



Texas Institute for Education Reform

"Every child a high school graduate ready for college, the workplace and citizenship."

Texas Institute for Education Reform (TIER)
Mission Statement and Business Plan
January 2010 Revision

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Table of Contents

| | |
|--|----|
| I. The TIER Mission..... | 2 |
| A. Objective..... | 2 |
| B. Mission..... | 2 |
| C. Higher Standards for Teaching and Learning..... | 2 |
| D. New, Better Assessments..... | 2 |
| E. Higher Standards for Academic and Financial Accountability | 2 |
| F. Attack the Reading Crisis | 3 |
| G. Increase Educator Effectiveness | 3 |
| H. Accelerate Deregulation, Innovation, and Competition | 3 |
| II. The TIER Business Plan | |
| A. Background..... | 4 |
| B. Key Accomplishments 2006 – 2009..... | 6 |
| C. What’s Next? Target 2020 | 8 |
| 1. Academic Accountability..... | 8 |
| 2. Human Resources—Educator Supply and Quality..... | 9 |
| 3. Delivery Systems—Innovation, Deregulation, Entrepreneurship, and Competition...10 | |
| 4. Infrastructure—Data Systems and Capacity..... | 11 |
| 5. Governance | 12 |
| 6. Financial Accountability..... | 13 |
| D. The Leadership Challenge | 14 |
| E. The Model..... | 15 |
| F. The Plan | 16 |
| III. Endnotes..... | 17 |

The TIER Mission

Objective

Every child in Texas will graduate from high school fully prepared for higher education and the 21st century workplace as well as responsible citizenship.

Mission

To enable Texas public schools to meet the objective by adopting and implementing the following public education policy initiatives:

Higher Standards for Teaching and Learning

Strengthen the state curriculum standards, the Texas Essential Knowledge and Skills (TEKS), establish explicit, objective, and measurable benchmarks for academic proficiency K-12, and identify the reforms necessary for moving students enrolled in public schools from the current level of performance to a level of proficiency that is competitive both nationally and internationally. All students should complete a high-school curriculum that requires them to master core subjects—such as English, Math, Science, and Social Studies—and, once students reach this level, they should be free to choose from multiple academic pathways with equal rigor—including career and technical education—leading to postsecondary (college and career) readiness, without the need for remediation.

New, Better Assessments

Strengthen the state's criterion-referenced assessments and supplement them with norm-referenced tests, add end-of-course exams for core high school courses, correlate vertically-scaled assessments with post-secondary readiness expectations, and use results of growth-to-standard and value-added student assessments for teacher appraisals, teacher preparation, accreditation of teacher preparation programs, and the school accountability system.

Higher Standards for Academic and Financial Accountability

Significantly increase the state standards for school district and campus performance, eliminate the Alternative Accountability System and use results of growth-to-standard and value-added assessments for rating all schools, hold schools accountable for postsecondary readiness, as determined by the ACT and SAT, and accelerate serious consequences for underperforming districts and campuses. Develop and implement a financial accountability rating system that distinguishes among districts' financial performance, brings additional transparency to education finance, and establishes productivity standards down to the campus level. Invest in data system upgrades to support these improvements that collect data and generate reports on financial expenditures and academic performance on an individual student and teacher level.

Attack the Reading Crisis

Improve the system of accrediting, preparing, certifying, and evaluating K-8 teachers by assessing all according to the value they add to student reading proficiency; change state policies to give teachers responsibility for classroom instruction by replacing learner-centered instruction with teacher-centered instruction; establish credentials for a K-8 Reading Specialist; create a new, improved K-8 Texas Reading Initiative with revised rigorous standards for reading and reading assessments.

Increase Educator Effectiveness

Expand alternative educator preparation and certification; expand new teacher mentoring; aggressively recruit non-traditional leadership for school administration; enhance professional development; create new career paths for teachers; as an alternative to the existing salary scale, adopt a new professional contract for teachers and administrators that deregulates the educator/employer relationship; introduce performance-based compensation for all educators based on value-added evaluation; and establish policies for mandatory remediation for ineffective educators leading to dismissal.

Accelerate Deregulation, Innovation, and Competition

Encourage districts to develop new, better ways of serving students, particularly for high school students, and allow wide-ranging authority at the district level for deregulation of human resource management as well as innovations in scheduling and delivery. Reorganize the state's school governance system to support and enable high-performing schools and consolidate education policymaking to develop a coherent and consistent long-term vision for success. Establish new, rigorous standards for charter schools, with expanded authority for charters and equalized funding, and base continued accreditation on results of value-added assessments. Adopt district and statewide public school choice. Award scholarships to students with special education needs. Provide district-funded transfers to students in failing schools. Establish a virtual/electronic high school program for all students in Texas public schools.

**Texas Institute for Education Reform
Business Plan—Target 2020
January 2010 Revision**

Background

When the Texas Institute for Education Reform (TIER) was founded in 2006, Texas had undergone more than a decade of public education reform. These hard-fought advances put Texas squarely in place as a national leader in K-12 public education. At that time, there was little doubt among sophisticated observers that Texas served as a model for other states in the advancement of standards and accountability. These accomplishments were due to the dedication of a statewide coalition of educators, administrators, legislators, and business leaders over a period of twenty years.

At that time, however, there was mounting evidence that the easier phases of reform had already been accomplished. What remains are some of the more intractable student achievement problem areas that will require a new dedication to reform and a political will to challenge entrenched institutions and long-held beliefs.

These challenges came to the forefront during the 2007 Texas legislative session. A faction of well-funded business and education leaders—believing that the era of accountability had passed—urged the legislature to “sunset” the very accountability system that was responsible for placing Texas at the forefront of the public education reform movement. Instead of being free to advocate for the next phase of education reform, TIER and its allies were drawn into a fight to preserve the very existence of the system. Due to our efforts and the steadfast commitment of our legislative allies, we were successful in defending—and even enhancing—the Texas public school accountability system.

The 2007 legislative session was a wake-up call. It demonstrated that old entrenched habits, vested interests, and perverse incentives die hard and not without a furious fight. Moreover, none of the steps of the next evolutionary phase of reform will be possible without fighting and winning some major battles at the attitudinal, ideological, political, legislative, and policy levels and without breaking down some long-standing barriers of distrust among education stakeholders.

So how exactly can the next generation of progress be realized? While many reform-minded organizations have put forth similar blueprints, the Texas Education Reform Caucus outlined the following in their September, 2003, Policy Statement:

“Texas has a great opportunity to take a giant step forward in K-12 school reform. The achievements of the past decade and the logic of the Texas commitment to accountability and local control provide the foundation. The continuing demands of the workplace and the immediate need to respond to increasing state accountability and the No Child Left Behind Act provide the impetus. And the imperative to replace Robin Hood with a new finance system provides the opportunity . . . The Legislature must make it possible for school

districts to drive accountability into the classroom and every other corner of district operations.”

This statement is important as it identifies workplace and college readiness as one of the primary goals of the public education system. In the last century, economic growth was fueled by abundant natural resources, cheap labor, and technological innovation. The United States had these resources in abundance and this allowed America to dominate the competition. We begin this century in a considerably different position. Intellectual capital is the new “gold standard” and we must truly transform an outdated education system to remain competitive.

One doesn't need to completely buy into Tom Friedman's “flat earth” warnings to accept the notion that the current massive transformation of China and India represent the equivalent of the impact of the Industrial Revolution once each generation. This phenomenon has already begun to demonstrate a growing “education gap” that, in China alone, is evidenced by a quadrupling of college enrollment in the past twenty years to 20 million students. All Chinese students take a rigorous curriculum and Chinese universities are producing over 200,000 engineers annually. Compare this to the U.S. where the number of native-born technical graduates has decreased over the past 20 years and only 60,000 engineers graduate annually and you will get a glimpse of the education gap that we face now and in the future.

Note the following comments by Joel Klein, the New York City school chancellor, to a December, 2004, national CEO summit on education:

“Other than global security, I don't think there's a more important issue facing our nation—and I don't think as a nation we're remotely serious enough about the issue . . . there needs to be a profound shift among educators and political leaders from a culture of 'excuse' to one of 'accountability' . . . the whole education system is run on the myth that we can figure out through a compliance-based model a way to manage ourselves to success . . . if there was ever a set of dysfunctional incentives, it's in public education . . . the most irrational set of human resource decisions you can imagine.”

To begin to address this situation in the 2009 Texas legislative session, TIER helped found and led the Texas Coalition for a Competitive Workforce (TCCW). Member organizations include TIER, the Texas Association of Business, the Texas Public Policy Foundation, the Greater Austin Chamber of Commerce, the Governor's Business Council, the Education Trust-Southwest, the Technology Association of America, and the Texas State Council—Society of Human Resource Management. While the TCCW adopted specific policy goals for the legislature, its primary purpose was to give the business community and education reform organizations a single, united, voice.

Efforts to build consensus were enhanced when representatives of differing factions of the education reform advocacy community came together to produce, “*Common Ground: A Declaration of Principles and Strategies for Texas Education Policy*”. This document, which was the result of over a year of discussion and negotiation, put to rest many of the controversial issues of the 2007 session and created momentum for positive change.

The TCCW and Common Ground recommended several enhancements to the state’s public education system. Among them were:

- a) Define the organizing principle of the public education system as postsecondary (college and career) readiness for all students upon graduation, without the need for remediation;
- b) Raise the state’s graduation standard to reflect the postsecondary readiness goal;
- c) base the accountability system on the extent to which students are on track—at each grade level—to attain this standard upon graduation;
- d) Upgrade the state’s public school data system to collect data and generate reports on financial expenditures and academic performance at the student and teacher level;
- e) Require students who take the Recommended High School Program (RHSP) to show postsecondary readiness by passing English III, Algebra II, and have a passing average on end-of-course exams in math, English, social studies, and science;
- f) After students have mastered core curriculum subjects, create multiple academic pathways—with equal rigor—to allow students to pursue liberal arts, science/technology/engineering/mathematics (STEM), or career and technical education (CTE) paths;
- g) Increase funding for “pay-for-performance” grants and adopt program guidelines that encourage school districts to implement value-added measures as part of their incentive compensation system;.
- h) Reward schools that meet college and career-readiness goals, help failing schools improve, and reorganize or close schools that continue to fail; and
- i) Hold schools financially accountable and encourage them to share best practices to make education dollars go farther.

The results have been impressive. Due in large part to TIER’s policy advocacy and leadership of the TCCW, the legislature passed HB 3 and other legislation to make many of the reforms envisioned in TIER’s mission statement a reality. Most notably, HB 3 requires the Commissioner of Education to continue raising standards so that Texas ranks among the top five states in the postsecondary readiness of its students by the year 2020.

Key Accomplishments, 2006 - 2009

- 1) With the expert assistance of our Policy Advisory Board, TIER developed and published a series of comprehensive and well-researched policy papers on each element of our reform agenda, including:
 - a) Perspective and Vision
 - b) Student Performance in Texas Public Schools
 - c) Academic Standards for the Schools We Need
 - d) Teaching Children to Read: The Crisis in Texas Public Schools
 - e) Assessments for the Schools We Need
 - f) Effective Educators for the Schools We Need
 - g) Accountability for the Schools We Need, and
 - h) Career and technical education.

- 2) During the 2006 special legislative session, TIER and its allies advocated for reform and assisted in the adoption of HB 1, which required the state to measure annual improvement in student achievement, strengthened sanctions for underperforming schools and districts, and authorized teacher incentive pay grant programs (TEEG and DATE).
- 3) In the fall of 2006, TIER conducted 26 speaking engagements in 22 cities across the state to brief over 1,300 business and civic opinion leaders on our message of reform.
- 4) During the state tour, we met with the editorial boards of all major Texas newspapers and received significant media coverage of our message and mission—including several opinion essays.
- 5) TIER leaders collaborated with the P-16 Task Force of the Governor’s Business Council on the November 2006 publication, “Excellence in the Classroom”, that outlined suggestions for improving educator quality in Texas.
- 6) During the 2007 regular session of the legislature, TIER and its allies advocated for reform and, in spite of a very difficult environment and well-funded opponents, were able to defeat an effort to sunset the state’s accountability system and pass SB 1031 which provided for end-of-course exams in high school and established the Select Committee on Public School Accountability.
- 7) In February 2008, TIER moved its headquarters to Austin and hired a full-time, professional staff.
- 8) TIER representatives were invited to testify several times before the Select Committee on Public School Accountability, which was charged with making recommendations for improving the state’s accountability system to the 2009 legislature.
- 9) TIER representatives were selected to serve on the Commissioner of Education’s Accountability Advisory Committee.
- 10) TIER leaders collaborated on the publication, “Common Ground—A Declaration of Principles and Strategies for Texas Education Policy” which helped to shape the legislative agenda for reform.
- 11) TIER was invited into and joined the prestigious Policy Innovation in Education (PIE) Network. The mission of the PIE Network, founded by four leading national education policy organizations, is, “to build, support and promote a network of education advocacy organizations working to improve K-12 education in their states and the nation.” TIER is the only organization from Texas invited to become a member.
- 12) In the summer of 2008, TIER helped to found the Texas Coalition for a Competitive Workforce (TCCW). TIER immediately took a leadership role in the organization and directed the day-to-day activities of the TCCW.
- 13) In the fall of 2008, TIER conducted speaking engagements, press conferences, and editorial board visits in 15 Texas cities to promote our agenda for the 2009 legislative session.
- 14) With the help of the TCCW, TIER had a successful legislative session. Our successes included the passage of landmark reforms in accountability and career and technical education in HB 3, the protection and expansion of educator pay-for-performance grants in the general appropriations bill, and the passage of enhanced accountability measures for the state’s colleges of education in SB 174.

What's Next? Target 2020

TIER accepts the challenge of leading the effort to accomplish the ambitious objectives established for Texas student achievement by the work of the 82nd Legislature. For while much has been accomplished since TIER's inception, we are well aware that much more remains to be done in the implementation of these measures in order to achieve comprehensive education reform. Meanwhile, opponents of reform remain engaged in their efforts to weaken accountability, limit promising innovation and school choice, and continually spend more money on education without ensuring that new spending directly impacts student achievement.

Not only must we continue to fend off these attacks, we must continue the push for transformational reforms in the following areas in order to achieve our objective of leading the nation in college and career readiness by 2020, and these will be the top priorities for TIER:

Academic Accountability

While we have made great strides in the past 15 years, the vast majority of Texas high school graduates are not ready for postsecondary success. According to data collected by the ACT, only 22% of Texas students are "college-ready" in English, math, science, and social studies.¹ If we assume that the students who take the ACT test are above-average students interested in attending college, overall postsecondary readiness for all Texas graduates is likely even lower.

TIER's Mission Statement says that, "every child in Texas will graduate from high school fully-prepared for higher education and the 21st century workplace as well as responsible citizenship." This is a lofty ideal, and the ACT data shows that we have a long way to go to achieve it.

However, the passage of HB 3 in 2009 put Texas on a track to lead the nation in college and career readiness by the year 2020. With these improvements, TIER's intermediate goal is that, by 2020, 80% of Texas high school graduates will achieve postsecondary readiness.

For the time being, HB 3 substantially satisfies the need for comprehensive accountability legislation. However, as the Texas Education Agency (TEA) is given tremendous discretionary and rulemaking authority over many of the key provisions in HB 3, we must work to:

1. Identify the provisions in HB 3 and other legislation that give the TEA discretionary or rulemaking authority in implementing the measures;
2. Establish policy recommendations on how each provision should be implemented;
3. Work with the TEA and the State Board of Education, the Texas Higher Education Coordinating Board, and the Comptroller to obtain an implementation schedule for HB 3 and ensure that its provisions are implemented in accordance with legislative intent and our recommendations; and
4. Ensure that the provisions of HB 3 are fully implemented by the end of the 2011-2012 school year.

Human Resources—Educator Supply and Quality

Perhaps the most daunting challenge to transformational improvement lies in breaking down the long-held misconceptions that our traditional educator recruitment and preparation programs are sufficient to meet the demand for exceptional teachers and that high quality teaching is encouraged through antiquated salary scales that favor tenure over excellence and inputs over outputs.

According to the Texas Education Agency, starting teachers can expect to earn about \$40,000 per year while teachers with 20 years of experience earn about \$60,000. This constricted salary range forces many promising teachers into professions with better rewards for experience and performance. While promising innovative measures, such as the Houston ISD's ASPIRE Program, are challenging the status quo and more members of the education community are embracing reform in this area, the traditional education establishment has been slow to adapt.

The shortage of qualified, effective teachers in Texas public schools today represents a crisis. This "shortage" results from: (1) an insufficient supply of qualified teachers in specialized areas for both high and low-performing students, (2) the inadequate distribution of effective teachers to disadvantaged students, (3) weak overall preparation of newly-licensed teachers, and (4) low productivity of the current teaching workforce in terms of student outcomes. In "*Reforming Education in Texas*", the Koret Task Force outlines how to begin to address these problems:

*"Policies that regulate the teaching profession should have one clear aim: differentiating between people who teach well and those who do not. Similarly, policies that regulate school administrators should aim to differentiate between people who lead schools effectively and those who do not."*²

Meeting the challenges and improving educator effectiveness will require a multi-faceted approach. These reforms should improve effectiveness at the front end of the teaching chain by (1) enlarging the pool of prospective teachers, (2) replacing unnecessarily complex and cumbersome regulations for entry into the profession with fewer and strong requirements for demonstrated proficiency in subject matter knowledge, (3) creating incentives for improvement, and (4) focusing on education outcomes. To achieve these goals, we must:

1. Revise educator preparation programs and professional development to support the state's goal of preparing all students for postsecondary success and reflect findings of empirical research (particularly with regard to eliminating the disproved learner-centered practices and expanding scientific reading instruction and interventions).
2. Align state certification requirements with credentials recommended by the American Board of Certification for Teacher Excellence, the National Council on Teacher Quality, and the National Board for Professional Teaching Standards, and ensure that certification is associated with educator effectiveness, as defined by state standards for the knowledge, personal qualities and performance that are empirically linked to advancing student performance.
3. Create a new state accountability system for all educator preparation programs that is based on annual assessments of the performance of novice teachers which identify the

- value-added to student performance, particularly with regard to reading and progress towards postsecondary readiness.
4. Provide state funding for differentiated pay for educators—especially in high-demand teaching specializations and in schools that serve a high percentage of economically-disadvantaged students, (2) encourage private grants to create incentives for school districts to expand performance-based compensation, and (3) expand state funding for educator performance incentive grants.
 5. Develop a state performance evaluation system that is based on a state-developed evaluation instrument which is administered annually for all educators, measures educator effectiveness (particularly in the area of reading, whenever relevant), assesses value-added to student achievement, and identifies specific professional development to enhance educator effectiveness. Require schools to use the system to identify ineffective educators, establish a schedule for improvement, provide remedial training, and remove the educator from the classroom after an established period of intervention.
 6. Expand alternative routes to traditional training and certification that have proven successful, such as American Board of Certification for Teacher Excellence, Teach for America, U Teach, and The New Teacher Project. Incorporate components of the Temporary Teacher Certificate into the alternative routes, removing onerous, restrictive guidelines for districts.
 7. Improve school leadership by waiving certification requirements for principals to have teacher certification and classroom experience. Expand state funding for grants to help districts develop programs to recruit and train principals and administrators from non-traditional backgrounds.
 8. Enable districts to remove ineffective teachers by emulating the ASPIRE program in the Houston ISD. To complement its performance-based compensation plan, ASPIRE is introducing a high-quality professional development and remediation program for teachers that provides for non-renewal of the contracts of those who remain ineffective after a reasonable period of time. At a minimum, teachers should be subject to the same employment termination policies as state employees.³

Several of the above recommendations were addressed, to an extent, by the passage of SB 174 by the Texas Legislature in 2009. As a result, the substantial majority of policies to enhance educator quality can be adopted by rule without additional legislative action. TIER will work to ensure that this bill is properly implemented by the TEA and the State Board for Educator Certification by the end of 2011 and that additional regulatory enhancements are adopted.

Delivery Systems—Innovation, Deregulation, Entrepreneurship, and Competition

Competition and choice will drive improvement in our public schools, as well as innovation in scheduling and delivery and wide-ranging authority for deregulation of human resources management. While it is vital that we hold our traditional public schools accountable and demand excellence from them, transformational change will only be realized through introducing more options into the system and focus more regulatory attention on the enabling of education entrepreneurship.

TIER plans to publish a comprehensive policy paper on this subject by 2011 that will identify strategies for introducing more innovation, deregulation, entrepreneurship, and competition into our schools. Meanwhile, TIER will support the following charter school reforms that are part of the mission of the Texas Charter School Association and work for their passage during the 2011 legislative session:

1. Raise or eliminate the existing cap on the number of charters that can be granted to meet demonstrated public demand. Effective charter public schools should be given the authority to replicate through the granting of new charters and/or adding campuses without the current red tape.
2. Establish fair funding for charter public schools and traditional public schools.
3. Provide charter public schools a per-student allotment to cover maintenance and operations and provide them an incentive to earn a campus capacity allotment.
4. Provide incentives for traditional ISDs with available space and facilities to partner with open-enrollment charter schools for the use of the resources.⁴

In addition to these goals, the state must address other inequities in our system of schools—such as fair funding for student transportation—and anticipate future needs as our school system grows and evolves. This should include scholarships for special education students, district-funded transfers for students in failing schools, and a virtual/electronic high school program for all students in Texas public schools. The ultimate goal is to provide every student and parent with district and statewide public school choice by creating a system of schools that can meet each student's needs.

Infrastructure—Data Systems and Capacity

State policymakers should create a new, comprehensive statewide K-20 education information system to hold public schools accountable for measuring and meeting state standards for student performance. The new information system should encompass current state data systems for public education, higher education, and State Board for Educator Certification data and should, at a minimum, meet the standards established by the Data Quality Campaign (www.dataqualitycampaign.org).

To maximize the ability of schools to improve student performance, the information system should organize, analyze, manage and report performance data in forms that schools, districts, independent researchers, and state policymakers can use to inform decision-making, and evaluate programs, policies, and systems. The system should establish an open interface between the state information system and district and school data systems to enable data exchange and incorporation. It should include a dropout sub-system that provides real-time information to schools and districts, identifying potential dropouts and related performance according to research-based factors. The system should also track individual students statewide as to information on institutions, classes, instructors, programs, attendance, disciplinary actions, and assessment results.

Schools need real time reporting of and unrestricted access to individual student performance, attendance, disciplinary actions, supplemental/intervention programs, and on-track progress

toward graduation. Additionally, the system should provide quarterly statewide monitoring and correction, and annual reporting of student performance that includes absolute scale score, gain score from previous year's performance versus the expected gain (value-added), on-track progress toward high school proficiency standard (academic growth), and on-track progress toward high school graduation credits. Finally, the system should provide comprehensive performance data linkages of students with their teachers as well as teachers with both their initial preparation programs and their professional development programs. With this system, the state should develop a FERPA compliant policy to provide researchers unrestricted access to student-, school-, and instructor-related data.

All of the information collected by the state about students, schools and districts should be annually posted on the Texas Education Agency's website, including performance data collected for the ratings related to NCLB. TIER will work to ensure that this system is fully-operational by the end of 2011.⁵

Governance

A strong and consistent governance structure is necessary for Texas to reclaim its position as a leader in public education and maintain that position in the future. This is a very sensitive issue, but it must be addressed soon. In the publication, *Common Ground*, the authors pinpoint the problems with Texas' current governance and suggest meaningful solutions:

“Adequate resources are necessary but insufficient. Effective state governance and supportive infrastructure are also required. Educators must have access to standards and aligned curriculum materials well in advance of new assessments so they can know exactly what their students are expected to master. And they must be able to rely on a supportive, responsive infrastructure that provides comprehensive and targeted data so they can better evaluate their students' strengths and weaknesses and determine the appropriate strategies for helping them reach the required standard.

Texas currently does not have the necessary governance structure for a high-performing public school system. Its most glaring weakness is its incapacity to make coherent education policy. Education policymaking is diffused among the Legislature, the State Board of Education (SBOE), the TEA, the THECB, and SBEC.

Consider the most obvious example of incoherence. The SBOE sets standards, approves teaching materials, and sets cut points for assessments; but the TEA determines the difficulty of questions on assessments and the percentage of children who have to pass them for a school's accountability rating. These decisions are not always aligned or even made in proper sequence. . .

Education policy will always be made through the political process. But Texas should at least align the political process so that whatever it is, the state's education policy framework is coherent and stable. It may be time for Texas to

study other states and determine best practices for making and overseeing education policy. In the meantime, the various state bodies that make education policy should strive to unite behind common goals, standard definitions, clear expectations, and aligned systems; and compatible with reasonable regulatory and management flexibility, the Legislature should assure coherence by placing as much as possible of the state's policy framework in statute.

A second requirement for adequate state governance is a TEA staffed with sufficient people of wide and deep expertise to do necessary research, award grants, oversee contracts, offer policy advice to state policymakers, and provide technical support to school districts. Currently the TEA lacks the financial and human capital to do much of this work, with negative consequences for public education in Texas. We recommend that salaries for profession staff at the TEA be tied to salaries for appropriate professionals in the public schools so that the TEA is able to attract and retain experienced and talented educators. . .”⁶

TIER embraces this appraisal and these suggestions and will work with its colleagues and elected officials to initiate a process for proper consideration of measures to correct the inadequacies of the governance structure. Given the enormity of this undertaking, TIER will begin this initiative following the 2011 legislative session by releasing specific recommendations to be included in an interim legislative study.

Financial Accountability

In addition to strengthening academic accountability, HB 3 introduced the following groundbreaking financial accountability provisions:

1. The Commissioner, in conjunction with the Comptroller, must develop separate financial accountability rating systems for school districts and open-enrollment charter schools.
2. The systems may not require districts to spend at least 65% of operating funds for instructional purposes or penalize them for doing so.
3. The Comptroller will identify districts and campuses that use resource allocation practices that contribute to high academic standards and cost-effective operations by (a) integrating and evaluating academic and financial data; (b) rank results to identify relative performance; and (c) identify areas of improvement.
4. The Comptroller will also review the operating cost for each student, the operating cost for each program, and the staffing cost for each student.
5. The TEA must develop a financial solvency review for each district that looks at the preceding school year, the current school year, and the following two school years. Districts will submit financial information electronically as required by the Commissioner. The system will alert the TEA and the district if student-to-staff ratios fall outside the norm, the general fund balance is rapidly-depleted, or there is a substantial discrepancy between actual budget figures and projections.
6. If the system shows that a district has a projected deficit, the district must submit a financial plan to avoid insolvency to the TEA. If the district fails to submit a plan, the

plan is not approved, or they fail to comply with the plan, the Commissioner must assign them “accredited-warned” status.

7. Districts must post their approved budget on their website as soon as it is approved and for three years thereafter.⁷

TIER will work with all affected agencies during the implementation of these provisions to ensure that legislative intent is met. In addition, it will review the results on an ongoing basis to ensure that HB 3 is, in fact, improving the financial health of school districts and identifying best practices that result in enhanced productivity and better student outcomes.

While the financial accountability provisions of HB 3 are a good foundation on which to build, economic realities dictate that the state’s public school system must become more efficient. The \$50 billion that Texas spends on K-12 public education annually is, in the aggregate, more than enough to accomplish the goal of postsecondary readiness for each student. As enrollment increases, the notion that more funding automatically equals better schools should be rejected. Instead, the state should perform a comprehensive review of the school finance system and reduce or eliminate expenditures and unfunded district mandates that are burdens on district productivity and do not directly improve student performance. Education Commissioner Scott recently announced his plan for the TEA to review and eliminate unnecessary or overly-burdensome agency rules and TIER will assist the agency in this endeavor. The state must also take advantage of technological advances—such as electronic textbooks and internet-based distance-learning programs—to increase effectiveness while reducing per-student cost.

The Leadership Challenge

It is reasonable to suggest that the current situation in Texas public education is analogous to the beginning of the furious debate over tort reform in the early 1990s—when business leaders were finally energized and organized to take on and win a protracted battle against a threat that had seriously jeopardized the state’s economic viability. This necessary opinion leadership is not yet sufficiently energized for this next phase of education reform, but the current state of and prognosis for our public education system represents a threat even more onerous to our economic and cultural future and it is one that is worthy of a similar long-term commitment to overcome. More importantly, it represents the civil rights revolution of the 21st century.

There are several factors at work in this insufficient leadership consensus and commitment:

1. We have not made the case, at a level that will convince mainstream opinion leadership—primarily business leadership—of the need for significant transformation. Almost all education activists agree with the need for additional incremental reform, but it is a quantum leap for most of them to support fundamental systemic change—which is considered by many a “last resort”. In addition, in making the case based on the performance deficiencies of the current system, there is often a fine line between being introspective and honest about the current status of public education in Texas and “bashing” the public schools, which is detrimental to our cause.
2. The large majority of business opinion leaders have never been energized for transformational education reform in Texas. Much of the subject matter is pretty arcane, many of them don’t understand how the system works, and many of them—primarily

from the large public companies—are heavily invested in direct support for their local school. Consequently, most of them do not want the inevitable confrontation with the education establishment—particularly their local school leadership—which comes with support for systemic change.

3. From a political standpoint, the next stage of education reform is not a clear winner for legislators—particularly those from rural and suburban areas. In many cases, it is viewed as an altruistic vote for the urban victims of failing schools without any perceived political benefit to them. Additionally, many legislators face a political downside by supporting measures that their local administrators and teachers oppose.
4. The education reform “movement” is not monolithic in the sense that there is not consensus and collective agreement—particularly within the business community—on the goals and structure of the reform model, or the organization of and timetable for the effort to achieve the objective. Most business leaders are much more inclined to be active with the tax and finance elements of education, which are perceived to have more of a direct “bottom line” impact for them.

TIER believes that these impediments to reform must be addressed and that a major communications effort must be integral to any business plan to move to the next level of transformational reform.

The Model

Arguably, the most successful advocacy effort in Texas history is the one launched and sustained for over a decade to date by Texans for Lawsuit Reform (TLR). Its founders have provided a useful template for the model with a number of points that are instructive for a similar initiative in education reform:

1. Know your opponents.
2. You must prevail on two essential battlefields—electoral politics and legislative advocacy.
3. The key to leadership is committed volunteers, not professionals.
4. Avoid gradualism or halfway policy measures.
5. Without major funding, the wheels of advocacy will not turn.
6. Persistence pays—plan on a multiyear campaign that is open-ended.
7. Accurate, thorough, and comprehensive research is essential.
8. Big business reform support lags reality—committed individuals are the most reliable supporters.

Although there are significant differences between tort reform and education reform, the similarities and successful experience outweigh them, and future education reform efforts will benefit from following this tort reform template in its essentials.

Accordingly, the elements of the plan contemplated by TIER should consist of the following:

1. Be research, data, and policy-driven: We must further refine the policy initiatives outlined above into specific, actionable goals with target dates for accomplishing the

- goals. This will entail an update of TIER's existing policy papers, reliance on credible resources through affiliates and access to nationally recognized experts, and the commissioning of additional policy work to cover all major initiatives.
2. Expand our reach: We must continue to identify reform-minded organizations to expand the TCCW. Other business, industry, charter school, CTE, education, and civil rights organizations will be targeted. Business, education, and community leaders in all areas of the state will be recruited to join our effort and serve and organizers in their local communities.
 3. Become an influential political player: TIER must establish a political action committee (PAC) to help recruit and elect candidates that embrace these reforms at all levels—from local school boards to the State Board of Education to the legislature to statewide offices.
 4. Expand fundraising: While this effort will rely on the participation and leadership of dedicated volunteers, TIER needs a professional staff to coordinate activities, raise and administer the PAC, and represent the group before the legislature and state agencies. TIER needs a sustainable funding base to hire, house, and equip the staff. We must identify business, individuals, and foundations to commit to fund the effort in sustainable form over several years.
 5. Drive the debate: Using the resources above, we must set—not react to—the education agenda at the state and local level. We must make our agenda part of the campaign debate, the focus of interim studies, and one of the priority issues for the legislature each session. Using earned media and other public relations/marketing tools, we must involve parents, teachers, school administrators, and business leaders at the local level and support local programs that serve as proving grounds for our reforms.

The Plan

While it is important to have many groups participate in this mission, TIER is the logical choice to spearhead and coordinate the effort. TIER has obtained a 501(c)(3) designation from the Internal Revenue Service and is one of the few organizations solely dedicated to PK-12 education reform. TIER has also published extensive policy papers on most of the issues identified above and the existing staff has over 20 years of experience in government, political advocacy, and business. That, along with the leadership and expertise provided by our Board of Directors and Policy Advisory Board and its extensive network of national experts in the field, puts TIER in a unique position to lead the reform effort.

For TIER to undertake this mission, the staff must be expanded. In addition to the existing President/COO, the following professionals must be added:

1. A Development/Public Relations Director to raise operating and PAC funds, manage the PAC, and manage the outreach and public affairs program;
2. A Legislative Director to assist the President in working with the legislature and state agencies and handling the day-to-day advocacy program; and
3. An Office Manager to handle bookkeeping, office organization, and administrative support.
4. Coordination of policy development will be outsourced to professionals available to TIER through its Policy Advisory Board and other nationally-recognized experts.

As our advocacy operations expand, TIER would likely need to obtain a 501(c)(4) designation or found a new entity with a 501(c)(4) designation for its advocacy operations. We would ensure that the policy and research organization was separated from the advocacy arm to comply with all applicable laws. The advocacy arm would establish a PAC with the Texas Ethics Commission and develop a volunteer advisory committee to help raise funds and make contribution decisions.

The following is a proposed annual budget to undertake this mission:

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|---|--------------|
| Personnel expenses | \$425,000 |
| Office expense (rent, furniture, equipment) | 50,000 |
| Legal/accounting | 15,000 |
| Travel | 15,000 |
| Printing/office supplies | 15,000 |
| Events/briefings/board meetings | 20,000 |
| Policy advisory | 25,000 |
| Website | 5,000 |
| Contingencies | 25,000 |
| Telephone/conferencing | <u>5,000</u> |
| Total | \$600,000 |

Endnotes

- ¹ *“Measuring College and Career Readiness, Texas, the Class of 2009”*, ACT, Iowa City, Iowa, 2009, www.act.org.
- ² *“Reforming Education in Texas—Recommendations from the Koret Task Force”*, Hoover Institution Press, Stanford University, Stanford, California, February, 2004, www.koretfoundation.org.
- ³ *These recommendations highlight and summarize recommendations included in:*
 - a) *“Effective Educators for the Schools We Need”*, Texas Institute for Education Reform, January, 2007, www.texaseducationreform.org;
 - b) *“Excellence in the Classroom”*, Governor’s Business Council, November, 2006, www.texasgbc.org;
 - c) Kress, Sandy; McAdams, Don; Moses, Mike; Thompson, David; and Windham, Jim, *“Common Ground—A Declaration of Principles and Strategies for Texas Education Policy*, November 6, 2008, http://s3-texasid.s3.amazonaws.com/Public/common_ground.pdf; and
 - d) *“Reforming Education in Texas—Recommendations from the Koret Task Force”*, Hoover Institution Press, Stanford University, Stanford, California, February, 2004, www.koretfoundation.org.
- ⁴ *“2009 Fact Sheet”*, Texas Charter School Association, January, 2009, www.txcharterschools.org.
- ⁵ *“Creating the Schools We Need for the 21st Century—the Next Generation of Accountability”*, Texas Institute for Education Reform, April, 2008, www.texaseducationreform.org.
- ⁶ Kress, Sandy; McAdams, Don; Moses, Mike; Thompson, David; and Windham, Jim, *“Common Ground—A Declaration of Principles and Strategies for Texas Education Policy*, November 6, 2008, http://s3-texasid.s3.amazonaws.com/Public/common_ground.pdf.
- ⁷ *“Analysis of the Major Provision of HB 3”*, Texas Institute for Education Reform, July, 2009, www.texaseducationreform.org.

