

Testimony

Senate Bill 4 as Introduced and House Bill 3 as Passed by the House of Representatives Testimony Before the Senate Education Committee

by Kara Belew, Senior Education Policy Advisor

TPPF Position: On

Rationale:

Texans are highly concerned with high levels of government spending, and growth in government that outstrips the growth in population plus inflation and Texans’ ability to pay. School finance reform may make it difficult for the Texas Legislature to stay within the Foundation’s Conservative Texas Budget (CTB) limits.

Under HB3—as passed out of the House of Representatives—it is possible that education spending will increase approximately \$9.5 billion per biennium. All of these funds would come from state general revenue. This would be over the CTB. Under the CTB limit, the Legislature can only increase state funds spending by approximately \$11.8 billion. This means that after the increase in education spending, the Legislature would only have \$2.3 billion left to increase state spending (general revenue, general revenue-dedicated, and other state funds) for the rest of state government.

More taxpayer money for public education does not lead to better student results. Texans are spending [\\$61 billion on public education or nearly \\$12,000 per student](#) or approximately \$264,000 per classroom. Both the [Texas Education Agency](#) and the Texas Supreme Court recognize [there is no significant relationship between spending and education outcomes](#). TEA data also indicate more taxpayer dollars do not guarantee better schools or more educated students.

Currently in Texas, some very high-poverty and relatively low-spending schools are achieving some of the best results in the nation. For example, despite having very high percentages of economically disadvantaged and English Language Learner students—and the district spending less per student and on teacher salaries than the statewide average—Annie S. Putegnat Elementary School in Brownsville ISD (below) is [substantially outperforming many Texas schools](#) and has the highest 3rd-grade reading results in the nation.

Table 1. Putegnat Elementary, Brownsville ISD vs. Statewide average student results

Putegnat Elementary	
Subject	Percent of students performing at grade level
Reading	69% at grade level vs. 46% state average
Math	74% at grade level vs. 50% state average
Putegnat Elementary vs. statewide average	
Economically Disadvantaged Students	99.1% vs. 59%
English Language Learners	77.7% vs. 18.9%
Hispanic Students	96.9% vs. 52.4%
District average teacher salary	\$52,755 vs. \$53,334
District spending per student	\$11,114 vs. \$12,787

It matters far more how Texas school districts spend taxpayer dollars than how much they spend. Texas student reading results are poor and declining compared to other states. New taxpayer dollars should be utilized on programs that demonstrate a high likelihood of improving student outcomes.

I. The STAAR provides Texans with accurate, fair, and independent information about whether our Texas children are performing at grade level in reading and math.

The most fundamental obligation of our schools is to teach our children to read and do math at grade level or above. Parents, students, taxpayers, and legislators *have a right to know* if our schools are teaching our students to read and do math at grade level.

The STAAR is not about making school districts and schools feel good about themselves. It is about giving parents and teachers [accurate information about what students know and are able to do](#).

Some have argued that the [STAAR test is not accurate for “reading.”](#) But according to the TEA, the [STAAR is a fair and accurate measure of student reading performance](#). Consider the following facts about the [STAAR test](#):

- Current Texas classroom teachers in the tested grade and subject review and approve all STAAR questions.
- The STAAR measures what students know and are able to do.
- All questions are field-tested before being utilized on the STAAR or for accountability purposes.
- Parents and teachers can go online and see all STAAR test questions for every student, as well as their student’s answer, the answer rationale, and how the question aligns to the Texas Essential Knowledge and Skills.
- STAAR ensures all Texas children are taught the same knowledge skills at the same level of rigor. As a result, it makes it harder for schools to have lower expectations for students from poor families and neighborhoods.
- The STAAR uses clear labels for student performance, including “does not meet grade level,” “approaches grade level,” “meets grade level,” and “masters grade level.”
- Texas needs an independent check on our Texas schools.

Too often, parents and students are told their child is prepared for success after high school, only to find their [child must take expensive and time-consuming remedial courses](#) when they enter college or university. The Texas Higher Education Coordinating Board indicates that [27 percent of Texas students need remedial courses](#) and only [22 percent graduate high school with a college-ready SAT or ACT score](#).

STAAR is not the only test that indicates Texas has a significant learning problem. The Nation’s Report Card (NAEP)—the gold standard for testing—indicates [Texas students are losing ground compared to](#)

Table 2. 2018 Texas student performance STAAR

2018 Texas Student Performance STAAR			
	Estimated Number of Students Below Grade Level	Percent Below Grade Level	Change From 2017
3rd Grade			
Reading	233,565	57%	Declining
Math	217,174	53%	Declining
8th Grade			
Reading	203,224	51%	Declining
Math	195,255	49%	Improving
Science	191,270	48%	Improving

Table 3. 2017 Texas student performance Nation’s Report Card (NAEP)

2017 Texas Student Performance - Nation’s Report Card (NAEP)			
	National Rank	Percent of Students Below Proficient	Change From 2015
4th Grade			
Reading	46th lowest	71%	Declining
Math	19th lowest	59%	Declining
8th Grade			
Reading	42nd lowest	72%	Declining
Math	25th lowest	67%	Declining

Table 4. Texas achievement gaps by urban districts on Nation’s Report Card (NAEP) 2017

Texas achievement gaps by urban district on NAEP TUDA 2017			
	Percent of white children that are proficient	Percent of African American children that are proficient	Percent of Hispanic children that are proficient
4th Grade Reading			
Austin ISD	67%	17%	19%
Dallas ISD	Not Available	10%	15%
Ft. Worth ISD	49%	13%	15%
Houston ISD	58%	10%	16%
8th Grade Math			
Austin ISD	61%	12%	23%
Dallas ISD	Not Available	9%	15%
Ft. Worth ISD	41%	6%	16%
Houston ISD	53%	11%	15%
4th Grade Math			
Austin ISD	73%	26%	30%
Dallas ISD	Not Available	19%	33%
Ft. Worth ISD	62%	12%	25%
Houston ISD	70%	20%	30%
8th Grade Math			
Austin ISD	70%	11%	21%
Dallas ISD	Not Available	13%	19%
Ft. Worth ISD	46%	8%	18%
Houston ISD	67%	13%	21%

[other states](#) and Texas’ urban districts are failing to teach all demographics to read at a proficient level, and there are significant achievement gaps.

[Simply put, the STAAR is similar to an X-ray machine.](#) It tells parents, teachers, and students what our children know and are able to do. You might not like an X-ray that shows your arm is broken. Fine, nobody likes bad news; it’s often smart to get a second opinion. But if an MRI and other scans also show your arm is broken, the sensible thing to do is get it set—not throw out the X-ray machine.

II. The Legislature should direct school boards to establish literacy and math student achievement goals in third and eighth grades and college, career, and military readiness goals in high school.

As noted above, Texas’ student reading and math scores are declining when compared to other states and Texas children are struggling to read in elementary, middle, and high schools.

There is a significant body of recent research providing that [school boards that focus on student achievement can improve student outcomes](#), and that school board members have the power to be transformative in the outcomes of our students.

Nonetheless, many well-meaning Texas school board members do not know for their school district or individual schools:

- How many children are reading or performing math below grade level;
- Whether reading and math results are improving or declining over time.

To the extent school boards do have goals for their students, their goals are often very vague. Specifically, the goals will lack a student performance current baseline, target for student improvement, deadline to measure success, and/or method to hold school district administrators responsible for improvement. For example, a typical school board goal might provide:

- Students will improve academically; or
- Students will graduate career- and college-ready.

To help encourage school boards to adopt meaningful student achievement goals, implement best practices, and hold school district administrators accountable for student performance, over the last three years the Texas Education Agency has adopted the [Lone Star Governance](#) program and routinely trains and advises school boards on the benefits of student outcome goal adoption.

Further, to ensure school boards start focusing on student results, after months of testimony, the Texas Commission on Public School Finance's number one recommendation was that [school boards establish three-year and five-year goals at the district and campus level](#), disaggregated by student group and annually publicly report their progress toward their goals.

School boards can adopt student achievement school board goals at no cost, and their adoption might encourage a much better alignment of taxpayer money to focus on student achievement, from the school board room to the classroom. Because of the research support and cost-effectiveness of adopting school board goals, the Foundation included requiring school boards to adopt student outcome goals in its legislative agenda [Right on Public Education: Texas' Agenda to Restore Money to the Classroom and Eliminate the Main School Property Tax](#).

[The Foundation recommends the Legislature should require:](#)

- Our Texas school boards to establish public student outcome goals in reading and math in third and eighth grade and for career, college, and military readiness;
- For student outcome goals to be aligned with [Texas' new A-F Accountability System objectives](#) to improve reading and math scores for all Texas student groups; and
- For school boards to publicly monitor and report results.

In addition, the Texas Education Agency should be able to make rules; this should help ensure that the student outcome goals are aligned to best-practices and other state programs and strategies, including [Lone Star Governance](#).

III. The Texas Legislature should require school district efficiency audits prior to maintenance and operations (M&O) elections.

Texans are demanding meaningful property tax relief and reform. [Property tax reform should include](#) helping ensure that [school districts are using taxpayer money efficiently](#) before increasing taxes. [House Bill 3](#)—as passed by the Texas House of Representatives—requires that, prior to seeking a maintenance and operations (M&O) voter-approved tax increase, a school district must conduct an efficiency audit in accordance with Legislative Budget Board guidelines to identify cost savings, and whether the school district has implemented cost effective programs already demonstrated to improve student outcomes.

According to at least one prominent efficiency audit practitioner, the savings identified through efficiency audits are consistently at least 10 times the cost.¹ That threshold of savings appears to be consistent with the experience of other state and local governments, including:

- **Detroit Public Schools:** Facing a deficit of more than \$300 million, Detroit's distressed public school system initiated a wide-ranging performance audit that "[identified \\$53 million in annual savings.](#)"
- **The State of Kansas:** In 2016, efficiency auditors provided 105 separate recommendations that were estimated to generate more than \$2 billion over five years.

¹ Phone conversation between Foundation staff and Erin Covington, Alvarez and Marsal, on April 23, 2019.

- **The State of Wyoming:** In 2017, Wyoming legislators created the [Wyoming Spending and Government Efficiency Commission](#) which oversaw a third-party audit of certain state agencies' budget and operations. This limited review identified opportunities to improve the state's fiscal position by \$227.6 million over a biennium.

In 2018, the city of Austin asked voters to accept or reject Proposition K, which would have required a third-party independent audit of the city's budget and operations. While Austinites ultimately rejected the proposition, it was estimated that taxpayers could have seen "[savings of between 4 and 10 percent of total city expenditures, or \\$156 million to \\$390 million a year, based on the current \\$3.9 billion budget.](#)"²

To ensure efficiency audits are not expensive for school districts, House Bill 3 ensures:

- The school district can use its existing CPA/auditor. That auditor will already be familiar with the school district and its programs, records, and personnel.
- The efficiency auditor must use a predefined LBB guideline document, limiting the audit scope.
- The auditor must complete the audit in three months or less.
- The school board does not have to implement the audit recommendations.

IV. New taxpayer funds for public education should be available to school districts that choose to implement locally designed and robust teacher merit pay programs.

The [quality of our classroom teachers is the most important in-school factor that affects student success](#). The more effective teachers that Texas can place and retain in classrooms, [the better for students and the state](#).

[Evidence of the effectiveness of merit pay programs in improving student outcomes](#) is available from Dallas ISD's Teacher Excellence Initiative (TEI).

The Dallas ISD TEI encourages teachers to continuously improve and implement research-based best practices in the classroom. Under TEI in Dallas ISD, [teacher performance](#) is evaluated and higher salaries earned when teachers:

- Design clear, targeted, and appropriate lessons, with a focus on lesson structure, data usage, and assessment design;
- Develop and execute highly effective and rigorous instruction, with a focus on instruction delivery, mastery, cognitive demand, and alignment;
- Pursue continual improvement, including professional development, partnerships, and communication; and
- Build and support rigorous learning environments focused on behavior expectations and climate and culture.

[Dallas ISD TEI teacher effectiveness](#) is typically determined based on:

- Teacher performance, including classroom observations,
- Student achievement, and
- Student surveys.

Data demonstrates Dallas ISD is seeing dramatic improvements in student achievement under TEI teacher merit pay program.

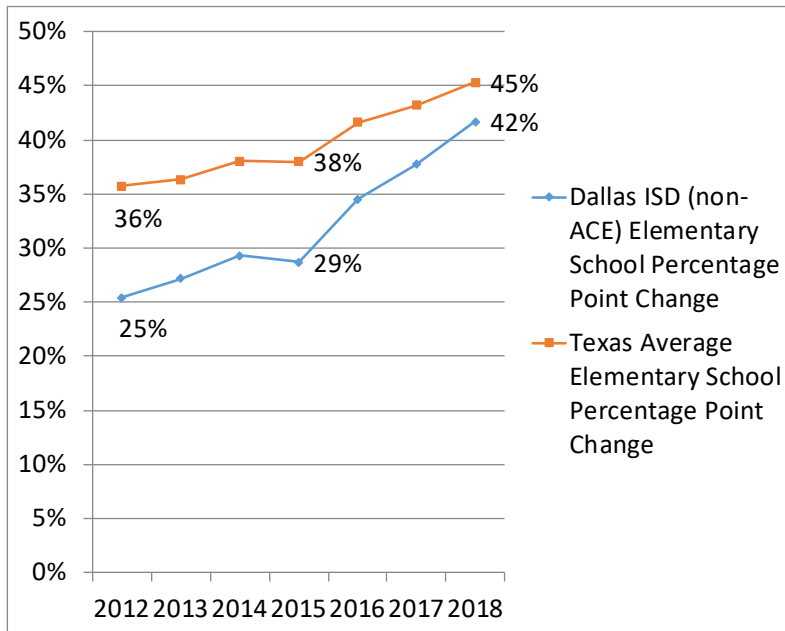
At the outset, it is important to remember when reviewing Dallas ISD TEI data that Dallas ISD is educating a much bigger population of economically disadvantaged students than the statewide average; [Dallas ISD is 86 percent economically disadvantaged](#) versus 59 percent statewide on average.

Under the Dallas ISD TEI (non-ACE) teacher merit pay program, from 2012 to 2018, Dallas ISD's elementary schools:

- Collectively grew student achievement from approximately 25 percentage points to 42 percentage points, approaching the statewide student achievement average of 45 percentage points;
- Had student achievement growth of 5 percentage points or more at approximately 121 of 140 elementary schools;

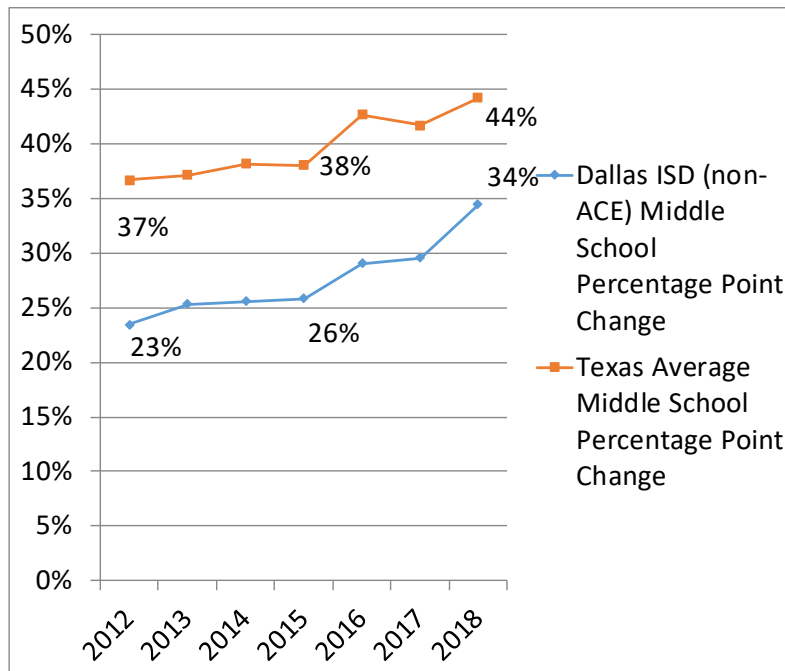
² Mark Lisher, "[Austin Citizens Group Set to Turn in Signatures to Get Audit Question on Ballot](#)" (*Texas Monitor*, July 11, 2018).

Table 5. Dallas ISD (Non-ACE) elementary school STAAR achievement (all tests and all grades) growth under TEI teacher merit pay program



Source: Commit to Dallas email correspondence with the Foundation and [STAAR Aggregate Data](#).

Table 6. Dallas ISD middle school growth in STAAR achievement (all tests and all grades) under TEI (non-ACE) teacher merit pay program



Source: Commit to Dallas email correspondence with the Foundation and [STAAR Aggregate Data](#).

- Grew student achievement approximately 17 percentage points, much faster than the statewide student achievement growth average of 9 percentage points; and
- Had approximately 41 schools at or below the statewide student achievement average (36 percentage points) grow to a student achievement above the statewide average (45 percentage points).

The Texas Legislature should create an [opt-in process for districts to develop and implement](#):

- A locally designed teacher merit pay plan that employs multiple measures in defining an effective teacher, including academic growth of students, classroom observations, student perception surveys, and teacher leadership roles.
- Once effective teachers are identified and rewarded, further incentivize teachers to work in hard-to-teach classrooms and subjects. ★

Table 7. List of Dallas ISD TEI (non-ACE) elementary schools that grew student achievement from below statewide average to above statewide average on STAAR achievement (all tests and all grades) under TEI teacher merit pay program

Dallas ISD (non-ACE)	2012 Student Achievement	2018 Student Achievement	Percent Change
LARRY G SMITH EL	17%	47%	29%
REINHARDT EL	18%	49%	31%
JACK LOWE SR EL	19%	51%	33%
LENORE KIRK HALL EL	19%	50%	31%
CENTRAL EL	19%	56%	37%
RICHARD LAGOW EL	19%	47%	28%
JOHN H REAGAN EL	20%	48%	29%
LEILA P COWART EL	21%	47%	26%
JOHN F KENNEDY LEARNING CENTER	22%	49%	27%
L O DONALD EL	22%	50%	28%
URBAN PARK EL	23%	46%	24%
GILBERT CUELLAR SR EL	23%	46%	23%
NANCY MOSELEY EL	23%	45%	22%
WINNETKA EL	23%	50%	27%
ARTURO SALAZAR EL	24%	50%	26%
ARTHUR KRAMER EL	24%	50%	26%
CELESTINO MAURICIO SOTO JR EL	24%	53%	28%
LESLIE A STEMMON'S EL	25%	48%	23%
MARGARET B HENDERSON EL	25%	60%	36%
ASCHER SILBERSTEIN EL	25%	48%	23%
ALEX SANGER EL	26%	54%	28%
SUDIE L WILLIAMS EL	26%	52%	26%
JULIAN T SALDIVAR EL	27%	49%	23%
JOHN J PERSHING EL	27%	45%	19%
JULIUS DORSEY EL	27%	55%	28%
ANNE FRANK EL	27%	47%	20%
LOUISE WOLFF KAHN EL	27%	49%	21%
CASA VIEW EL	28%	56%	28%
ARCADIA PARK EL	28%	53%	25%
CHARLES RICE LEARNING CENTER	29%	52%	23%
HENRY B GONZALEZ EL	31%	56%	25%
ELADIO R MARTINEZ LEARNING CENTER	32%	46%	14%
DAVID G BURNET EL	32%	48%	16%
HARRY C WITHERS EL	32%	59%	27%
PRESTON HOLLOW EL	32%	51%	20%
DAN D ROGERS EL	33%	54%	22%
OBADIAH KNIGHT EL	34%	51%	17%
MARTHA TURNER REILLY EL	35%	52%	17%
F P CAILLET EL	36%	45%	9%
WALNUT HILL EL	36%	64%	28%
J P STARKS EL	36%	49%	13%



Kara L. Belew, J.D., CPA, is an attorney and accountant with expertise in public education finance and policy. She served both Gov. Perry and Gov. Abbott in key education and budget positions. She recently served as Gov. Abbott's statewide budget director, focusing on franchise and property tax relief. As the senior education advisor at the Texas Public Policy Foundation's Center for Innovation in Education, Belew is devoted to ensuring that the \$114 billion in taxpayer dollars spent on public education each biennium is utilized to improve student outcomes across Texas, and not on water parks and expensive administration buildings. In addition, Belew works to ensure that taxpayers, parents, legislators, and educators are informed about Texas' dismal student results. She also focuses on policies that will support every child in Texas having good school options in their neighborhood, because no child should be trapped in a failing Texas school.

About Texas Public Policy Foundation

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The public is demanding a different direction for their government, and the Texas Public Policy Foundation is providing the ideas that enable policymakers to chart that new course.

