



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[A]

Chairman Huberty and Committee Members,

Thank you for the opportunity to submit information regarding Interim Charge 1[A]: *HB 3, which relates to public school finance and public education. Monitor the Texas Education Agency's (TEA) implementation of the bill, including the extensive rulemaking process and broad unintended consequence authority of the commissioner. Examine the pay raises districts have provided to staff and the various approaches adopted to differentiate these salary increases according to experience.*

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.

As your committee addresses the important issue of public school financing amidst a pandemic-influenced budget, we urge you to focus on three key issues:

1. Major racial and socioeconomic disparities existed in academic performance before HB 3 and before the pandemic. These gaps have likely grown worse amidst the mass closure of schools and unequal access to rigorous online learning. **HB 3 was specifically tailored to address these achievement gaps and, now more than ever, it is important to follow through on these reforms as we address COVID-related learning loss.**
2. Before HB 3, our educational system was failing native Texans by leaving far too many unable to achieve living wage jobs and failing employers by forcing them to import talent from out of state to grow their businesses. In 2018, 44% of households in Texas did not earn a living wage, meaning that they could not afford basic necessities such as food, housing, transportation, and health care.<sup>1</sup> **Without a stable commitment to data-proven educational reform, Texas will not have the workforce it needs to continue its economic growth and maintain tax revenues.**
3. As our nation comes to grips with a history where race has too often played a role in limiting opportunity, **HB 3 represents one of the most serious successes by the Texas Legislature to address systemic inequality.** HB 3 tiered funding to higher concentrations of poverty, paid the best teachers more to go to historically-struggling campuses, increased dual language funding, created outcomes incentives to encourage districts to focus on low-income students, and paved the way for students who need additional time on task to receive additional class time. **The Texas legislature should not walk away from this civil rights achievement.**

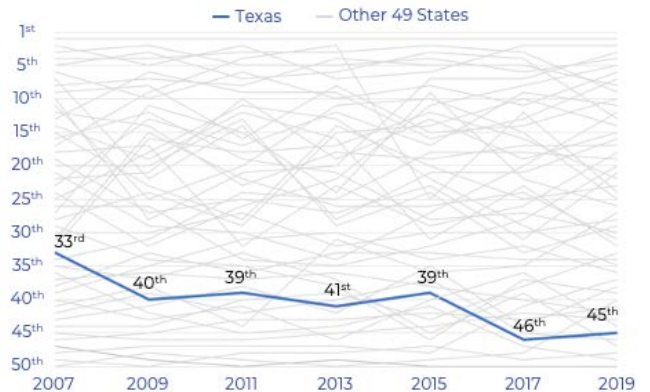
---

<sup>1</sup> United Way ALICE (Asset Limited, Income Constrained, Employed) Project, 2018 Texas report.

# TEXAS 2036

**HB 3 addresses years of low student performance and wide achievement gaps.** For over a decade, Texas has been steadily falling in student achievement compared to other states. From 2007 to 2019, Texas fell from 33<sup>rd</sup> among states in 4<sup>th</sup> grade reading proficiency to 45<sup>th</sup> in the National Assessment of Educational Progress.<sup>2</sup> Wide, persistent achievement gaps among student 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) 4<sup>th</sup> graders met grade level, compared to 48% of non-low income 4<sup>th</sup> graders.<sup>3</sup> 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.

NAEP 4<sup>th</sup> Grade Reading, State Rankings (Percent of 4<sup>th</sup> Graders Scoring “At or Above Proficiency”), 2007-2019



The COVID-19 pandemic has had—and continues to have—massive consequences on student learning. 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.<sup>4</sup> The Tennessee Department of Education recently projected a 50% decrease in reading proficiency and 65% decrease in math among third graders.<sup>5</sup> With roughly similar student income disparities, Texas should expect similar, historic drops in student achievement. Perhaps more importantly, COVID-19 has hit low-income and minority students the hardest. Due in part to gaps in internet access, our state’s vulnerable and marginalized students are suffering the largest learning losses, widening already-significant income- and race-based achievement gaps.

House Bill 3 invests in proven, research-based initiatives that can directly address both longstanding achievement gaps and learning loss brought on by COVID-19. For example, research has found that high quality pre-k can have dramatic effects on language and literacy skills; one study estimates that every dollar invested in quality pre-k creates an economic impact return as high as \$16.<sup>6</sup> Yet in Texas, only 44% of eligible 3- and 4-year-olds enrolled in public pre-k, compared to 54% nationwide.<sup>7</sup> HB 3 enables full-day pre-k for all eligible 4-year-olds, a critical investment that can effectively close achievement gaps early in our students’ lives. The Additional Days School Year program funds 30 additional days for eligible K-5 students to continue their learning and enrichment beyond the traditional school year. This program has taken on critical importance due to COVID-related school shut downs—it will be a lifeline to students, families, and schools working to make up for lost time in the classroom.

<sup>2</sup> National Assessment of Educational Progress, 4th Grade Reading, “At or Above Proficiency,” 2007-2019.

<sup>3</sup> National Assessment of Educational Progress, 4th Grade Reading, “At or Above Proficiency,” 2019.

<sup>4</sup> 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>

<sup>5</sup> <https://apnews.com/article/virus-outbreak-tennessee-7cc2dfccabec0cc766db8c51fd572c02>

<sup>6</sup> Rob Grunewald, “The Economic Case for Investing in Young Children.”

<https://www.minneapolisfed.org/-/media/files/publications/studies/earlychild/economic-case-for-investing-in-young-children.pdf?la=en>

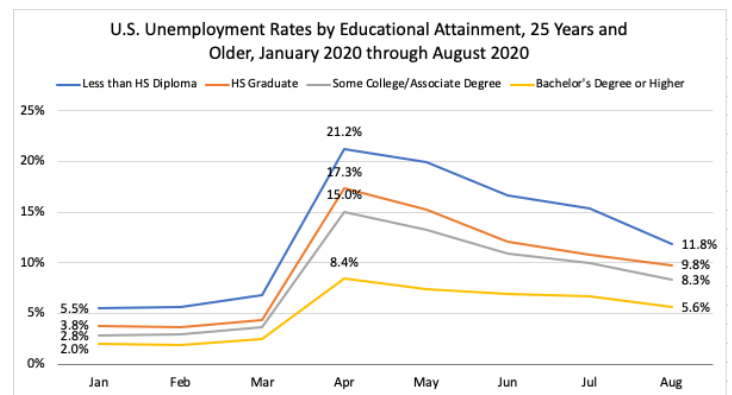
<sup>7</sup> Texas Education Agency, Texas Public Education Information Resource, “Pre-K Enrollment,” 2018 report.



**HB 3 is an investment in our state's future workforce and economic prosperity.** In a pre-COVID analysis, it was estimated that 71% of jobs in Texas would require at least some postsecondary experience.<sup>8</sup> In a changing and increasingly modern economy, postsecondary degrees and credentials are becoming the new high school diploma – no longer a luxury but essential to attaining high-paying, in-demand jobs.

Texas's education system has not been preparing students for this new reality. At every step on the pathway from early childhood to the workforce, students lag behind in key academic benchmarks. According to the Texas Education Agency, only 50% of Texas high school graduates qualify as college ready and far fewer (28%) meet college criteria on the SAT or ACT.<sup>9</sup> Further, not enough Texas students enroll in and graduate from postsecondary institutions. Within six years of high school, 72% of Texas students enroll in college and only 32% earn a degree or credential.<sup>10</sup>

COVID-19 has exposed and exacerbated challenges in our state's workforce and economy. 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.<sup>11</sup> Research indicates that 32-42% of all jobs eliminated during the COVID-19 pandemic will not return.<sup>12</sup> This means that our students will soon enter a workforce where postsecondary attainment is more often a prerequisite to attaining a job and leading a productive life.



HB 3 recognizes the importance of postsecondary degrees and credentials to the workforce of tomorrow. It has established the College, Career, and Military Readiness Outcomes Bonus, which incentivizes districts to focus beyond high school graduation for their students. Importantly, this program allocates 60% more funding for Economically Disadvantaged students who achieve readiness criteria than non-Economically Disadvantaged students, encouraging districts to ensure that all students are on the path to postsecondary and career. HB 3 also removes significant barriers to postsecondary access: for example, it establishes reimbursements for the SAT/ACT and makes FAFSA completion a requirement to high school graduation. Collectively, these initiatives will ensure that more Texas students experience postsecondary at a time when—due to COVID and longer-term economic trends—degrees and credentials have become critical to attaining a good job.

<sup>8</sup> Georgetown University Center for Education and the Workforce projection for Texas 2036, given March 2020.

<sup>9</sup> Texas Education Agency, Texas Academic Progress Reports, 2019 report.

<sup>10</sup> Texas Education Agency, Postsecondary Outcomes Report, 2018 data.

<sup>11</sup> U.S. Bureau of Labor Statistics, The Employment Situation – April 2020.

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

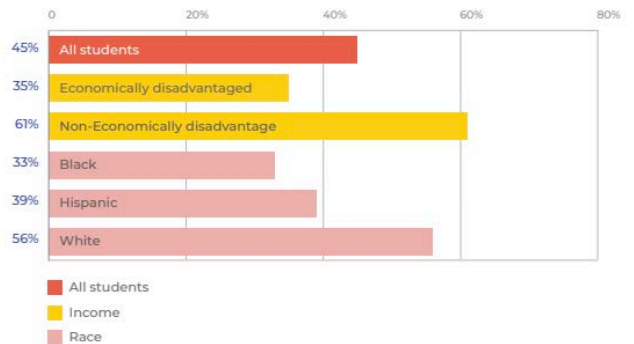
<sup>12</sup> Barrero, Bloom, and Davis, "COVID-19 Is Also a Reallocation Shock," University of Chicago, Becker Friedman Institute, June 2020. [https://bfi.uchicago.edu/wp-content/uploads/BFI\\_WP\\_202059.pdf](https://bfi.uchicago.edu/wp-content/uploads/BFI_WP_202059.pdf)

# TEXAS 2036

**HB 3 is an important piece of civil rights legislation that addresses racial and socioeconomic inequities head-on.** In Texas, access to opportunity varies widely by race, income, and other

factors. In this current moment, when the nation is reeling from and reckoning with longstanding racial inequities, our education system can and must work proactively to ensure that all students have access to opportunity. Yet in Texas, that has not always been the case historically. From early childhood through high school and postsecondary, wide disparities exist in outcomes by student race and income, culminating in gaps in educational attainment as well as employment and earnings. For example, White Texans are currently more than twice as likely as Black and Hispanic Texans to earn at least \$50,000 a year.<sup>13</sup>

Percentage of Texas third-graders who scored "Meets Grade Level" or higher on the STAAR reading assessment, 2018-19

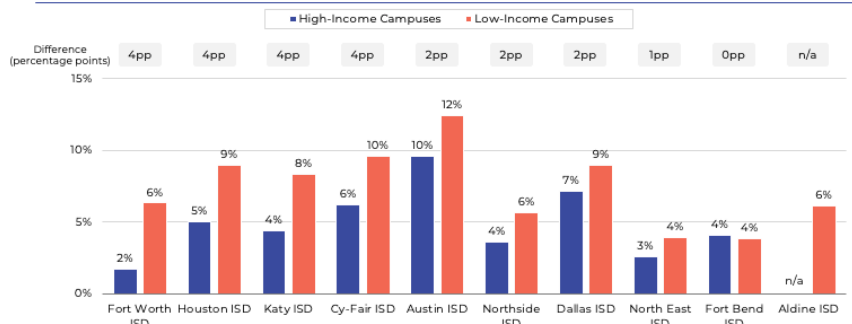


Before House Bill 3, wide student achievement gaps were driven in part by unequal access to necessary resources—funding, technology, and quality teachers, among other things. Teachers at high-poverty campuses (>75% Economically Disadvantaged) have, on average, 1.4 fewer years of experience than teachers at low-poverty campuses (<25% Economically Disadvantaged).<sup>14</sup>

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.<sup>15</sup> Even within districts, teachers at high-

poverty campuses are more likely to be in their first year teaching, less likely to hold a masters, and typically earn less than teachers at low-poverty campuses.<sup>16</sup> 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.

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)



HB 3 has established the Teacher Incentive Allotment to ensure that more highly effective teachers opt to work at high-poverty and high-need campuses. It enables districts to design locally appropriate systems to evaluate and reward teachers based on their contributions to student learning and incentivizes them to teach at high-need campuses. 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 had particular success, resulting in 12 of its 13

<sup>13</sup> U.S. Census, American Communities Survey, Individual Earnings, 5-Year Estimates, 2018.

<sup>14</sup> Texas Education Agency, Texas Academic Progress Reports, 2019 report.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.



campuses moving off of the TEA's Improvement Required list after only one year of adopting ACE.<sup>17</sup> Because of success stories such as ACE, more than 800 districts representing 2.5 million students have already signed letters of intent to participate in the program.<sup>18</sup>

Other investments include \$1.1 billion in additional funding to a revised Compensatory Education Allotment that takes into account multiple measures of student need to allocate funds. Driven by cutting-edge research and data, this new formula recognizes the consequences of concentrated poverty on student outcomes by directing higher levels of per-student funding to the students who live in the neighborhoods of greatest need. HB 3 also increases funding for English Language Learners and dual language programs, which have been proven as highly effective in closing language-based achievement gaps. In 2018, the Texas Commission on Public School Finance found that on 5<sup>th</sup> grade reading tests, 44% of dual language students received "Masters Grade Level" designations, compared to only 11% of students in traditional bilingual programs.<sup>19</sup> These initiatives directly address harmful inequities in our schools based on race, income, geography, and language, among other factors, and ensure that students of all backgrounds will have access to high-quality educational opportunities.

**House Bill 3 is an important and necessary commitment to our students, teachers, and schools at a time when the need has never been greater.** This legislation invests in research-based initiatives that can improve overall student achievement, close wide achievement gaps, and arm teachers, schools, and districts to more effectively combat COVID-related learning loss. Its programs embody a comprehensive, early childhood-to-career approach; eliminating or delaying certain elements will degrade the effort as a whole. For these reasons, we urge you to stand by your commitment to this historic legislation.

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

*Email: [john.hryhorchuk@texas2036.org](mailto:john.hryhorchuk@texas2036.org)*

*Telephone: 469-384-2036*

*Mailing Address: 3693 Maple Ave., Ste. 290, Dallas, TX, 75219*

---

<sup>17</sup> Texas Commission on Public School Finance, "Funding for Impact: Equitable Funding for Students Who Need It the Most," Dec. 2018, Exhibit P-3.

<sup>18</sup> <https://tiatexas.org/about-teacher-incentive-allotment/participating-and-aspiring-districts/>

<sup>19</sup> Texas Commission on Public School Finance, "Funding for Impact: Equitable Funding for Students Who Need It the Most," Dec. 2018, p. 109.