



September 30, 2020

The Honorable Dan Huberty
Chair, House Committee on Public Education
Texas House of Representatives
P.O Box 2910
Austin, Texas 78768-2910

Re: Notice of Formal Request for Information, Interim Charge 1

Chairman Huberty and Committee Members,

Thank you for the opportunity to submit information regarding Interim Charge 1[A], Question 1: *Can the state delay implementation of the teacher incentive pay program to push it out to the next biennium? If so, what would be the impact on the current budget, as well as budget implications for the 2022- 23 biennium?*

This letter is submitted on behalf of Texas 2036, a statewide, non-partisan think tank and advocacy group working to leverage data, research, and strategic planning to ensure that Texas remains the best place to live, work, and do business in the future.

Teachers are the single most important in-school factor to student success. Teacher quality affects student performance, educational attainment, and critical, longer-term outcomes such as employment and earnings. Research has demonstrated that highly effective teachers (top 5%) increase their students' expected lifetime earnings by \$4,600 compared to average teachers, with all else being equal.¹ Alternatively, highly ineffective teachers (bottom 5%) reduce their students' average lifetime earnings by roughly \$14,500 compared to average teachers.² State and local policies to retain and deploy our best teachers have massive implications, both to the present success of our students and to our state's future economic prosperity and competitiveness.

We submit that Texas cannot afford to delay implementation of the teacher incentive pay program until the next biennium. House Bill 3's Teacher Incentive Allotment is a proven approach to strategically deploying highly effective teachers to the campuses that need quality teachers the most. The Teacher Incentive Allotment enables districts to design locally appropriate systems to evaluate and reward teachers based on their contributions to student learning. It incentivizes teachers to teach at high-need campuses, where they can have the greatest impact and contribute in closing wide achievement gaps between student groups. For these reasons, 825 Texas districts (more than two-thirds) have already submitted letters declaring their intention to participate in the Teacher Incentive Allotment.³

Districts across Texas had been successfully developing similar programs for years before this program was adopted. Dallas ISD, Fort Worth ISD, and Aldine ISD, among other districts, implemented programs to evaluate teachers and attract highly effective ones to struggling and high-need campuses. They achieved extraordinary results, quickly turning around failing schools and improving student outcomes. The Accelerating Campus Excellence (ACE) program at Dallas ISD

¹ Chetty, Friedman, and Rockoff, "Measuring the Impacts of Teachers II: Teacher Value-Added and Student Outcomes in Adulthood," American Economic Review, Sep. 2014.

² Ibid. <https://www.aeaweb.org/articles?id=10.1257/aer.104.9.2633>

³ <https://tiatexas.org/about-teacher-incentive-allotment/participating-and-aspiring-districts/>

had particular success, resulting in 12 of its 13 campuses moving off of the TEA's Improvement Required list after only one year of adopting ACE.⁴

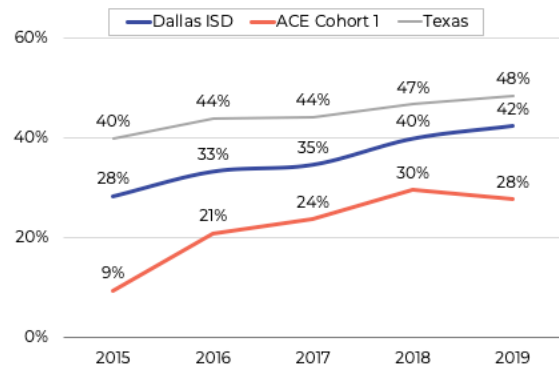
Perhaps more importantly, abandoning and delaying strategic compensation programs can have immediate, negative consequences to students and campuses.

In 2018, Dallas ISD pulled funding from five ACE campuses that had seen tremendous growth since the program's inception in 2015. Immediately, student performance declined: while the district as a whole improved by 3 percentage points in math, scores at these former ACE campuses declined by 5 percentage points.⁵ Schools such as Billy Earl Dade Middle School and Roger Q. Mills Elementary School lost at least half of their teachers to turnover, unraveling impressive school cultures that had been built steadily over three years.⁶ Ultimately, Dade and Elisha M. Pease Elementary School received D ratings from the state, while Mills received an F.⁷

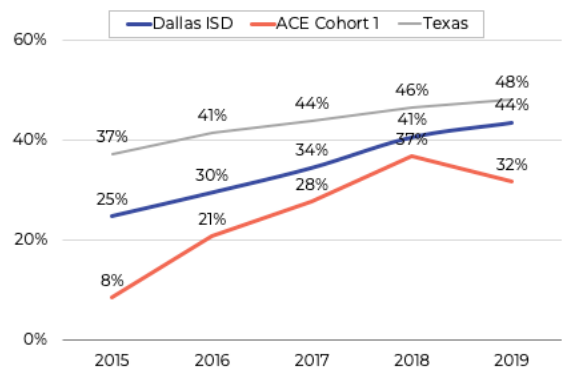
44 districts across Texas are set to participate in Cohort A and 35 will participate in Cohort B of the Teacher Incentive Allotment, representing 785,000 students among them. More than 800 districts representing 2.5 million students have signed letters of intent to ultimately participate in the program. Delaying implementation of the Teacher Incentive Allotment will likely have the same, disturbing consequences that those five former ACE campuses at Dallas ISD experienced when funding was pulled in 2018. This program is an essential tool not only to recognize and retain highly effective teachers, but also ensure that our state's highest need campuses have the talent they need to effectively educate students. In a state with widening achievement gaps and hundreds of chronically underachieving campuses, this program can help bring highly effective teachers to struggling and high-need campuses.

For over a decade, Texas has been steadily falling in student achievement compared to other states. From 2007 to 2019, Texas fell from 33rd among states in 4th grade reading proficiency to 45th in the National Assessment of Educational Progress.⁸ Wide, persistent achievement gaps between student

All Subjects: STAAR "Meets Grade Level" Rates, 2015-2019



Math: STAAR "Meets Grade Level" Rates, 2015-2019



⁴ Texas Commission on Public School Finance, "Funding for Impact: Equitable Funding for Students Who Need It the Most," Dec. 2018, Exhibit P-3.

<https://tea.texas.gov/sites/default/files/Texas%20Commission%20on%20Public%20School%20Finance%20Final%20Report.pdf>

⁵ Texas Education Agency, Texas Academic Progress Reports, 2015-2019. Accessed through the Commit Partnership's STAAR Comparison Tool,

https://public.tableau.com/profile/the_commit_partnership#!/vizhome/STAARComparisonTool/Dashboard1

⁶ <https://www.houstonchronicle.com/news/education/article/Dallas-Aldine-ISD-gains-money-school-district-15057712.php>

⁷ Texas Education Agency, Texas Academic Progress Report, 2019 report.

⁸ National Assessment of Educational Progress, 4th Grade Reading, "At or Above Proficiency," 2007-2019.

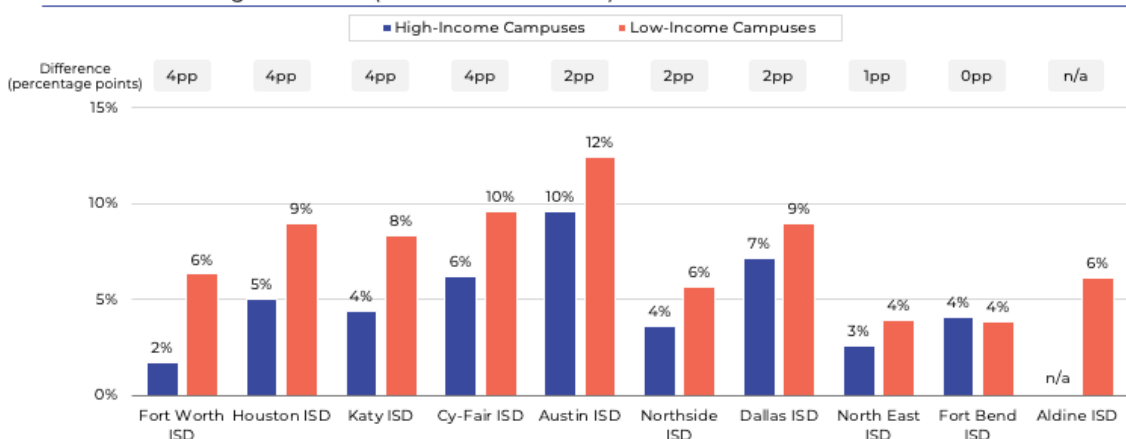
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groups—by income, race, and language, among other factors—have played an important role in this decline. In 2019, only 19% of low-income (free or reduced-price lunch) 4th graders met grade level, compared to 48% of non-low income 4th graders.⁹ These dramatic achievement gaps reveal a stratified education system where some students achieve nationally competitive results while others—particularly students of color and those from low-income backgrounds—fall behind. As Texas’s student demographics change, it has become imperative to our state’s continued economic growth and prosperity that we effectively educate students in high-need schools and communities.

One major reason for wide student achievement gaps is an inequitable distribution of effective teachers in campuses and districts across Texas. Teachers at high-poverty campuses (>75% Economically Disadvantaged) have, on average, 1.4 fewer years of experience than teachers at low-poverty campuses (<25% Economically Disadvantaged).¹⁰ Similarly, teachers at high-poverty campuses are 66% more likely to be in their first year teaching and 21% less likely to hold a master’s degree or higher.¹¹ While these metrics do not necessarily indicate teacher effectiveness, they reveal a concerning trend that veteran, highly qualified teachers are far more likely to work in middle- and higher-income settings.

These trends become yet more alarming when studying the current distribution of teachers *within* districts. In the state’s largest districts, which enroll tens of thousands of students across dozens and even hundreds of campuses, experienced teachers tend to cluster at low-poverty campuses. For example, within the ten largest districts in Texas, teachers at low-poverty campuses have an average of 1.6 years more years of experience than teachers at high-poverty campuses.¹² This trickles into other areas such as salary—in these 10 districts, teachers at low-poverty campuses earn almost \$1,000 more than teachers at high-poverty campuses, on average.¹³ The Teacher

Share of Beginning Teachers at High-Income (<30% EcoDis) and Low-Income (>70% EcoDis) Campuses in Texas’s Ten Largest Districts (2018-2019 School Year)



Incentive Allotment can help districts make more intentional and successful efforts to ensure that resources—namely, highly effective teachers—are distributed equitably across campuses.

The COVID-19 pandemic has only increased the urgency for implementing the Teacher Incentive Allotment, for three reasons. First, COVID is exposing and exacerbating challenges regarding our

⁹ National Assessment of Educational Progress, 4th Grade Reading, “At or Above Proficiency,” 2019.

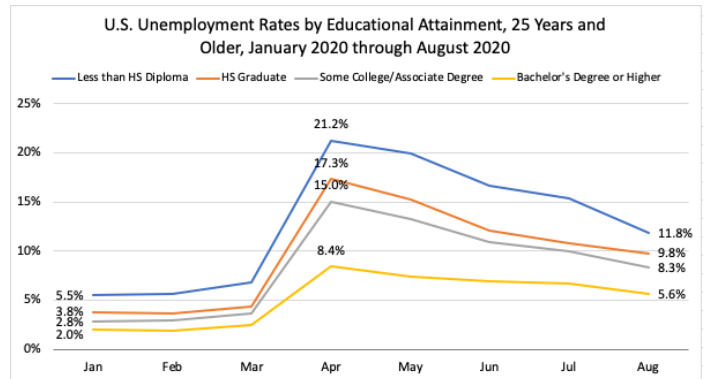
¹⁰ Texas Education Agency, Texas Academic Progress Reports, 2019 report.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

state's workforce. Job losses have been most prevalent among many of our most vulnerable communities and populations. In April, the Bureau of Labor Statistics reported unemployment rates that varied significantly by educational attainment: while only 8.4% of Americans with a bachelor's degree or higher were unemployed, that figure was 21.2% for Americans with less than a high school diploma.¹⁴ Research indicates that 32-42% of all jobs eliminated during the COVID-19 pandemic will not return.¹⁵ In order to ensure that our current students have the knowledge and skills to attain the stable, high-paying jobs of tomorrow, it has become even more critical that we work aggressively to ensure that traditionally low-performing campuses are meeting their potential.



Second, the COVID-19 pandemic has had devastating effects on student learning in Texas and across the nation. Compared to a normal school year, students are expected to retain only 63-68% of reading gains and 37-50% of math gains from the previous school year.¹⁶ According to one estimate, the U.S. stands to lose \$14.2 trillion in lifetime earnings due to lower educational attainment—proportionately, Texas would lose roughly \$1.5 trillion.¹⁷ The Tennessee Department of Education recently projected a 50% decrease in reading proficiency and 65% decrease in math among third graders.¹⁸ With roughly similar student income disparities, Texas should expect similar, historic drops in student achievement. Declines have been caused in part by gaps in internet access. According to Operation Connectivity, as many as 1.9 million Texas students lack broadband and 1.6 million students lack a laptop or tablet.¹⁹ While improving digital connectivity is critical, placing highly effective teachers in high-need settings is also necessary. COVID-19 hit hardest many of the students who were already furthest behind. In order to get these students back on track, we must work to ensure that they have access to the state's most effective teachers.

Finally, while COVID-19 has created massive education and workforce challenges, it has also diminished our state's ability to address those very challenges. In July of 2020, the Comptroller estimated that Texas will have a revenue shortfall of \$4.6 billion in the 2021 fiscal year, and \$11.6 billion less to spend than previously expected.²⁰ Revenue shortfalls mean that the state's limited resources should be spent on proven, high-return investments. The Teacher Incentive Allotment is expected to cost roughly \$90 million this biennium, with roughly 3,900 teachers receiving

¹⁴ U.S. Bureau of Labor Statistics, The Employment Situation – April 2020.

<https://www.bls.gov/news.release/pdf/empsit.pdf>

¹⁵ Barrero, Bloom, and Davis, "COVID-19 Is Also a Reallocation Shock," University of Chicago, Becker Friedman Institute, June 2020. https://bfi.uchicago.edu/wp-content/uploads/BFI_WP_202059.pdf

¹⁶ Kuhfeld, Megan, James Soland, Beth Tarasawa, Angela Johnson, Erik Ruzek, and Jing Liu. (2020). Projecting the potential impacts of COVID-19 school closures on academic achievement. (EdWorkingPaper: 20-226). Retrieved from Annenberg Institute at Brown University: <https://doi.org/10.26300/cdrv-yw05>

¹⁷ Hanushek, Woessmann, "The Economic Impacts of Learning Losses," Organisation for Economic Co-operation and Development," 2020.

http://hanushek.stanford.edu/sites/default/files/publications/The%20Economic%20Impacts%20of%20Learning%20Losses_final_v1.pdf

¹⁸ <https://apnews.com/article/virus-outbreak-tennessee-7cc2dfccabec0cc766db8c51fd572c02>

¹⁹ Results from Operation Connectivity Survey of LEA CTOs and superintendents. n=930.

²⁰ Texas Comptroller of Public Accounts, "Texas Comptroller Glenn Hegar Projects a Fiscal 2021 Ending Shortfall of \$4.6 Billion in Revised Revenue Estimate," July 20, 2020. <https://comptroller.texas.gov/about/media-center/news/2020/200720-cre.php>.



Recognized, Exemplary, or Master designations last month.²¹ While not an insignificant sum, over time, this investment should pay for itself many times over. Placing teachers in high-impact situations will increase the earnings potential—and tax contributions—of their students. This represents an important and timely investment in our human capital that can help secure brighter and more productive futures for thousands of Texas students.

The Teacher Incentive Allotment is an important step towards building a more equitable and efficient K-12 education system that works for all Texas students. Given the disproportionate effects of the COVID-19 pandemic on low-income communities and other vulnerable populations, implementation of strategic compensation systems has only become more critical. For the sake of students and the economic future of our state, we urge you to stand by your commitment to this important initiative.

This Request for Information was respectfully submitted by John Hryhorchuk, Director of Policy at Texas 2036. He can be reached in the following ways:

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²¹ <https://tiatexas.org/about-teacher-incentive-allotment/participating-and-aspiring-districts/>