | Richardson     | 27%        |
| 11           | Fort Worth     | 30%        |
| 12           | Waco           | 30%        |
| 13           | Austin         | 29%        |
| 14           | Abilene        | 33%        |
| 15           | San Angelo     | 27%        |
| 16           | Amarillo       | 31%        |
| 17           | Lubbock        | 26%        |
| 18           | Midland        | 25%        |
| 19           | El Paso        | 25%        |
| 20           | San Antonio    | 27%        |
| <b>Total</b> | <b>Texas</b>   | <b>28%</b> |



Source: THECB 8<sup>th</sup> Grade Cohort Study, 2016 report

## Statewide Initiatives Have Led to LA and TN Leading the Nation in FAFSA Completion and Accessing Substantial U.S. Aid via Pell Grants Despite Ranking 9<sup>th</sup> Nationally in % Economic Disadvantage, TX Trails U.S.

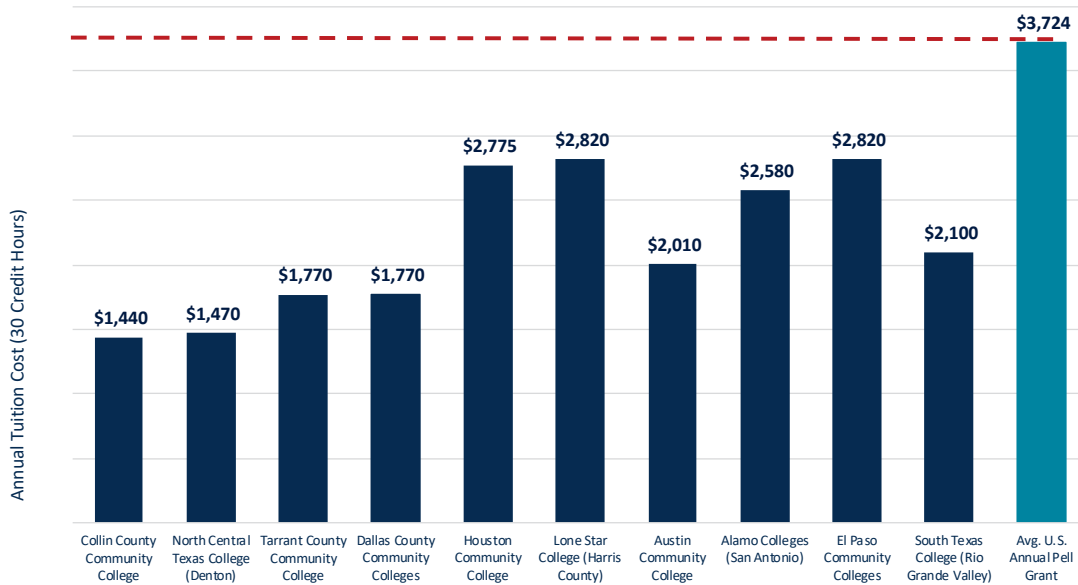
### FAFSA Completion Rates through June 30



Source: Florida College Access Network - <http://floridacollegeaccess.org/research-and-data/dashboard-fafsa-completion-state/>

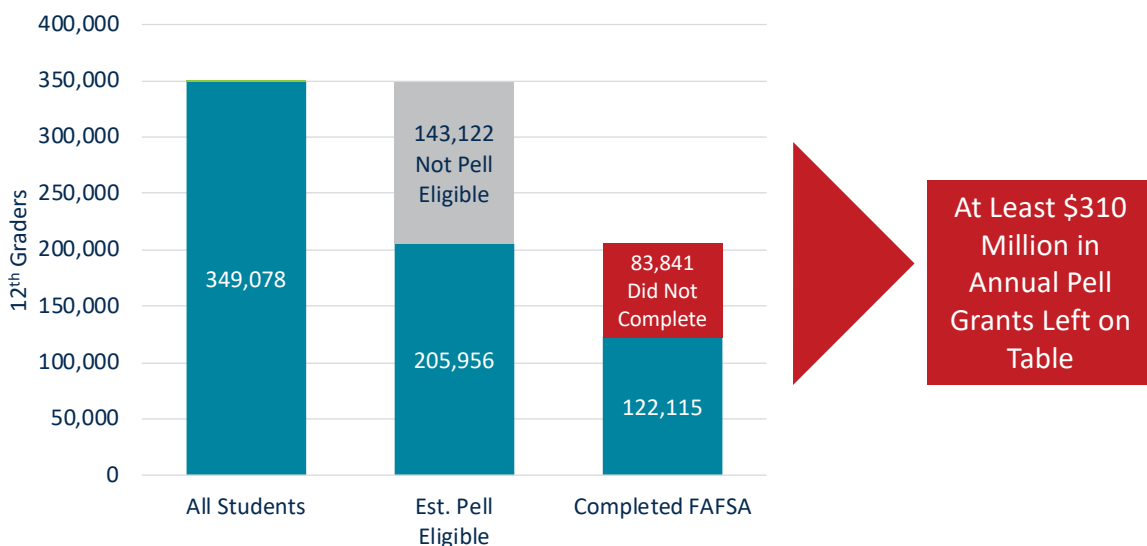


Across Texas, Community College Tuition Rates (4<sup>th</sup> Lowest in Nation) Are Well Below Average Annual U.S. Pell Grant and Represent a Tremendous Asset for Low Income Students Not Being Leveraged Today



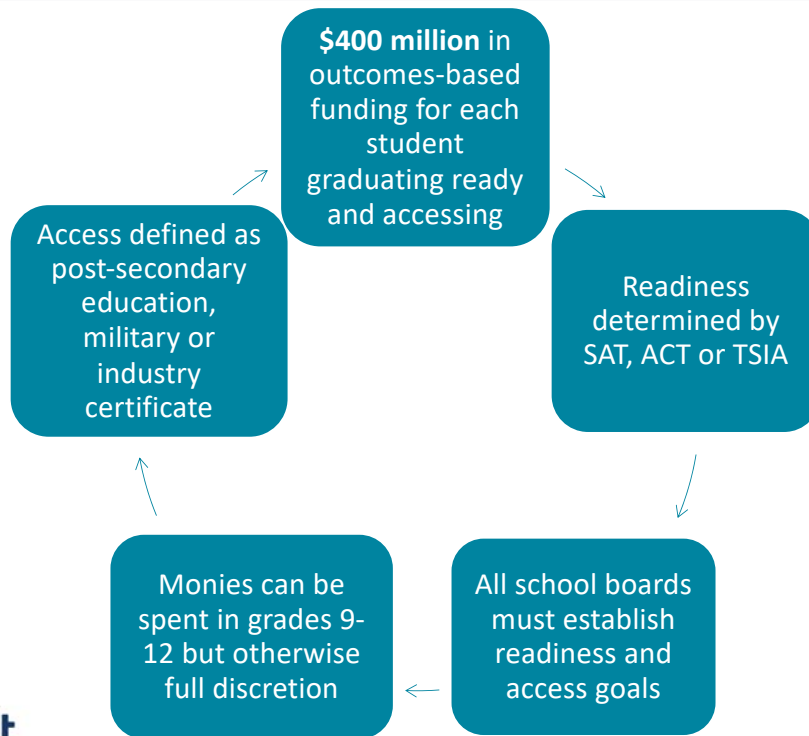
Texas Students Leave at Least \$310 Million in Annual U.S. Pell Grants for EACH H.S. Senior Cohort On the Table Due to Failure to Complete FAFSA

Texas Students Qualifying for Federal Financial Grants via FAFSA (conservatively assumes that only those considered economically disadvantaged qualify for federal aid)



## \$400 Million in Outcomes Based Funding Supporting Post Secondary Readiness/Access

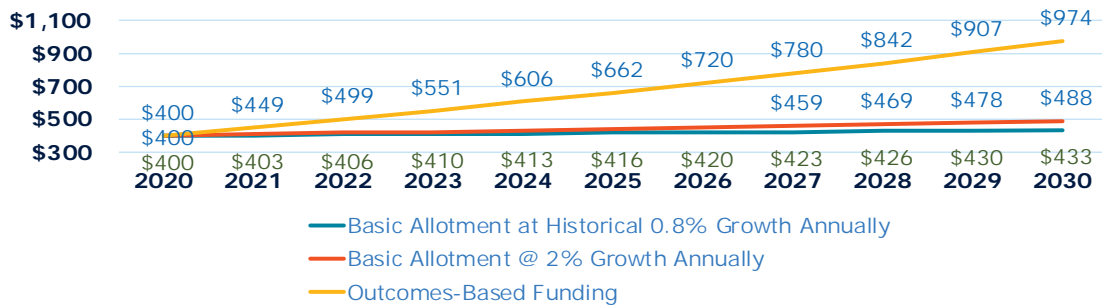
*Focus on alignment, flexibility and rewarding success for each student*



### Outcomes-Based Funding Can Significantly Exceed Basic Allotment

*Wise Investment in Readiness/Access Provides Much Higher Resource Potential For Public Schools Across Texas Following Injection of \$400 Million in Key Strategies*

Comparison of Outcomes-Based Funding of ~\$400 Million vs. Similar Funding in the Basic Allotment  
**Post Secondary Readiness and Access**



#### Estimated Proficiency Rates Following \$400mm Investment in Post Secondary Readiness/Access

|                | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|----------------|------|------|------|------|------|------|------|------|------|------|------|
| Low Income     | 25%  | 28%  | 32%  | 35%  | 39%  | 42%  | 46%  | 49%  | 53%  | 56%  | 60%  |
| Non Low Income | 50%  | 51%  | 52%  | 53%  | 54%  | 55%  | 56%  | 57%  | 58%  | 59%  | 60%  |
| Total          | 35%  | 36%  | 40%  | 43%  | 45%  | 47%  | 50%  | 52%  | 55%  | 57%  | 60%  |

Note: Reflects growth in Basic Allotment at 0.8% growth rate over last ten years and at 2% annually. Outcomes-Based funding tied to Basic Allotment so weights increase at same rate as Basic Allotment. Model assumes steady increases in full-day Pre-K enrollment such that low-income proficiency in 3<sup>rd</sup> grade increases 3.5% annually while non-low income proficiency increases 1% annually due to investments in K-3 quality.



## Proposed CCMR Outcome Funding in Year 1 Will Equitably Support Campuses and Can Improve as Outcome Dollars are Wisely Invested

### Assuming a District Has 1,000 Seniors With State Average Proficiency Levels

| District Economic Disadvantage %   | 0%             | 25%            | 50%            | 75%            | 100%           |
|--|----------------|----------------|----------------|----------------|----------------|
| Number of Eco. Dis. Students   | -              | 250            | 500            | 750            | 1,000          |
| Number of NON Eco. Dis. Students   | 1,000          | 750            | 500            | 250            | -              |
| Proficient Eco. Dis. Students<br><i>(Using State Average of 25%)</i>     | -              | 62             | 123            | 185            | 247            |
| Proficient NON Eco. Dis. Students<br><i>(Using State Average of 50%)</i> | 500            | 375            | 250            | 125            | -              |
| Funding for Eco. Dis. Students @ <b>\$5,380/student</b>                  | -              | \$332,214      | \$664,428      | \$996,642      | \$1,328,856    |
| Funding for NON Eco Dis Students @ <b>\$2,015/student</b>                | \$1,007,934    | \$755,950      | \$503,967      | \$251,983      | -              |
| <b>Total Outcome Funding (in \$000's)</b>                                | <b>\$1.01m</b> | <b>\$1.09m</b> | <b>\$1.17m</b> | <b>\$1.25m</b> | <b>\$1.33m</b> |

Under proposed incentives, a district that is 100% poor would receive 28% more new funding than a district that has zero poverty, consistent with comp ed spectrum recommendations

Note: Incentives of \$5,380 and \$2,015 per proficient student equates to pool of \$400 million in Year 1 based on current proficiency rates of 50% and 25% for Non low-income and low income students, respectively, and 334,000 seniors assessed.

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## What Current Actions Would Outcomes-Based Funding Tied to Post-Secondary Readiness and Access Seek to Both Resource and Encourage?

Increased advising support for FAFSA completion, college applications, etc.

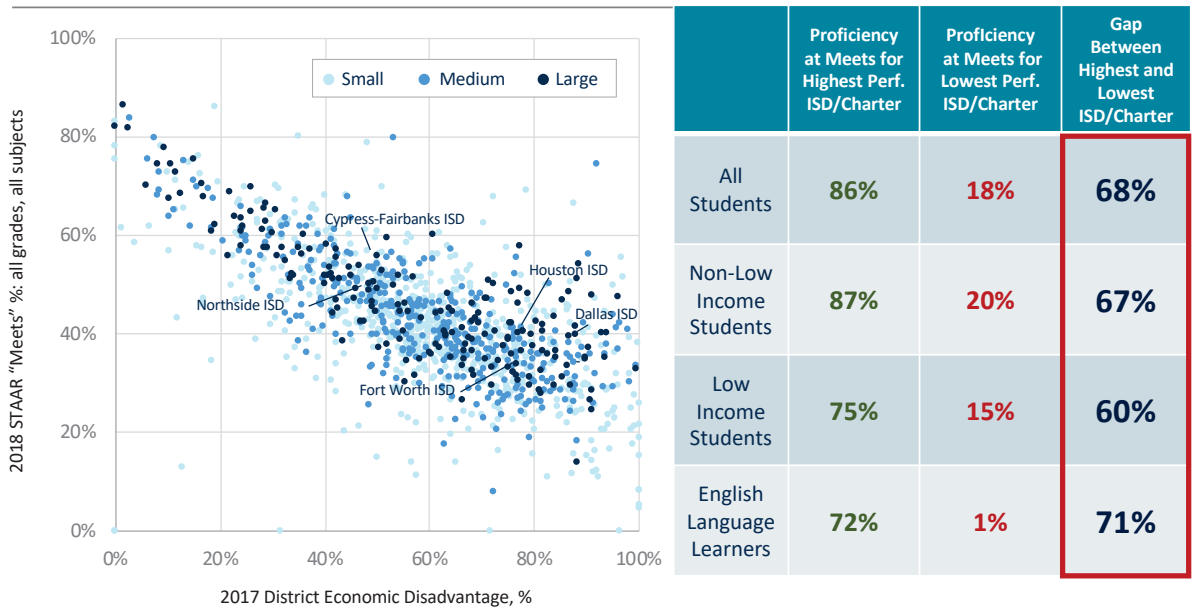
Post-secondary assessment preparation (SAT, ACT, etc.) to grow college-going culture and increase aid

Determining and addressing need for remediation in high school vs. in higher education

Expansion of dual credit, early college and P-Tech offerings

Current Outcomes Impacted by Poverty...But **Very Wide Variations** in Outcomes Among Districts with Similar Demographics Show That Strategies, Priorities and Resource Allocations **Can Matter Greatly**

2018 STAAR “Meets Grade Level” Rates by District: All Grades, All Subjects



Source: Commit Partnership 3/19/18 testimony to Outcomes working group, STAAR performance: 2018 TEA STAAR report; District student EcoDis: 2017 TEA TAPR report. Table above only includes charters that had over 1,000 student enrollment

Commission Response to Those Concerned Over Proposed Use of Outcomes Based Funding

- **Total recommended outcomes-based funding of \$800mm is only 1.4% of annual \$57bn state education budget**
- **Only one STAAR grade/subject assessed for incentive – 3<sup>rd</sup> grade reading. Other metric is readiness for post-secondary assessment (SAT/ACT/TSIA).**
- **Ability to read by 3<sup>rd</sup> grade and readiness for post-secondary education have always been “high stakes” for students**
- **Strong belief that achievement will grow following wise public school investment of \$1.6 billion of flexible funding in those two key areas**
- **Preferable to reward public schools with even more resources for investing new dollars wisely to improve student achievement (vs. publicly criticizing them through more stringent A-F state accountability in 3<sup>rd</sup> and 12<sup>th</sup> grade if they do not)**

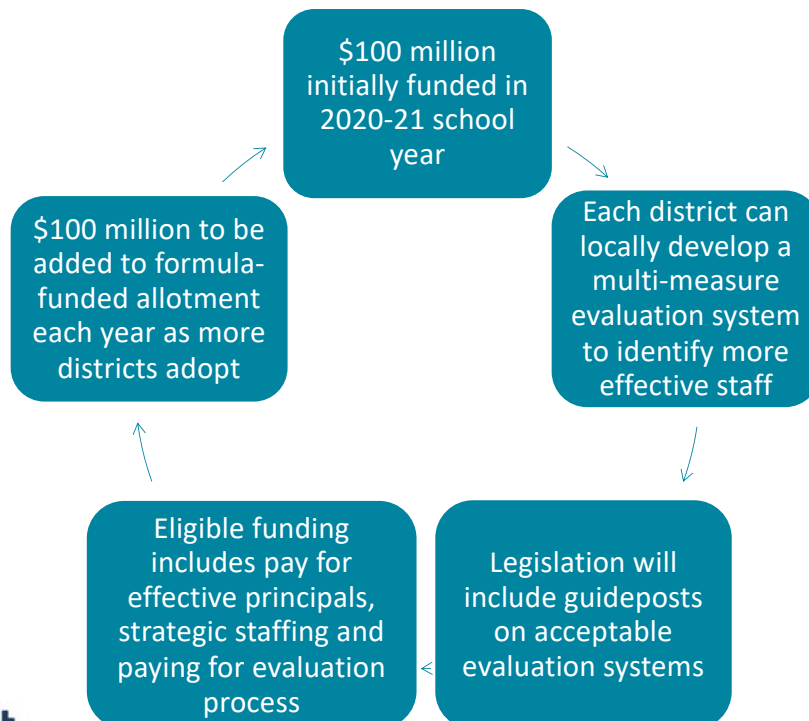


## Effective Educator Allotment to Attract, Retain and Strategically Place Educators Where Needed Most



### Effective Educator Allotment

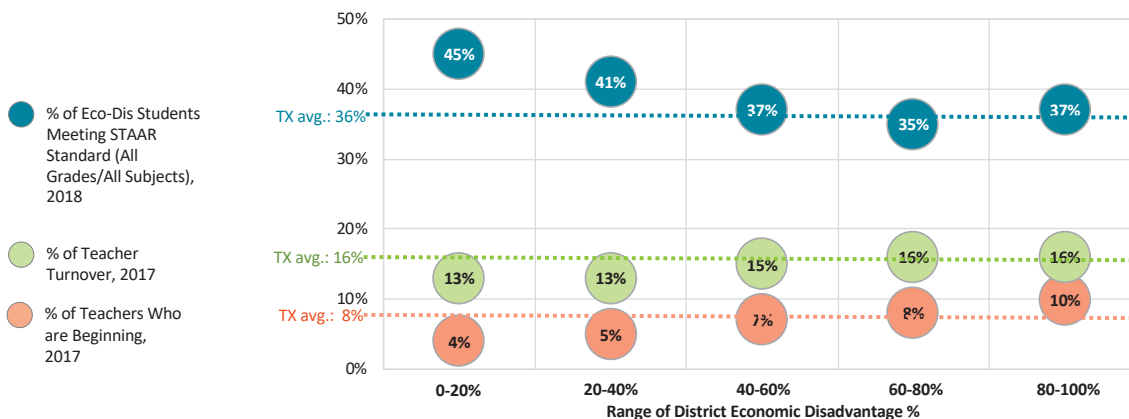
\$100 Million (Growing to \$1bn) Effective Educator Allotment  
*Attracting, Retaining and Strategically Staffing Effective Educators*



## The Need for Strategic Staffing Pay

As a District's Economic Disadvantage Increases, % of Teachers Who Are Beginning and Teacher Turnover Increases While Achievement for Low-Income Students Declines

Eco-Dis Student Achievement vs. Teacher Characteristics, by District Eco-Dis Rate (200 Largest ISDs)



| Teachers: Avg. Yrs. Exp. | 11.2    | 11.4    | 10.8      | 10.6      | 10.2    |
|--------------------------|---------|---------|-----------|-----------|---------|
| # Districts              | 15      | 30      | 51        | 68        | 36      |
| # Students               | 223,117 | 727,916 | 1,081,443 | 1,471,586 | 787,427 |
| # Teachers               | 14,627  | 47,393  | 69,988    | 92,984    | 50,736  |



Source: TEA TAPR and STAAR, 2018

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## Accelerating Campus Excellence ("ACE")

A Strategic Staffing and Whole Child Support Model to Turn Around Schools is Being Implemented in Four ISD's With Another Five Evaluating

More specifically, ACE has **5 key components with aligned interventions** to create a culture of high campus expectations. **Cost = ~\$1,300/student**

### Effective Principals and Teachers

- Strategic staffing
- Professional development
- Emphasis on mission/purpose

### Instructional Excellence

- Data analysis/Professional Learning Communities (PLCs)
- PLC/Planning collaboration
- Observation, coaching, and feedback
- Extra hour embedded into the Reading Language Arts (RLA) and Math
- Open until 6PM for intervention and enrichment
- Breakfast, lunch, and dinner served

### Extended Learning

### Social and Emotional Support

- Positive relationships
- Reduction of suspensions with restorative focus
- Joyful incentives

### Parent and Community Partnerships

- Facility upgrades
- Increased communication
- New partnerships

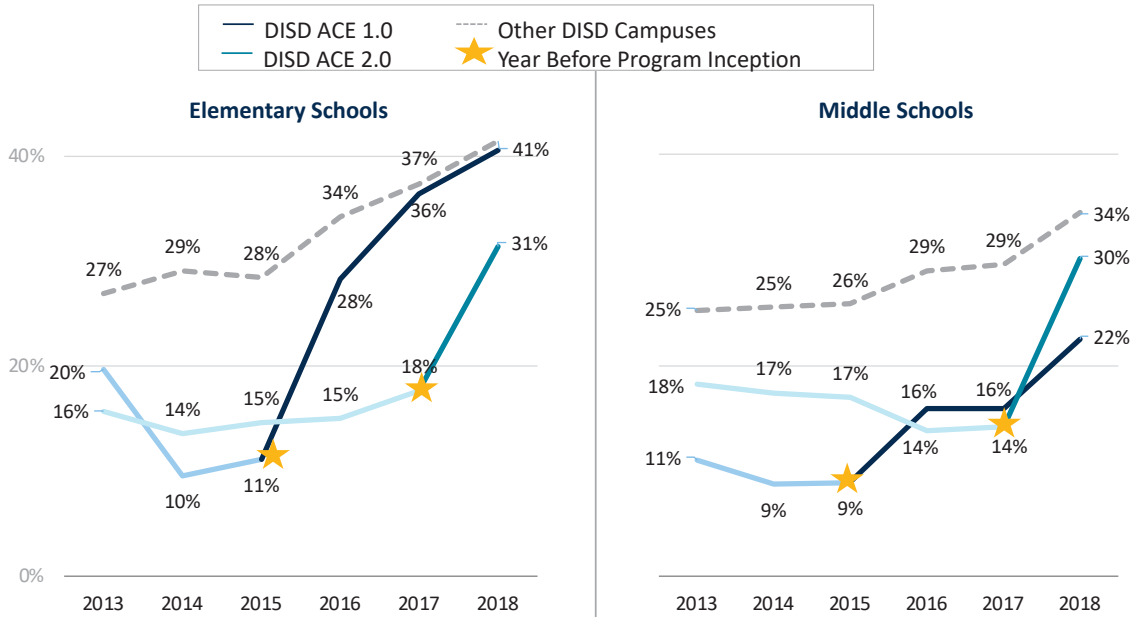


Source: Dallas ISD

54

40

## With Additional Resources Including Universally Effective Teachers, Dallas ISD's ACE Schools Are Quickly Closing Achievement Gaps With Other District Campuses



Source: TEA STAAR 2013-2018 reports  
 Note: Rates above reflect weighted averages of campus cohort STAAR performance ("meets grade level," all grades, all subjects)

## The ACE Initiative in Dallas ISD Resulted in 12 of 13 Multi-Year IR Campuses (92%) Going Off State's Improved Required List After One Yr. and Today Collectively Average a "B" Rating

**Area Schools Implementing Strategic Staffing and Additional Resourcing**

| Campus                                  | Year 1 of ACE | Type (Elm. or Mid.)   | % Eco Dis. | % ELL      | % Mob.     | Rating Prior To ACE    | Rating Following Year 1 of ACE | 2017-18        |              |
|---|---------------|-----------------------|------------|------------|------------|------------------------|--------------------------------|----------------|--------------|
|   |               |                       |            |            |            |                        |                                | Points per TEA | Equiv. Grade |
| Blanton                                 | 15-16         | ES                    | 92%        | 63%        | 21%        | IR 5                   | Met Std.                       | 93             | A            |
| J.W. Ray                                | 17-18         | ES                    | 94%        | 3%         | 36%        | IR 4                   | Met Std.                       | 91             | A            |
| Mills                                   | 15-16         | ES                    | 91%        | 45%        | 28%        | IR 5                   | Met Std.                       | 89             | B            |
| U. Lee                                  | 15-16         | ES                    | 92%        | 31%        | 35%        | IR 2                   | Met Std.                       | 85             | B            |
| Titche                                  | 17-18         | ES                    | 84%        | 42%        | 33%        | IR 5                   | Met Std.                       | 88             | B            |
| J.N. Ervin                              | 17-18         | ES                    | 97%        | 12%        | 38%        | IR 2                   | Met Std.                       | 85             | B            |
| Hernandez                               | 17-18         | ES                    | 84%        | 33%        | 48%        | IR 2                   | Met Std.                       | 87             | B            |
| Rusk                                    | 17-18         | MS                    | 92%        | 59%        | 24%        | IR 2                   | Met Std.                       | 84             | B            |
| Edison                                  | 15-16         | MS                    | 91%        | 34%        | 28%        | IR 5                   | IR                             | 76             | C            |
| Dade                                    | 15-16         | MS                    | 100%       | 27%        | 31%        | IR 3                   | Met Std.                       | 78             | C            |
| Zumwalt                                 | 15-16         | MS                    | 97%        | 15%        | 43%        | IR 3                   | Met Std.                       | 74             | C            |
| C.F. Carr                               | 17-18         | ES                    | 92%        | 34%        | 18%        | IR 5                   | Met Std.                       | 76             | C            |
| Pease                                   | 15-16         | ES                    | 92%        | 3%         | 44%        | IR 3                   | Met Std.                       | 59             | F            |
| <b>Totals or Average for 13 Schools</b> |               | <b>10 ES and 3 MS</b> | <b>91%</b> | <b>32%</b> | <b>31%</b> | <b>Avg of 3.9 Yrs.</b> | <b>12 of 13 Met Std (92%).</b> | <b>82</b>      | <b>B</b>     |



Source: Texas Education Agency 2018 State Accountability.

## Other Major Recommendations



### Increasing Comp Ed Funding and Changing Allocation

*\$1.1 Billion of Additional Funding (~25% Increase)*

*Now Distributed by Concentration of Poverty*

---

- **Current Compensatory Education Weight:** 0.200, based on Free and Reduced Price Lunch Eligible Students
- **Expenditures Working Group recommends:** Sliding scale based on the **depth and density** of poverty, with the lowest threshold at a 0.225 weight.
- **How would this work?**
  - Using Free and Reduced Lunch numbers, the scale would be based on the density of poverty: .225 for low campus EcoDis percentage; .275 for high EcoDis percentage; and a sliding scale in between.
  - Every campus in a district would be assigned a Comp Ed. weight according to this scale
  - The assigned weight by campus would then be averaged across the district to create a district Comp Ed. weight that would apply to economically disadvantaged students
- **Districts with higher percentages of concentrated poverty would be funded at higher rates**, given the challenges concentrated poverty presents
- **All EcoDis students would be weighted greater than in the current formula, resulting in \$1.1bn of additional funding.**



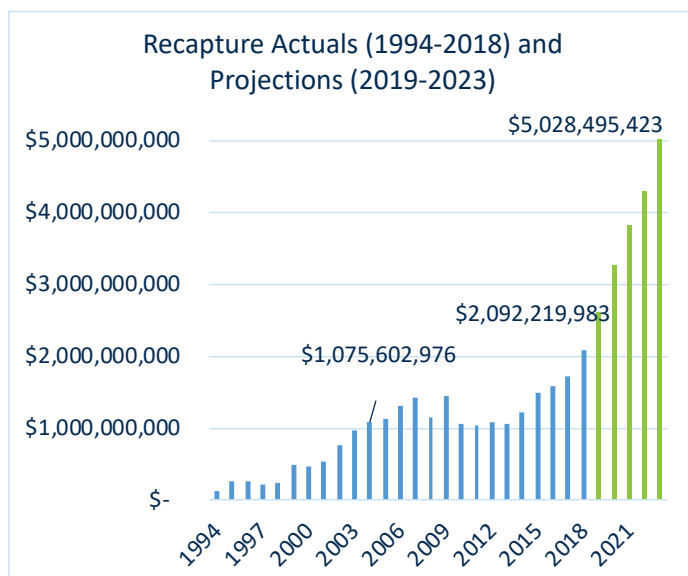
# The State of Recapture in Texas



## Recapture in Texas

Unless addressed, recapture will become an even larger burden for a growing number of Chapter 41 school districts over the next 5 years

Actual and Projected Recapture Collections, 1994 to 2023



The \$2.7B that the state collects in recapture payments from Chapter 41 school districts is projected to nearly double in just five years, **up to over \$5B by 2023** under the current school finance system.

Source: Texas Commission on Public School Finance, 11.13.18, Presentation by Governor's Office of Budget and Policy



# Appendices



## 3<sup>rd</sup> Grade Reading

### 87% of Texas School Districts Currently Offer Pre-K Programs

~70% of Those Offering PreK Have Full-Day Offerings;

~54% of Currently Enrolled 3 and 4 Year Old's Attend Full Day

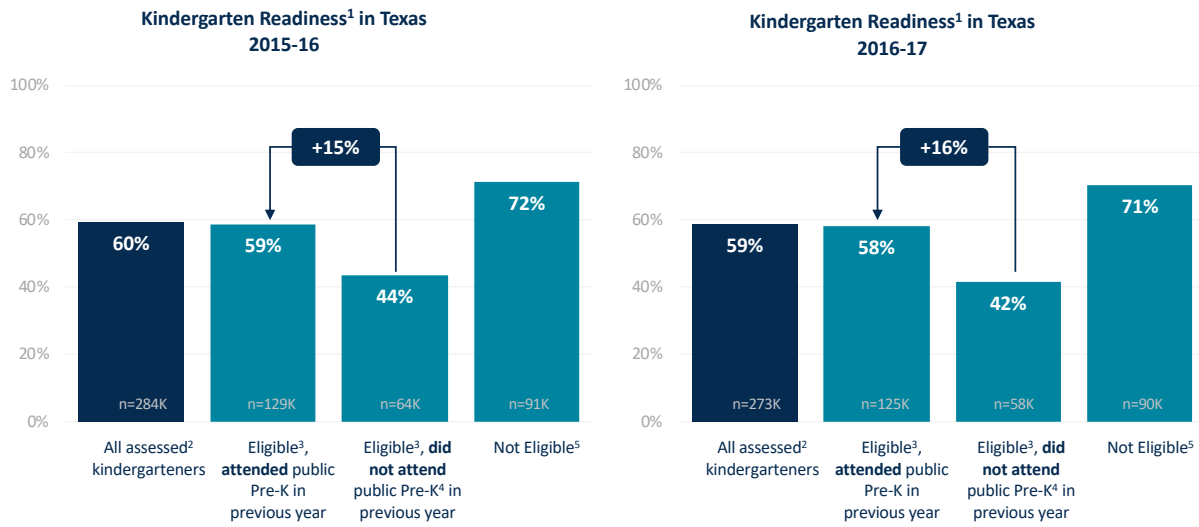
| Public Pre-Kindergarten Enrollment by Full or Half Day Program and ADA Eligibility for 2016-17 School Year |          |                   |                  |                   |                  |                      |                  |
|--|----------|-------------------|------------------|-------------------|------------------|----------------------|------------------|
|  |          | 2016-2017         |                  |                   |                  |                      |                  |
|  |          | Total Enrolled    |                  | ADA Eligible      |                  | Not Eligible for ADA |                  |
|  |          | Students Enrolled | Percent Enrolled | Students Enrolled | Percent Enrolled | Students Enrolled    | Percent Enrolled |
| Age 3  | Full-Day | 14,546            | 53%              | 13,857            | 53%              | 689                  | 54%              |
|  | Half-Day | 13,042            | 47%              | 12,454            | 47%              | 588                  | 45%              |
|  | Total    | 27,588            | 100%             | 26,311            | 100%             | 1,277                | 100%             |
| Age 4  | Full-Day | 107,497           | 55%              | 100,600           | 54%              | 6,897                | 60%              |
|  | Half-Day | 89,029            | 45%              | 84,508            | 46%              | 4,521                | 40%              |
|  | Total    | 196,526           | 100%             | 185,108           | 100%             | 11,418               | 100%             |
| Total  | Total    | 224,114           | 100%             | 211,419           | 100%             | 12,695               | 100%             |

| Number of Districts Offering Full and Half Day Pre-K |                           |                         |
|--|---------------------------|-------------------------|
|  | 2016-2017                 |                         |
|  | Districts Providing Pre-K | Schools Providing Pre-K |
| Full-Day Only  | 452                       | 1,464                   |
| Half-Day Only  | 296                       | 1,369                   |
| Full and Half-Day                                    | 303                       | 519                     |
| Total  | 1,051                     | 3,352                   |

Source: Texas Education Agency



# Public Pre-K Strongly Increases Kindergarten-Readiness for Eligible Students...



<sup>1</sup> Kindergarten readiness rates reflect the percentage of students who met or exceeded the cut-off score for a particular assessment out of all students who were assessed.  
<sup>2</sup> Assessed using an assessment on the Commissioner's List of Reading Instruments.

<sup>3</sup> To be eligible to attend a state funded prekindergarten program, the child must meet one of the following prekindergarten eligibility criteria:

- is unable to speak and comprehend the English language;
- is educationally disadvantaged, which means a student eligible to participate in the national free or reduced-price lunch program;
- is homeless;
- is the child of an active duty member of the armed forces of the United States;
- is the child of a member of the armed forces who was injured or killed while on active duty;
- is the child of a person eligible for the Star of Texas Award as a peace officer, firefighter, or emergency medical first responder; or
- is or ever has been in foster care.

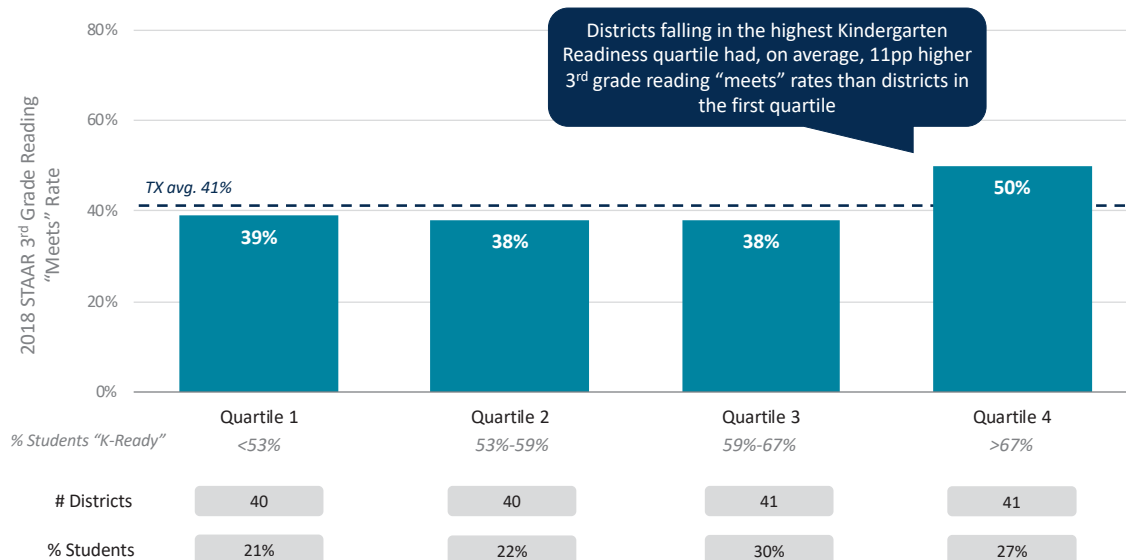
<sup>4</sup> Students in this group may have attended private prekindergarten.

<sup>5</sup> Students in this group may have attended private prekindergarten, may have attended public prekindergarten, or may not have attended prekindergarten.



## ...and Those with Higher Kindergarten-Readiness Rates in 2017 also had, on Average, Higher 3<sup>rd</sup> Grade Reading "Meets" Rates in 2017

2018 District STAAR 3<sup>rd</sup> Grade Reading Rates, Tiered by Largest District's 2017 Kindergarten Readiness Rates<sup>1</sup>



Source: Kindergarten Readiness: TPEIR 2017 report; 3<sup>rd</sup> grade reading "meets" rates: 2018 TEA STAAR report  
 (1) Only the state's 200 largest districts that deliver Kindergarten Readiness assessments are included in this analysis



# FFC 2.0

Putting the future back in FFC

*Feb 15, 2018*



## FFC Purpose

to provide findings and recommendations from community stakeholders to the Board of Trustees relating to **budgets and long-range financial planning** to support the District's Strategic Plan.

Texas School Finance  
Legislative Environment

Comparison  
Data

Property Values  
Property Tax Rates

General  
Operating  
Budget

Enrollment  
Trends

Strategic Plan

WALK THE TALK. EXCEL TOMORROW.  
2016-2021  
STRATEGIC PLAN

Staffing  
& Compensation

# 2018 FFC Recommendations



# RECOMMENDATION 1...



We recommend **investing in the overall elementary experience** including facilities, programs of choice, services, personnel, and marketing to counter declining enrollment trends.



## Examples:

- Elementary STEM Academy
- Full-day pre-k/expanded pre-k
- Reimagined spaces for 21st Century learning
- Foreign language offerings
- Teacher Aides to relieve teachers

FFC 2018 Recommendations



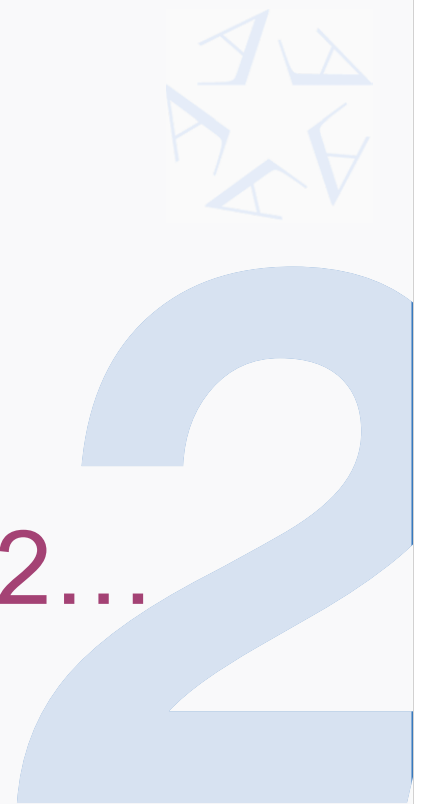
## Marketing is key!

Parents need to know the **grass is greener in AISD**—not on the other side of the fence.

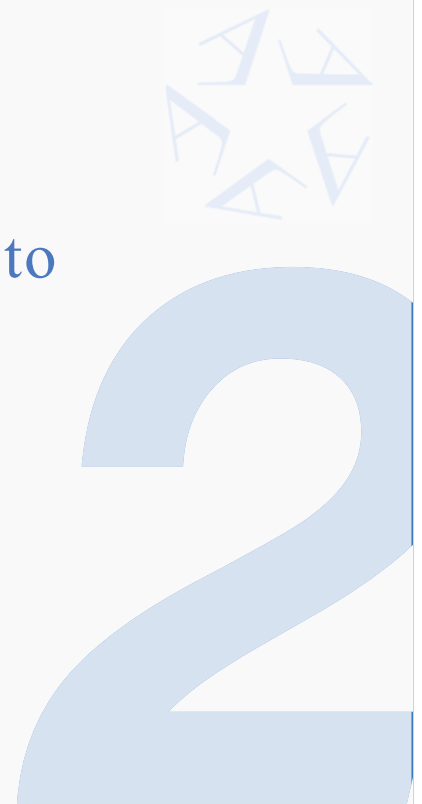
FFC 2018 Recommendations



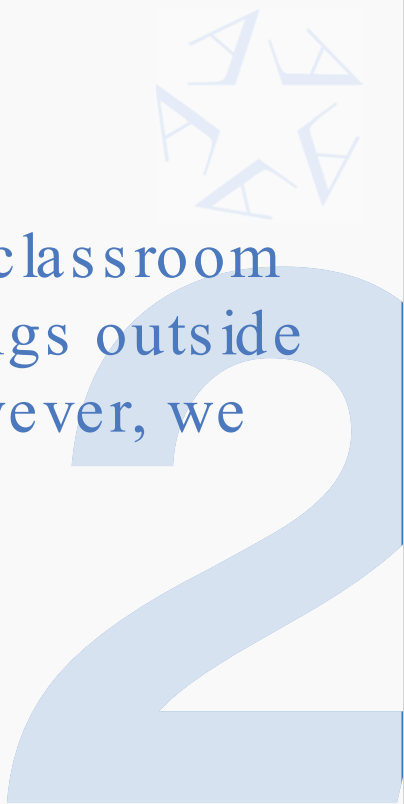
## RECOMMENDATION 2....



We recommend the Board continue to evaluate the cost-effectiveness of facilities, programs, personnel, and services.





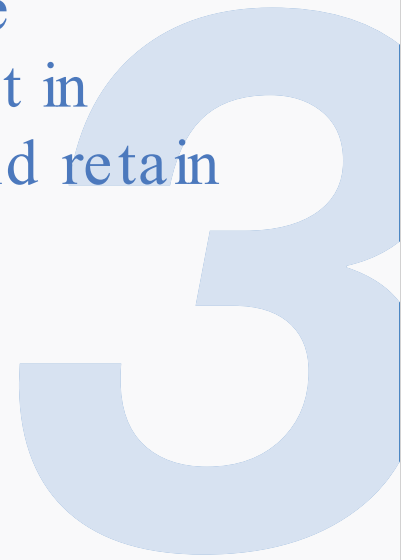


Because we spend less outside the classroom than other districts, meaningful savings outside of the classroom will be limited. However, we still need to look for opportunities.

FFC 2018 Recommendations



**RECOMMENDATION 3....**




The district **must** continue to provide competitive compensation and invest in leadership development to attract and retain highly qualified staff.

FFC 2018 Recommendations



RECOMMENDATION 4....




We recommend the Board **decrease the I&S tax rate** and **increase the M&O tax rate**—by equal amounts—resulting in *no change* to the overall tax rate.

FFC 2018 Recommendations



**TRE SWAP**

FFC 2018 Recommendations



In addition, we recommend **preserving flexibility in the I&S rate** on top of the swap to allow **for any future capital needs without the need for raising the I&S rate.**

FFC 2018 Recommendations