

No School Funding Plan Yet—Three Plans Still in Play

The House and Senate have reached an agreement on the 2011-2013 budget numbers, but they haven't yet figured out how to apportion the money to school districts. This is a huge sticking point that, if not resolved, could still force **Governor Perry** to call a special session in July.

With the extra \$1.2 billion that **Comptroller Combs** recently certified was available to spend, the agreement called for a cut of about \$4 billion to schools instead of the \$8 billion cut the House originally supported. This should result in a funding reduction of about 5% to 6% for most school districts, which most districts feel is manageable.

There are three plans to distribute this money to the schools. The simplest is a proposal by **Rep. Rob Eissler** to prorate funds based on the amount the districts received in the previous year. Each district would receive a proportion reduction of 5% to 6%. This is favored by larger districts their bigger budget are better able to withstand a small hit. However, this plan would have more of a negative impact on smaller districts which don't have the budgets to absorb cuts as easily. The next is the plan authored by **Senator Florence Shapiro** and was included in SB 22. This plan attempts to solve the problems of prorating by giving smaller districts a smaller cut and was the subject of 12 weeks of testimony and negotiations. The final plan is a substantial

Commissioner Scott Discontinues Use of the Texas Projection Measure (TPM) for District, School Ratings, Includes Postsecondary Readiness Indicators.

Commissioner of Education Robert Scott recently released his accountability decisions for the 2010-11 school year. Most notably, he decided to discontinue use of the TPM. The TPM—which has been used during the past two school years—gives districts and schools credit for a student who fails the state assessment if that student is projected to pass his or

her next assessment. The following explanation of his decision appears in the report:

“The commissioner has determined that the use of the TPM in the 2011 state and federal accountability systems will be discontinued based on the lack of public support for the continued use of the measure as well as the unanimous vote against the use of test score projections during recent floor debate of the Texas House of Representatives on House Bill 500. In 2010, performance on the TAKS tests improved in every subject for every student group and an overwhelming majority of the class of 2011 passed the exit-level assessments for graduation. These test results demonstrate the hard work of students and educators in the state. Unfortunately, this hard work is overshadowed by criticism of the use of the TPM, including an assertion made on the floor of the Texas House of Representatives during debate on House Bill 500 that school ratings in 2010 went up without demonstrations of increases in performance. The commissioner does not want the TPM to continue to detract from the achievements of students and educators.”

Commissioner Scott also reaffirmed his decision to require districts and schools to meet postsecondary readiness goals to earn the “Recognized” and “Exemplary” designations. To be eligible for the “Recognized” rating, districts and schools must have 15% of all students and 15% of economically-disadvantaged students reach the “Commended Performance” (CP) level on the assessment. Similarly, 25% of both groups must meet this standard for the district or school to earn an “Exemplary” designation. Districts and schools may not use provisions such as required improvement, exceptions, or the TPM to reach this standard. The report states:

“House Bill (HB) 3 made significant changes to the accountability system by changing the focus from meeting proficiency standards on the state assessments to meeting both proficiency and college-ready standards on new assessments that are linked to postsecondary readiness. In anticipation of the more rigorous HB 3 requirements, districts and campuses will need to demonstrate performance at a

higher level than Met Standard in order to achieve the Recognized or Exemplary ratings. Since student performance on the end-of-course and the new grades 3–8 State of Texas Assessments of Academic Readiness (STAAR) tests are unknown at this time, the best proxy available on the current assessment is the commended performance standard.

Evaluation of CP in 2011 will serve as an early warning for the use of college readiness standards that will be incorporated in the new accountability system in 2014. Evaluation of CP for the two highest rating categories provides an incentive for campuses and districts to focus on the performance of higher performing students, in addition to those not passing the test. Reading and mathematics are targeted because these are the two subjects that will have college ready standards set and evaluated in 2014 under the new accountability system.

The All Students and Economically Disadvantaged student groups are evaluated on the CP indicator to encourage districts to continue to set high expectations for all students regardless of economic status while limiting the additional hurdles to two student groups initially as a phase-in to using additional student groups in 2014 under the new accountability system.”

TIER and the Texas Coalition for a Competitive Workforce commend Commissioner Scott for these decisions. They will help our public education system achieve the goals set out by HB 3 and put the state’s students on the path to postsecondary readiness.

Summary of Key Education Issues

House and Senate procedural deadlines are fast approaching. Bills that have not been approved by a committee in either the House or Senate are likely dead at this time. However, these bills can still be amended onto other related bills. Below is a summary of bills TIER is monitoring in each key education area:

Public School Accountability

HB 500 by **Rep. Rob Eissler** is the only bill still alive that would weaken the provisions of new accountability system. While Senate leaders do not appear interested in taking up this bill, TIER will continue to oppose HB 3 in the Senate and work to ensure that its provisions are not added on to another bill.

Education Funding and Productivity

The Senate continues to work to build consensus on the budget and **Senator Steve Ogden**, the Chairman of the Senate Finance Committee, is hopeful that the Senate will debate the budget soon. As mentioned in an earlier issue of the *TIER Capitol Report*, the Senate budget includes funding for several key education programs—including prekindergarten funding, teacher incentive pay grants, postsecondary readiness initiatives, educator effectiveness programs, and interventions.

To help close the budget gap, **Senator Ogden** recently filed SJR 5, which could allow the voters to authorize the State Board of Education to transfer an additional \$2 billion to the public school system (see bill analysis later in this issue).

HB 6 by **Rep. Eissler** and **Senator Florence Shapiro** allow school districts to directly purchase the instructional materials that they need. The Senate Education Committee will take up HB 6 on Thursday.

HB 400 by **Rep. Eissler** makes several needed changes to state laws regarding school district operations. It would provide districts more flexibility in class sizes, implement a teacher compensation plan based on teacher effectiveness rather than tenure, streamline the process for terminating a teacher, and abolish the state’s minimum salary schedule for teachers. The bill was scheduled for debate last week, but opponents used a procedural maneuver to delay the bill. HB 400 should be back on the calendar for debate late this week.

SB 12 by **Senator Shapiro** addresses many of the same issues as HB 400. It has been approved by the Senate Education Committee and is waiting for placement on the Senate calendar.

Charter Schools

SB 127, the omnibus charter school bill by **Senator Dan Patrick**, passed the Senate and is awaiting a hearing in the House Public Education Committee. This bill raises the cap on the number of charters the state may issue and allows successful charters to replicate more easily. SB 597 by **Senator Shapiro** is awaiting a hearing in the House Ways and Means Committee. This bill would allow qualified charter holders to have their bonds guaranteed by the Permanent School Fund. Parents would have the right to petition the Commissioner of Education to repurpose, put the campus under alternative management (including charter management), or close the campus under SB 738 by **Senator Shapiro**. This bill, known as a “parent trigger”, has passed the

Senate and was referred to the House Public Education Committee.

Educator Effectiveness

As mentioned earlier, SB 4 by **Senator Shapiro** passed the full Senate last week. It has been referred to the House Public Education Committee.

Summary of Legislation

CSSJR 5 (Ogden): proposing a constitutional amendment relating to increasing the market value of the permanent school fund for the purpose of allowing increased distributions from the available school fund.

Earlier this session, some members of the State Board of Education indicated that they would be willing to transfer up to an additional \$2 billion of the state's Permanent School Fund (PSF) to the state's Available School Fund to help close the budget gap in public education. Currently, the SBOE is limited to transferring 6% of the market value of the PSF to the ASF in any biennium. This resolution would temporarily change the way the market value of the PSF is calculated with would allow for the transfer of the additional \$2 billion.

If approved by 2/3rds of each chamber of the legislature, this amendment must still be approved by the voters in a constitutional amendment election held for that purpose on November 8, 2011.

Key Legislative Deadlines

Monday, May 9th

Last day for House Committees to approve House Bills

Friday, May 13th

Last day for the full House to approve House Bills on 3rd reading

Saturday, May 21st

Last day for House Committees to approve Senate Bills

Wednesday, May 25th

Last day for the House and Senate to approve bills on 3rd reading

Monday, May 30th

Sine Die (last day of the legislative session)

TIER welcomes your questions and comments. Please visit the "contact us" section of our website, www.texaseducationreform.org and let us know what you think.

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