

**Senate Education Committee  
Interim Report**

January 2023

SENATOR BRANDON CREIGHTON, CHAIR  
SENATOR ANGELA PAXTON, VICE CHAIR



SENATOR PAUL BETTENCOURT  
SENATOR BRIAN BIRDWELL  
SENATOR BOB HALL  
SENATOR BRYAN HUGHES  
SENATOR JOSE MENENDEZ  
SENATOR CHARLES PERRY  
SENATOR BEVERLY POWELL  
SENATOR CHARLES SCHWERTNER  
SENATOR ROYCE WEST

## SENATE EDUCATION COMMITTEE

January 10, 2023

The Honorable Dan Patrick  
Lieutenant Governor of Texas  
P.O. Box 12068  
Austin, Texas 78711

Dear Lieutenant Governor Patrick:

The Senate Education Committee hereby submits our interim report, including recommendations to the 88th Legislature.

The report reviews several topics, including COVID-19 pandemic impact on educator talent pipeline, bond efficiency, homestead exemption and monitoring of several public education policies. The Committee took testimony and considered guidance from public school districts, higher education institutions, state agencies and other educational stakeholders.

We appreciate your leadership and trust the recommendations in this report will help guide our discussions next session.

Respectfully submitted,

  
\_\_\_\_\_  
Senator Brandon Creighton, Chair

  
\_\_\_\_\_  
Senator Angela Paxton, Vice Chair



---

Senator Paul Bettencourt



---

Senator Brian Birdwell



---

Senator Bob Hall



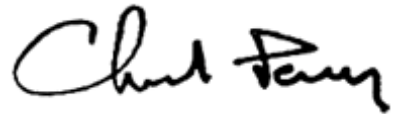
---

Senator José Menéndez



---

Senator Bryan Hughes



---

Senator Charles Perry



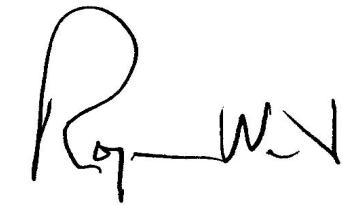
---

Senator Beverly Powell



---

Senator Charles Schwertner



---

Senator Royce West

## Acknowledgements

The Senate Education Committee thanks the following for their assistance, advice, and support during and leading up to the interim hearing, as well as for their contributions in the writing of this report:

Texas Education Agency

Patsy Spaw, Secretary of the Senate

Marian K. Wallace, Deputy Chief of Staff, Office of the Lieutenant Governor

Christopher Duke, Education Policy Analyst, Office of the Lieutenant Governor

Scott Caffey, Senate Committee Coordinator

Austin Osborn, Senate Sergeant-at-Arms

Senate Media

Texas Legislative Council

Senate Publications and Printing

The Committee would also like to extend appreciation to stakeholder groups and staff members for their involvement during the interim hearing.

Please direct any questions to:

**Senator Brandon Creighton, Chair**

Senate Education Committee

P.O. Box 12068

Austin, Texas 78711

Interim report developed by:

Joel J. Resendez, Committee Director

Abigael Johnston, Committee Clerk

Catherine Knepp, K-12 Education Committee Director



## Table of Contents

I.	Introduction.....	pg. 5
II.	Charge One: COVID-19 Pandemic Impact on Educator Talent Pipeline	
	A. Testimony / Findings & Analysis.....	pg. 7
	B. Recommendations.....	pg. 17
III.	Charge Two: Bond Efficiency	
	A. Testimony / Findings & Analysis.....	pg. 18
	B. Recommendations.....	pg. 22
IV.	Charge Three: Homestead Exemption	
	A. Testimony / Findings & Analysis.....	pg. 23
	B. Recommendations.....	pg. 27
V.	Charge Four: Monitoring of HB 3, HB 1525, HB 4545	
	A. Testimony / Findings & Analysis.....	pg. 28
	B. Recommendations.....	pg. 36



## Introduction

On April 4, 2022, Lieutenant Governor Dan Patrick issued the following interim charges to the Senate Education Committee:

1. **COVID-19 Pandemic Impact on Educator Talent Pipeline:** Examine the COVID-19 pandemic's impact on the public school educator talent pipeline, staffing patterns and practices, and declining student enrollment and attendance. Review any policies and regulatory actions that prevent students from receiving instruction from a highly effective teacher. Monitor the impact of both the Teacher Incentive Allotment and non-administrator compensation increases directed under House Bill 3 (86th Legislature), as well as the teacher pay raises implemented in 2019. Explore innovative models to improve recruitment and make recommendations to maintain a strong educator workforce pipeline, while adapting resilient school strategies to meet emergent demands in public education.
2. **Bond Efficiency:** Conduct a comprehensive review of the school district bond issuance process. Specifically, review public notice and disclosure requirements, the bond election process, procurement requirements, and how unused bond proceeds may be utilized. Study the best practices implemented by school boards and make recommendations to improve bond issuance efficiencies.
3. **Homestead Exemption:** Study the use and effect of the optional homestead exemption available to independent school districts. Examine and report on costs to the state if school districts receive incentives to increase the optional percentage exemption.
4. **Monitoring:** Monitor the implementation of legislation addressed by the Senate Committee on Education passed by the 87th Legislature, as well as relevant agencies and programs under the committee's jurisdiction. Specifically, make recommendations for any legislation needed to improve, enhance, or complete implementation of the following:
  - House Bill 3 (86th Legislature), relating to public school finance and public education;
  - House Bill 1525 (87th Legislature), relating to the public school finance system and public education;
  - House Bill 4545 (87th Legislature), relating to the assessment of public school students, the establishment of a strong foundations grant program, and



providing accelerated instruction for students who fail to achieve satisfactory performance on certain assessment instruments.

## Charge 1 - COVID-19 Pandemic Impact on Educator Talent Pipeline

Examine the COVID-19 pandemic's impact on the public school educator talent pipeline, staffing patterns and practices, and declining student enrollment and attendance. Review any policies and regulatory actions that prevent students from receiving instruction from a highly effective teacher. Monitor the impact of both the Teacher Incentive Allotment and non-administrator compensation increases directed under House Bill 3 (86th Legislature), as well as the teacher pay raises implemented in 2019. Explore innovative models to improve recruitment and make recommendations to maintain a strong educator workforce pipeline, while adapting resilient school strategies to meet emergent demands in public education.

### Testimony

The Senate Education Committee heard testimony regarding this charge on May 24, 2022. The hearing included invited testimony from the following individuals:

- Mike Morath, Education Commissioner, Texas Education Agency
- Dr. Scott Muri, Superintendent, Ector County ISD
- Andrew Kim, Superintendent, Comal ISD
- Dr. Clifton Tanabe, College of Education Dean, University of Texas at El Paso

### Finding & Analysis

Mike Morath, Commissioner of the Texas Education Agency (TEA), began testimony with an overview of current data and insights regarding the health of the teaching profession in Texas. Commissioner Morath noted there is a preponderance of evidence to show teachers are the single most important in-school factor impacting student academic success. He referenced a meta-analysis of hundreds of studies to demonstrate this point<sup>1</sup>. This point emphasized the importance of teachers when it comes to the state's ability to serve students and reach state educational goals.

Commissioner Morath presented data showing the state of Texas is currently employing more teachers than it has at any previous point (Figure 1.1). During the 2021-2022 school year, there were nearly 380,000 classroom teachers serving about 5.5 million students in Texas. While the number of teachers employed is at record levels, the number of students enrolled statewide has declined during the COVID-19 pandemic. Commissioner Morath stated that student enrollment growth rates are generally declining in Texas. This can be attributed to lower birth rates resulting from the 2008-2009 economic recession. There is an emerging disconnect between declining public school student enrollment with an increase in general population growth in Texas.

---

<sup>1</sup> Hattie, John. (2011). *Which strategies best enhance teaching and learning in higher education?* American Psychological Association. <https://psycnet.apa.org/record/2011-20404-008>.

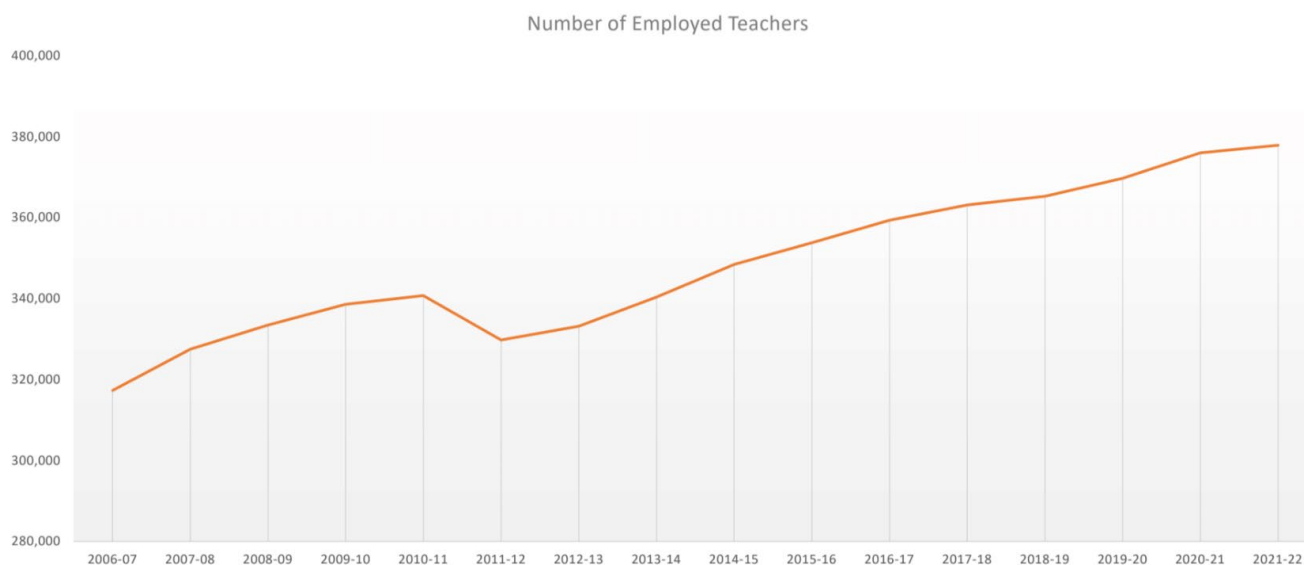


Figure 1.1 - Number of Teachers Employed in Texas

Our state is facing significant teacher recruitment challenges. Commissioner Morath cited a graph showing a sharp declining level of interest in teaching professional programs compared to other pre-professional career programs<sup>2</sup>. Additionally, the Commissioner displayed teacher attrition rate trends in Texas and emphasized the high level of teacher departures at the beginning of the 2021-2022 school year. Commissioner Morath provided additional context stating that teacher attrition rates have historically been correlated to the state of the economy. Historically, a poor performing economy means teachers are staying in the profession and lower attrition rates. A stronger performing economy tends to lead to more teachers leaving and higher attrition rates. Economic disruptions from COVID-19 resulted in low attrition rates at the beginning of the 2020-2021 school year while post-pandemic economic stimulation policies, inflation, and teacher fatigue led to much higher levels of teacher departures.

Commissioner Morath continued his testimony by addressing the question: what are the most important factors impacting successful teacher retention and recruitment? To answer this question he listed three main categories: 1) pay, 2) working conditions, and 3) training and development. The Commissioner referenced research showing the primary drivers causing individuals to pursue a different profession are expectations concerning pay. TEA data illustrated that median teacher salaries in Texas have increased over the last five years<sup>3</sup>. The median teacher salary in 2017-2018 was about \$55,000. In 2021-2022, the median teacher salary was just over \$60,000. The amount of annual funding a Local Education Agency (LEA) receives per student has increased by over 20-percent since 2011. Commissioner Morath brought attention to the fact that the legislature does not provide funding to

<sup>2</sup> Bartanen, Brendan & Andrew Kwok (2022). *From Interest to Entry: The Teacher Pipeline From College Application to Initial Employment*. EdWorkingPaper. <https://www.edworkingpapers.com/ai22-535>

<sup>3</sup> TEA Presentation to Senate Education Committee. May 24, 2022 (pg. 12).

LEAs for a specific staffing pattern. Instead, the legislature funds LEAs that have autonomy in a system of local control to determine how to utilize state funds. While the legislature has significantly increased overall public education funding, the impact on teacher salaries depends on LEA staffing decisions. With more funding available to LEAs they must make considerations between hiring a greater number of teachers or paying their current teachers increased salaries. Using statewide student-to-teacher ratio data, Commissioner Morath stated as school districts are receiving more funds per pupil, they are hiring more teachers relative to the amount of funds they have per pupil. This demonstrates the amount of money for increases to average teacher wages diminishes as more teachers are hired and student-to-teacher ratios drop. The Commissioner provided additional data to show the funding devoted to teacher salaries has been significant and annual payroll costs for instruction has increased by over \$6 billion since 2013<sup>4</sup>.

House Bill 3 (HB 3) by the 86th Legislature established the Teacher Incentive Allotment (TIA) to provide additional funding for school districts that identify and reward their most effective educators and further incentivize them to teach at rural and low-income campuses. Commissioner Morath noted the TIA works as a per-teacher allocation. School districts that participate in the TIA receive funding for teacher wage increases through a per-teacher allocation. General funding increases for public education may or may not be used for wage increases for teachers. The TIA has allowed more funding to be allocated specifically to teacher wage growth versus general spending. Since the TIA was established, the number of teachers making six-figure salaries has doubled. The Commissioner informed the committee that 386 school districts have adopted or are in the process of adopting a local TIA system.

HB 3 also included a provision requiring LEAs to increase teacher and other school-based staff members salaries with the increased state funding that was made available in 2020-2021. On average, teachers with zero to five years of experience saw a \$3,839 increase in salary and teachers with greater than five years of experience saw increases of \$5,215. These average salary increases were even more pronounced for Texas' smallest districts, and Commissioner Morath mentioned this was by design. The increased funding has allowed LEAs to implement compensation changes and utilize market-based responses for recruiting teachers. Commissioner Morath mentioned examples of LEAs addressing high levels of turnover for special education teachers and other hard-to-staff positions by offering incentives and stipends for those specific positions.

Next Commissioner Morath reviewed aspects of training and development in the teaching profession. Teacher training structure varies by the phase of a teacher's career and the nature of a candidate's entry into the profession. The Commissioner listed three different pathways to access and progress through the teaching profession: traditional certification, alternative certification, and non-certified pathways. Each of the three pathways is described in the figure below (Figure 1.2).

---

<sup>4</sup> TEA Presentation to Senate Education Committee. May 24, 2022 (pg. 14).

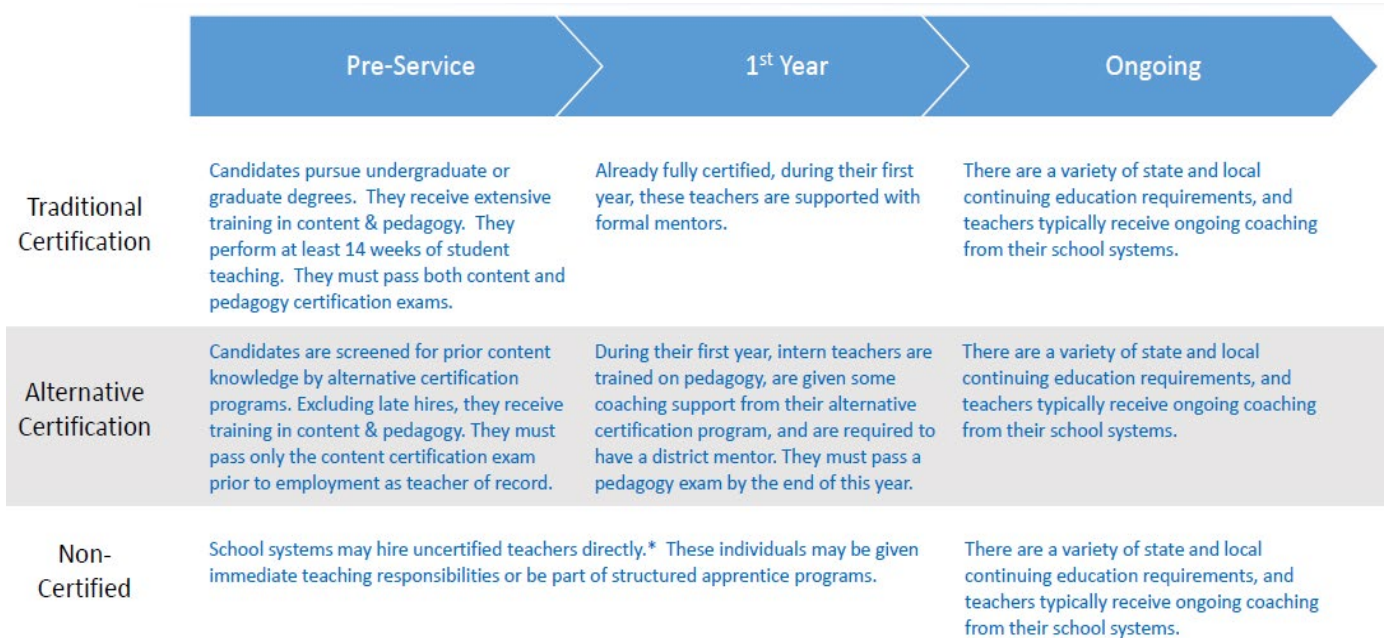


Figure 1.2 - Teacher Certification Pathways

Commissioner Morath stated the certified teacher supply in Texas is driven by demand. The teacher preparation marketplace responds to open positions that school districts create. Currently, the alternative certification pathway provides the dominant portion of teachers in the marketplace. In 2020-2021, the alternative certification preparation pathway made up 69-percent of the certified teacher supply in Texas. Comparatively, the traditional certification pathway made up 20-percent of teacher supply that same year. The Commissioner pointed out the percentage of teachers going through a traditional certification pathway has been steadily declining for the last 20 years.

The Commissioner mentioned that different certification and training pathways are important when you consider that teachers will have varying impacts on student outcomes and their academic growth. He shared data based on a 2018-2019 STAAR progress measure that showed novice teachers achieve less academic growth with students than more experienced teachers<sup>5</sup>. The Commissioner stated this data indicates the level of preparation teaching candidates receive likely needs to improve in order for student outcomes to be positively impacted. He mentioned teacher preparation needs to improve to address teaching attrition rates. The traditional certification pathway requires candidates to complete a more extensive training process compared to the alternative certification pathway. While alternative certification pathways are designed to be expedited programs to allow mid-career professionals to quickly pivot into teaching, teachers prepared through alternative certification programs leave the workforce at a higher rate. Commissioner Morath commented on the work being done by the State Board for Educator Certification (SBEC) and the TEA to improve the policies and incentives supporting Educator Preparation Programs (EPPs). The SBEC oversees all aspects of the preparation,

<sup>5</sup> TEA Presentation to Senate Education Committee. May 24, 2022 (pg. 21).

certification, and standards of conduct of public school educators. The SBEC and TEA have identified four main factors to improve teacher preparation:

**1. Rigorous, Authentic Educator Certification Exams**

Implement rigorous and authentic certification exams focused on demonstration of content pedagogical skill, including the Science of Teaching Reading (STR) exam and edTPA.

**2. Accountability System for Educator Preparation & Educator Preparation Program Accountability**

Hold EPPs accountable for candidate performance on certification exams, student growth, candidate support, and candidate and principal feedback.

**3. Effective Preparation Framework**

Support EPP continuous improvement through a shared vision for high quality educator preparation that informs approval and ongoing review.

**4. Recognize & Expand Strong Preparation Practices**

Support the development and scale of high-quality teacher residency programs.

Funding for EPPs and other efforts to prepare teacher candidates are almost entirely borne by the candidates themselves. Commissioner Morath noted, currently, there are no state or federal subsidies for alternative certification costs. Candidates will typically pay preparation fees directly via paycheck deductions from their first year of teaching. The average cost for a certification exam is \$450 and EPPs will cover those costs but embed them in their preparation fees. The traditional certification pathways are administered through higher education institutions and tuition costs for students are supported with extensive financial aid and scholarship opportunities.

Commissioner Morath continued his testimony with information regarding how school districts have created their own teaching training programs. Eligible school districts that choose to become Districts of Innovation obtain the same freedom as charter schools to hire individuals directly, without the candidates first obtaining a teacher certification. This flexibility allows districts and charters to create targeted apprenticeship approaches along with innovative and strategic staffing models. The Commissioner points out there are a growing number of school districts creating their own training programs and suggests there is great value in individual school districts setting up structured apprenticeship models. The TEA has begun supporting districts directly with apprenticeship models and other non-traditional approaches. The Commissioner also highlighted effective innovative training models like Grow Your Own programs and teacher residencies. He mentioned the 87th Legislature supported these types of programs with \$130 million in federal and state funds in 2021.

After a teaching candidate becomes certified and enters the teacher workforce, there are extensive teacher continuing education requirements. Commissioner Morath stated concerns have been raised that many continuing education requirements may be redundant or better executed under a coherent framework. Senate Bill 1267 (SB 1267) from the 87th Legislature required the SBEC to create a clearinghouse of continuing education requirements, including best practices recommendations for

the frequency for training of educators and other school personnel. The Commissioner mentioned these recommendations would be made available prior to the 88th Legislative Session.

Commissioner Morath stated in order to be a teacher in Texas, you have to be a college graduate with a couple of exceptions for Career Technical Education (CTE) programs. Paraprofessionals going through a teacher preparation program may or may not have college degrees. The Commissioner made the point that it is important for paraprofessionals to obtain a postsecondary degree in order for them to become a teacher of record at the completion of their preparation program. He stated some school districts in Texas have set up structural supports to help paraprofessionals complete their college degree while they receive pedagogy training. This training model has been very successful. The Commissioner referenced roughly 60-percent of teachers teach within 20 miles of where they grow up<sup>6</sup>. This presents an opportunity for school districts to recruit their current high school-age students to become paraprofessionals and later teachers in the same school district.

The final aspect regarding challenges to teacher retention and recruitment the Commissioner covered was working conditions. The Commissioner mentioned the concerns with the cycles of attrition in the teaching profession are not isolated in Texas but are national trends. He referenced data that indicated the school experience in the United States is unusually structured compared to other industrialized countries around the world that have much higher job satisfaction in the teaching profession. In most higher performing countries, teachers are in front of students between three and four hours per day, compared to an average of six hours in the United States. Teachers in the United States spend on average 83-percent of their working time teaching students. Compared to teachers in South Korea, Japan and Singapore who spend only about 35-percent of their working time giving instruction.

Commissioner Morath stated many teachers are overwhelmed with everything they have to do in a day. Key sources of teacher stress include regularly working over 12 hours a day, limited job-embedded planning, and minimal breaks. The Commissioner presented the committee with an example of an existing elementary school schedule that designates teachers to teach core content more than five hours per day and lead non-instructional tasks nearly two hours per day (Figure 1.3). He suggests that this scheduling model does not create sustainable working conditions for teachers. Some school districts in Texas are beginning to move to a schedule designating teachers to teach core content four hours per day and having teacher assistants handle transitions and recess, which would have been nearly another two hours of teacher time. This revised schedule is not a shorter day but would allow teachers about three additional hours each day to plan content lessons. Commissioner Morath stated in order for more school districts to do this they would need a sufficient number of teacher assistants in campus staffing patterns, which would require staffing trade offs. These problems can be resolved, but only with extensive planning at the district leadership level. The TEA is providing specific planning support and technical assistance for districts to help.

---

<sup>6</sup> Kraft, Matthew, David Blazar & Dylan Hogan (2018). *The Effect of Teacher Coaching on Instruction and Achievement: A Meta-Analysis of the Causal Evidence*. Review of Educational Research. [https://scholar.harvard.edu/files/mkraft/files/kraft\\_blazar\\_hogan\\_2018\\_teacher\\_coaching.pdf](https://scholar.harvard.edu/files/mkraft/files/kraft_blazar_hogan_2018_teacher_coaching.pdf)



The TIA has extended to just over one-percent of teachers in Texas. The state should expand TIA to reach more teachers. The main barrier to the TIA is the amount of work needed to create an evaluation structure that meets TEA standards to implement the TIA (12-24 months to create). The Commissioner suggested supporting technical assistance grants to help school districts implement and adopt TIA.

Teacher retention rates would benefit from structured residency and apprenticeship models. The legislature should consider expanding support for high-quality, paid residency & apprenticeships preparation models.

Example 1st Grade Schedule Change		
Time	Existing Schedule	New Schedule
7:30 AM	Breakfast / Morning Meeting	Breakfast / Morning Meeting
8:00 AM	Phonics	Phonics/Foundation Writing
	Read Aloud	
8:30 AM	Transition / RR Break	
9:00 AM	Specials (Art / Music / PE)	Reading for Knowledge
	Transition	
9:30 AM	Reading Centers	RR Break / Transition
10:00 AM		Recess
10:30 AM	Language Development	Tiered Supports
11:00 AM	Lunch	Lunch
11:30 AM	Recess	Reading for Knowledge
12:00 PM	Writer's Workshop	Math
12:30 PM	Math	
1:00 PM		Recess
1:30 PM	Science / Social Studies	Specials (Art / Music)
2:00 PM	RR Break / Transition	Specials (PE)
	Tiered Supports	

Figure 1.3 - Elementary Schedule Example

The state should consider expanded planning and technical assistance for district leadership related to improved master scheduling and staffing patterns, as well as aligned supports to ensure the availability of instructional materials engineered to align with these alternative scheduling approaches.

Dr. Scott Muri, Superintendent for Ector County ISD (ECISD), began his testimony by stating when he started his current position at ECISD in 2019, there were 356 teacher vacancies. As of May 2022, ECISD has 51 teacher vacancies and is at a 98-percent fill rate. Dr. Muri discussed the planning and development it took to address the teacher vacancies at the school district. ECISD developed a robust five-year strategic plan to guide all district operations and innovations. The strategic plan focused on two key areas: 1) Strategic staffing and compensation and 2) Teacher talent development pipelines.

Today, ECISD pays a starting teacher \$58,750 and Dr. Muri credited HB 3 (86th) for the district's ability to significantly increase the base compensation for its teachers. ECISD raised their hourly pay rate to \$15 per hour, an increase from \$10 per hour just two years prior. ECISD provides compensation strategically to supplement pay for different types of positions and situations. Specifically supplementing more pay for hard-to-fill positions. Dr. Muri mentioned that ECISD is a



TIA district. ECISD started the process to become a TIA district in October 2019, and in May 2022, ECISD was able to award over \$850,000 to 120 teachers. Dr. Muri noted the TIA has been a “difference maker” and allowed ECISD, for the first time ever, to pay teachers over \$100,000 per year in compensation.

Dr. Muri reviewed two other strategic staffing models ECISD has implemented. Opportunity Culture is a strategy utilized by ECISD to increase the reach of excellent teachers by giving them a distributed leadership and coaching role. This model is set up to allow ECISD’s best teachers to teach students the first half of the day and then mentor their colleagues the second half of the day. Opportunity Culture allows ECISD to compensate these teachers for their extra responsibility and accountability. Dr. Muri then referenced the Rapidly Improving School Effectiveness Program, or RISE. RISE is an initiative to bolster academic performance for targeted campuses through efforts beyond what is regularly offered. Features for ECISD’s RISE campuses include a modified school schedule, which allows for additional instructional time in critical subjects like reading and mathematics, tutoring, homework help, and support for social and emotional well-being.

Dr. Muri continued his testimony by transitioning to teacher development pipelines. He stated that ECISD does not just recruit existing teachers but the district looks within to grow their own and provide development opportunities to build capacity within Ector County. Dr. Muri highlighted three common threads with all their pipeline efforts: 1) Talent should be cultivated and prepared for positions before taking on the roles, 2) The pipeline should plan for and mitigate potential barriers to pipeline conversion, and 3) Each pipeline fills a unique niche within the organization. Several of the pipeline development programs Dr. Muri reviewed are as follows:

- **Odessa Pathway to Teaching (OPT)** – A district-owned and operated educator preparation program (EPP) led by ECISD educators and instructional leaders with years of classroom experience. It is a specialized, research-based training program that focuses on the most important skills effective educators bring to their classrooms. Ector County ISD is one of three public school districts in Texas that is authorized to operate an educator preparation program.
- **Teacher Residency** – An alternative to the more traditional student teaching route, the teacher residency is a full-year, paid residency in which a university student is partnered with a highly effective teacher (identified through the Opportunity Culture model) to learn and build their teaching competencies. ECISD currently has 11 Teacher Residents and plans to employ 18 in the 2022-2023 school year.
- **Future Teachers of Odessa** – A four-year program spanning 9th-12th grades in which students can earn up to 78 semester credit hours towards a bachelor's degree in Education. ECISD’s higher education partners are Odessa College and the University of Texas Permian Basin (UTPB). Students enroll in a mix of dual credit and non-dual credit courses. Most coursework is completed at the students’ home campuses but there are times when they can take classes at Odessa College and UTPB so that they receive the college-going experience.

- **Principal Fellowship** – The principal fellowship is a collaboration between ECISD and Texas Tech University. This grant-funded opportunity allows five educators to fulfill a year-long fellowship, earn a master’s degree in Educational Leadership, and take the Texas Principal certification exam.

Dr. Muri concluded his testimony with several recommendations for consideration. First, he recommended that the legislature continue to support districts of innovation. He stated the flexibilities allow school districts to make the right decisions at a local level that benefit their communities. Also, Dr. Muri recommended supporting teachers to complete the National Board for Professional Teaching Standards process to ensure teachers are well-developed. He asked the Committee to consider providing more stable state funding for teacher preparation collaboration programs between school districts and higher education partners. Currently, many of these types of programs are grant funded with no funding in perpetuity.

Dr. Clifton Tanabe, Dean of the College of Education at the University of Texas at El Paso, discussed the work the University of Texas at El Paso (UTEP) has done to improve the teacher workforce pipeline in their region. The core of UTEP’s work in this area was based on a year-long teacher residency program aimed at preparing the highest quality of teachers to be day-one ready. UTEP’s Miner Teacher Residency program follows several key components. These include teaching candidates, co-teaching a full year alongside a mentor teacher, intensive coaching by a site coordinator, and the ability to provide candidates stipends during the program.

Dr. Tanabe stated innovative, high quality teacher preparation leads to improved teacher retention and enhanced interest in the teaching profession for potential incoming teaching candidates. UTEP has been able to scale their residency program over the past several years. Their pilot program enrolled 19 undergraduate residents and partnered with two school districts in 2019. The program now partners with seven school districts and has grown to 110 undergraduate and 40 post-baccalaureate residents for a total of 150 residents in 2022. Dr. Tanabe mentioned their program model has proven to be resilient to experience this amount of growth considering the negative impacts to the workforce during the COVID-19 pandemic. He then spoke to how the program has expanded opportunities with a redesigned alternative certification pathway. Their alternative certification program includes the same intensive year-long onsite coaching structure offered with their traditional undergraduate pathway. This alternative certification pathway offers a rigorous and accelerated reskilling opportunity to foster more high-quality prepared teachers in the workforce.

Dr. Tanabe finished his testimony by addressing the need for financial assistance and compensation for teaching residents. Many of the students attending UTEP have to work full time while in school and the demands of a year-long intensive teaching residency program make it very difficult to do both. Dr. Tanabe reached out to local foundations and businesses to ask them to consider funding stipends for residency students to help launch the program in 2019. Since successfully launching the program, UTEP has worked with school districts on various strategic staffing approaches that allow them to

fund residency stipends. One example was flexibility designed into the residency model to allow school districts to assign UTEP teaching residents to paid substitute teacher positions.

Andrew Kim, Superintendent of Comal ISD, started his testimony by referencing the amount of student growth Comal ISD has experienced serving areas along the Interstate-35 Highway corridor between San Antonio and New Braunfels. To meet this demand Comal ISD hired about 327 new teachers in the last two years. Mr. Kim mentioned that, while there is an overall shortage of teachers, there are certain areas in the teaching workforce that should be prioritized. Comal ISD struggles staffing foreign language teachers and American Sign Language (ASL) teachers. Mr. Kim pointed to the growing demand for ASL programs and the lack of teachers for these programs across the state as an example of an area needing a more thoughtful approach.

Mr. Kim asked the Committee to consider ideas supporting incentives for teacher preparation programs for high school students. Comal ISD has about 200 high school students in their early teacher preparation program and only about 29 will matriculate to teacher certification programs per year. Mr. Kim recommends establishing an incentive for school districts with an additional formula funding for students in high school teacher preparation programs. This could help school districts have the resources to establish these programs and partner with higher education institutions. These collaborations will create well-defined pathways to high quality teacher preparation programs for students.

After invited testimony remarks finished, the Committee moved to questions for the panelists. Senator Creighton asked Dr. Muri about the obstacles and barriers school districts reference when considering implementing a TIA program. Dr. Muri stated it takes a significant amount of work to launch a TIA program at a school district. In 2019, Dr. Muri assembled a team of ECISD school-based administrators, human resources personnel, and senior leaders to determine the best strategy to implement a TIA program. It took over two years to fully launch the TIA program at ECISD. Dr. Muri mentioned the state could help school districts by providing additional technical support for TIA program implementation, specifically for district human resources personnel. ECISD had to work with Texas Tech University to collect and analyze data for a full school year to determine which teachers were eligible for the TIA. He also stated ECISD designed their TIA program to have some TIA teachers receiving higher salaries than school administrators in their district. This intentional design incentivizes the best teachers to stay in the classroom.

Senator Creighton asked Dr. Muri how implementing the TIA program in their district impacted teacher morale knowing some teachers would be getting paid more than others. Dr. Muri commented that there is a risk with shifting the culture and climate but school district leaders own that responsibility locally. District leaders need to work with campus leaders and teachers to embrace and successfully implement a TIA program.

## **Recommendations**

1. Consider expanding existing financial aid opportunities and support for teacher candidates in effective and rigorous alternative certification programs.
2. Increase opportunities for districts and charters to adopt innovative, strategic staffing models such as Teacher Incentive Allotment (TIA) through multiple mechanisms including but not limited to TIA technical assistance grants, residency training models and innovative teacher training models specifically to support teacher wage growth.
3. Develop state support for local school leadership related to aligned high-quality instructional and ancillary teaching materials for classroom teachers.

## **Charge 2 - Bond Efficiency**

Conduct a comprehensive review of the school district bond issuance process. Specifically, review public notice and disclosure requirements, the bond election process, procurement requirements, and how unused bond proceeds may be utilized. Study the best practices implemented by school boards and make recommendations to improve bond issuance efficiencies.

### **Testimony**

The Senate Education Committee heard testimony regarding this charge on May 24, 2022. The hearing included invited testimony from the following individuals:

- Rolinda Schmidt, Board of Trustees President, Kerrville ISD
- Terrell Palmer, President, Post Oak Municipal Advisors
- Kimberly Smith, Chief Financial Officer, Frisco ISD
- Dr. Devin Padavil, Superintendent, Taylor ISD

### **Finding & Analysis**

In 2019, the Texas Legislature passed House Bill 3 (HB 3) and one of the provisions required school districts to include a clarifying statement on every school district bond proposition. The statement reads: “THIS IS A PROPERTY TAX INCREASE”. The legislature also passed Senate Bill 30 (SB 30) in 2019 – requiring school districts to put forward separate ballot propositions to authorize bonds for athletic stadiums, natatoriums, performing arts facilities and other non-instructional facilities. This provision effectively bans the practice of offering a massive single-item bond proposition.

Rolinda Schmidt, Board of Trustees President at Kerrville ISD, opened up testimony for the Bond Efficiency panel. Ms. Schmidt also serves on the board of the Texas Association of School Boards (TASB). Ms. Schmidt provided the Committee an overview on the following bond issuance and approval process:

1. Decide to Issue Bonds
2. Order the Election
3. Hold the Election
4. Issue the Bonds
5. Implement the Bond Program

The first step in this process for school boards includes assessing needs and deciding to issue bonds. School districts may issue bonds for specific purposes, including constructing school buildings, purchasing sites for school buildings and buses, and retrofitting buildings and vehicles with emergency safety or security equipment. Ms. Schmidt mentioned school districts should also begin engaging with their community inviting input on needs and expectations to start generating support for future plans. The second step in the process is ordering the election with proper notice and publication

requirements to communicate with voters. Ms. Schmidt stated school districts will start to educate the community on the proposal(s) and encourage voting but should avoid using school resources for advocacy. The next step would be the election and the school district bond proposition must adhere to specific ballot language requirements.

If voters approve the bond proposition then the next step is to issue the bonds. This should take place approximately 30 days after the election. The Office of the Attorney General will review all legal and financial documents associated with the bond issue and certify the bond. After the issuance and certification of the bond, the last step is implementing the bond program. School districts have to follow contract procurement and disclosure requirements during implementation. Ms. Schmidt noted any unused bond proceeds may only be used for other specific authorized purposes if certain criteria are met.

Ms. Schmidt continued her testimony by stating several recently implemented new state laws have made passing school district bonds more challenging. She cited data from the Texas Bond Review Board to show that school district bond passage rates have begun to drop in recent years, as illustrated in the figure below (Figure 2.1).

### **DECADE OF TEXAS SCHOOL DISTRICT BOND ELECTION RESULTS**

<b>YEAR</b>	<b>Election Amount</b>	<b>Amount Approved</b>	<b>Percentage Amount Approved</b>	<b>Number of Propositions</b>	<b>Number of Propositions Approved</b>	<b>Percentage Propositions Approved</b>
2012	\$3,707.7	\$3,390.97	91.5%	79	60	75.9%
2013	\$7,461.4	\$5,534.1	74.2%	166	120	72.3%
2014	\$10,318.1	\$9,412.4	91.2%	138	108	78.3%
2015	\$10,965.7	\$9,644.4	88%	139	114	82%
2016	\$7,605.3	\$7,001.7	92.1%	123	94	76.4%
2017	\$14,029.2	\$11,804	84.1%	142	99	69.7%
2018	\$11,026.9	\$10,033.4	91%	122	95	77.9%
2019	\$15,526.9	\$11,764.2	75.8%	127	98	77.2%
2020	\$9,300.2	\$7,729.5	83.1%	71	44	62%
2021	\$15,699.5	\$11,745.5	74.8%	223	145	65%
May 2022	\$16,539	\$10,444.5	63.2%	205	104	50.7%

(\$ in millions)

*Figure 2.1 - Texas School Bond Election Results*

Ms. Schmidt mentioned there is not one state agency required to collect school district bond results. The data above is the best estimate compiled by TASB and the Texas Bond Review Board. These data estimates indicate that bonds for non-instructional facilities (sports stadium, performing arts facility, natatorium) are failing at greater rates than bonds for traditional instructional facilities. In 2019, the legislature required separate propositions to consider non-instructional facilities. School districts can no longer combine bonds for non-instructional and instructional facilities in a single ballot

proposition. As stated previously, the legislature passed a law requiring school district bond propositions to state “THIS IS A PROPERTY TAX INCREASE” on voter ballots. Ms. Schmidt noted this language must be included even if passing the bond proposal wouldn’t result in a property tax increase for voters.

Dr. Devin Padavil, Superintendent of Taylor ISD, started his testimony by referencing the amount of new growth Taylor ISD is expecting in the coming years. He mentioned every time the school district addresses aging school facilities with short-term repairs, they must dip into their maintenance and operations (M&O) funds. Utilizing M&O funds for temporary repairs decreases the school district’s capacity to improve compensation for their teachers and other staff. Dr. Padavil commented that school districts in the Austin area are in an arms race to recruit and retain the best teachers. School bond proposals give school districts the ability to use a long-term repair strategy without impacting their ability to provide competitive compensation for their teachers and staff.

Dr. Padavil stated the greatest obstacle they have found is the uninformed voter. The main challenge is educating voters to understand, that when the bond proposition states “THIS IS A PROPERTY TAX INCREASE”, their school district property tax rate may not necessarily increase. Within the next 18 months, Taylor ISD could call for a school bond up to \$114 million without raising school district property taxes at all. Dr. Padavil recommends the Committee consider the current mandatory bond proposal ballot language to be used only if the school district M&O tax rate would increase as a result of the bond proposal being approved. Dr. Padavil closed his remarks by assuring Taylor ISD’s goal is to always be as fiscally conservative as possible while providing its community with the best learning environment and facilities.

Terrell Palmer, President of Post Oak Municipal Advisors, discussed his perspective as a financial advisor for school districts considering bond propositions. Mr. Palmer stated financial advisors have a fiduciary responsibility to prioritize school districts’ interests above their own and others involved in a bond proposal. He referenced one of the greatest benefits of being able to issue school district bonds in Texas is the Permanent School Fund with its \$54 billion in assets to guarantee the timely payment of principal and interest on all approved school district bonds. Because of the Permanent School Fund, no matter what the credit rating is for a particular school district, all districts in Texas benefit by using the highest possible bond credit rating. This benefit allows school district bonds to be sold at the lowest rates possible.

Kimberly Smith, Chief Financial Officer at Frisco ISD, was the last testimony participant covering the bond efficiency interim charge. She began her testimony by stating Frisco ISD is one of the largest school districts in the state and fastest growing school districts in the entire country. Frisco ISD has added about 65,000 new students and built 69 new schools in the past 30 years. Ms. Smith stated Frisco ISD will convene a district advisory council, made up of internal and external stakeholders, several times a year. The district advisory council works to ensure the school district is aligned with

the community's expectations and is an important resource when the district is considering a bond proposal.

Ms. Smith testified that Frisco ISD will have a new bond proposal about every five years. About 18 months prior to the bond election, the school district will begin working with the district advisory council and facilitate community surveys to start planning. Once a school bond election is official, Frisco ISD will work to develop fact-sharing resources to help clearly explain what is included in a bond proposal to the community. Ms. Smith noted the school district works hard to provide clear information to voters regarding the potential implications of approving any given bond proposal.

Frisco ISD utilizes two key fiscally conservative strategies when issuing bonds. The first is matching the life of the debt to the life of the asset the school district is purchasing or constructing with that bond. For example, if the district is purchasing a school bus and expecting that asset to last 10 years, then the debt for that school bus should be paid off in 10 years. The other best practice is having the ability to enter public-private partnerships. Ms. Smith mentioned the school district has a great relationship with the City of Frisco and they work together to provide opportunities for students and spur economic development without burdening homeowners. Ms. Smith concluded her testimony by emphasizing the importance of flexibility for school districts when issuing bonds. School districts are not always able to accurately project where growth will come from and what type of facilities will be needed. Flexibility to adjust bond proposals to meet the realized need in communities is essential.



## **Recommendations**

1. Consider expanding the Texas Bond Review Board's ability to collect unreported school district bond result data.
2. Continue to contemplate the mandatory "THIS IS A PROPERTY TAX INCREASE" school bond ballot proposition language and all the implications involved for schools districts and voters.

## Charge 3 - Homestead Exemption

Study the use and effect of the optional homestead exemption available to independent school districts. Examine and report on costs to the state if school districts receive incentives to increase the optional percentage exemption.

### Testimony

The Senate Education Committee heard testimony regarding this charge on May 24, 2022. The hearing included invited testimony from the following individuals:

- Dale Craymer, President, Texas Taxpayers and Research Association
- Leo Lopez, Chief School Finance Officer, Texas Education Agency
- Dr. David Young, Superintendent, Abilene ISD
- Andrew Kim, Superintendent, Comal ISD

### Finding & Analysis

The Texas Constitution requires school districts to provide a mandatory \$40,000 residence homestead exemption, as well as a mandatory \$10,000 school district exemption for the residence homesteads of persons who are age 65 or older or who are disabled, which is extended to surviving spouses who meet certain qualifications. Optional exemptions for residence homesteads may also be provided. All taxing units, including school districts, may exempt a percentage of value, not to exceed 20-percent, but not less than \$5,000. This optional exemption must be adopted by the local school board members.

Dale Craymer, President of the Texas Taxpayers and Research Association, testified to the Committee on the history of the optional homestead exemption in Texas. According to Mr. Craymer, it was authorized by a constitutional amendment in 1971 during a time of property tax system reform in Texas. Enabling legislation is found in the Texas Tax Code<sup>7</sup> and Mr. Craymer referenced several other relevant provisions in the Government Code<sup>8</sup> and the Education Code<sup>9</sup>. The provision in the Government Code makes clear the State of Texas does not subsidize the loss to the tax base if a school district adopts the optional homestead exemption. Mr. Craymer stated the school district absorbs the cost of granting the exemption. The Education Code provision lists certain circumstances where the state may subsidize portions of the exemption. If a school district receives an excess of Foundation School Program appropriations, the Education Commissioner may use the excess appropriation to reimburse school districts for a portion of the revenue lost from the exemption.

---

<sup>7</sup> Tax Code §11.13 (n)

<sup>8</sup> Government Code §403.302 (d)

<sup>9</sup> Education Code §Sec. 48.259

Mr. Craymer presented the Committee with a chart (Figure 3.1) listing the current property tax homestead exemptions in Texas. When referencing the chart, Mr. Craymer mentioned the 10 percent appraisal cap is the first property tax mitigation tool applied to the taxable value of a property. The

	School District	County	City	Special Districts
<b>All Homeowners</b>				
<b>10% Appraisal Cap</b>	The taxable value of a property, before other exemptions, may not increase in value by more than 10%, provided the owner was the same in the current and prior tax years - Tax Code §23.23			
<b>Optional Homestead</b>	Governing board may approve a percentage exemption up to 20% of the value of a property, but not less than \$5,000 - Tax Code §11.13(n)			
<b>Mandatory Homestead</b>	\$40,000 (effective 2022; \$25,000 in prior years) - Tax Code §11.13(b)	\$3,000 <sup>1</sup> - Tax Code §11.13(a)		
<b>Select Homeowners</b>				
<b>Mandatory 65 or Older or Disabled</b>	\$10,000 - Tax Code §11.13(c)			
<b>Mandatory Disabled Veterans<sup>2</sup></b>	Percentage exemption, determined by the percentage impairment of the disability – Tax Code §11.22 and Tax Code §11.132 (for homes donated by a charitable organization). Totally disabled veterans receive a 100% exemption – Tax Code §11.131.			
<b>Optional 65 or Older or Disabled</b>	Amount set by taxing unit, but not less than \$3,000 - Tax Code §11.13(d) and §11.13(e). Exemption may transfer to surviving spouse - Tax Code §11.13(q)			
<b>Over 65 and/or Disabled</b>	School property taxes in a given year may not exceed the amount levied on that property when the owner turned 65 or became disabled - Tax Code §11.26.			
<b>Surviving Spouse of US Armed Services Member Killed in Action</b>	100% of value – Tax Code §11.113.			
<b>Surviving Spouse of a First Responder Killed or Fatally Injured in Line of Duty</b>	100% of value – Tax Code §11.134			

Figure 3.1 - Property Tax Homestead Exemptions

optional homestead exemption is then applied against the net taxable appraisal of a property. Lastly, the standard mandatory homestead would be applied and this order of application allows taxpayers to receive the full benefit of each exemption.

Mr. Craymer testified the total value for all the school homestead exemptions equals about \$505 billion in 2022. This number was adjusted for the new \$40,000 standard mandatory homestead exemption approved by voters in May 2022 (increased by \$15,000 from the previous \$25,000 exemption). With the increase to \$40,000, the mandatory homestead exemption accounts for 43-percent of the value of all homeowner school property tax exemptions, or about \$218 billion. Mr. Craymer cited that roughly one in four of all Texas school districts offer an optional percentage exemption of up to 20-percent, removing \$60 billion from Texas tax rolls in those districts. “Property-wealthy” districts are more likely to offer the optional homestead exemption. Mr. Craymer stated if all school districts in Texas offered a full 20-percent exemption, including for homeowners over 65 years of age, and the state wanted to fully fund this expanded exemption, it would cost about \$4 billion annually. Mr. Craymer suggested the state could always consider funding just a portion of the expanded exemption or adjusting the order of application between the other existing school homestead exemptions to reduce costs.

Leo Lopez, Chief School Finance Officer at the Texas Education Agency (TEA), began his testimony by providing the Committee with an overview of the relevant structures of public school finance in Texas. The main point Mr. Lopez conveyed was that the public school finance formula does not recognize the local optional homestead exemption when determining the certified property value of school districts for state funding purposes. He then reviewed the legislative history of the standard mandatory homestead exemption. Historically, whenever the state has increased the mandatory exemption, school district budgets have been made whole by the state for losses of local tax revenue. The state has accomplished this by increasing the state share of overall funding to replace the reduction in local revenue.

However, when school districts offer the local optional homestead exemption there is no automatic increase in state aid to compensate them for the tax policy. Mr. Lopez presented TEA data found in the figure below (Figure 3.2), providing more context on the types of school districts that offer the local optional homestead exemption. In the 2021-2022 school year, 196 school districts offered the optional exemption. Eleven, or 5.6-percent, of those 196 were fast growth districts and 92, or 47-percent, of those 196 were rural school districts. Ninety-four of the 196 school districts offering the optional exemption were recapture districts, meaning their local revenues exceeded their state funding entitlement levels and their excess funds are recaptured and redistributed to other schools across Texas.

	2018-2019 School Year	2021-2022 School Year
Non-Recapture districts	86	102
Recapture districts	107	94
Total districts offering a LOHE	193	196

Figure 3.2 - Types of School Districts Offering LOHE

House Bill 3 (86th) made adjustments to the public school finance formula to ensure recapture will never cause a school district's revenue to be below their state funding entitlement levels. In cases where recapture districts offer the local optional homestead exemption, since the state does not recognize the optional exemption for certified property values in the public school finance formula, recapture payment calculations would be inflated. Provisions in House Bill 3 (86th) prevent this from occurring and the statewide cost for these provisions was approximately \$229 million for the 2021-2022 school year.

Dr. David Young, Superintendent of Abilene ISD, was the next testimony participant and he discussed the considerations his school district made when they decided to offer the local optional homestead exemption. Abilene ISD offers a 5-percent local optional homestead exemption and is not a recapture school district. The optional exemption is offered at the school district's expense. Dr. Young said offering the 5-percent optional exemption costs Abilene ISD about \$1 million per year.

Dr. Young recommended the Committee consider having the Commissioner of Education officially recognize 50-percent of the property value adjustment for the public school finance formula. The Texas Education Code allows the Commissioner of Education (under certain circumstances) to officially recognize 50-percent of the property value adjustment for districts offering the local optional homestead exemption<sup>10</sup>. Recognition of 50-percent of the optional exemption means delivering more state aid to districts that offer this exemption. The cost of recognizing 50-percent of the local optional homestead exemption for these districts is approximately \$125 million annually for maintenance and operations purposes. There is historical precedent for this. The last time the state did this was for the 2008-2009 school year with a specific appropriation from the legislature.

Andrew Kim, Superintendent of Comal ISD, provided additional insights from a school district's perspective. Comal ISD is a fast growth school district and has seen a rise in property values over the past year. Mr. Kim noted Comal ISD experienced approximately 30-percent growth in property values between 2021 and 2022. Comal ISD offers the maximum 20-percent optional homestead exemption. This equates to about \$800 in additional property tax savings for the average homeowner in Comal ISD. The optional exemption costs Comal ISD about \$28 million in revenue. Mr. Kim asked the Committee to consider creating a local optional homestead exemption allotment for school districts extending that benefit to their communities. Reimbursing any portion of lost revenue from offering the optional exemption would incentivize more districts to extend this benefit and drive down property taxes.

---

<sup>10</sup> Education Code §Sec. 48.259

## **Recommendations**

1. Recognize efforts by school districts to provide additional, optional tax relief to taxpayers such as but not limited to school finance formula or property value adjustments.
2. Consider creating a local optional homestead exemption allotment for school districts extending the optional exemption to their communities. Reimbursing any portion of lost revenue from offering the optional exemption would incentivize more districts to extend this benefit and drive down property taxes.

## **Charge 4 - Monitoring**

Monitor the implementation of legislation addressed by the Senate Committee on Education passed by the 87th Legislature, as well as relevant agencies and programs under the committee's jurisdiction. Specifically, make recommendations for any legislation needed to improve, enhance, or complete implementation of the following:

- House Bill 3 (86th Legislature), Relating to public school finance and public education;
- House Bill 1525 (87th Legislature), Relating to the public school finance system and public education; and
- House Bill 4545 (87th Legislature), Relating to the assessment of public school students, the establishment of a strong foundations grant program, and providing accelerated instruction for students who fail to achieve satisfactory performance on certain assessment instruments.

### **Testimony**

The Senate Education Committee heard testimony regarding this charge on May 24, 2022. The hearing included invited testimony from the following individuals:

- Mike Morath, Education Commissioner, Texas Education Agency
- Ben Mackey, Interim Executive Director, Texas Impact Network
- Dr. Sharla Horton-Williams, Senior Director of Academic Recovery, Commit Partnership
- HD Chambers, Superintendent, Alief ISD

### **Finding & Analysis**

#### House Bill 3 (86th Legislature) & House Bill 1525 (87th Legislature)

Commissioner Morath started his testimony by mentioning House Bill 1525 (HB 1525) was a clean-up bill that passed during the 2021 Legislative Session to update House Bill 3 (HB 3) from the 2019 Legislative Session. HB 1525 updated public school finance provisions initiated with HB 3 regarding the fast growth allotment, small- and mid-sized adjustment, and College, Career and Military Readiness (CCMR) incentives. HB 1525 also established the Texas Commission on Special Education Funding, funded autism and dyslexia grants, and created tiered funding for career and technical education (CTA) programs. Last session, the Legislature allocated federal COVID-19 relief funds through HB 1525 – the federal relief funds that supplemented formula funding and provided one-time grants for career pathways, technical programs, tutoring, and teacher supports.

Commissioner Morath continued his testimony with a review of some of the main legislative reforms in HB 3. The Commissioner covered these reforms with the Committee by referencing the figure below (Figure 4.1). He went into greater detail on the Additional Days School Year (ADSY) programs and their implementation. ADSY helps students combat “summer slide” by providing up to 30 additional half-days of funding beyond 180 for grades pre-K through 5th grade. In 2020-2021, 326 campuses in 59 different school districts in Texas offered an ADSY program and the State provided

\$12.3 million for these programs, according to the TEA. HB 3 prioritized early reading instruction and established the early education allotment, which provides approximately \$800 million per year to Texas school systems to pay for early literacy support, including primarily pre-K and the cost to deliver Reading Academies. The Commissioner mentioned the TEA was about halfway through the phase-in process for Reading Academies. After three years of implementation and lessons

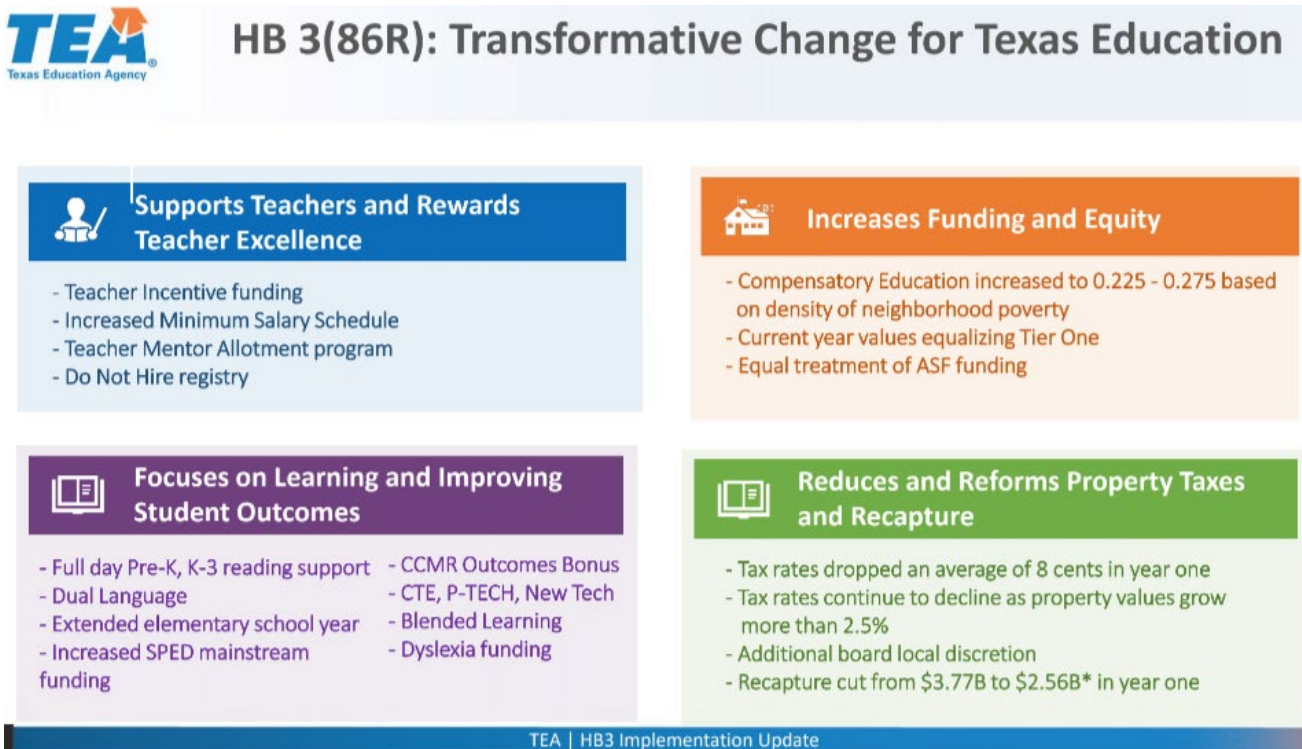


Figure 4.1 - House Bill 3 (86th) Reforms

learned, the TEA is making Reading Academies more flexible, efficient, and effective. Another lesson learned was fully embedding the time necessary to complete Reading Academies into master professional development calendars at school districts to allow teachers time to complete the training. TEA has been working to increase the amount of technical assistance available to school districts to integrate Reading Academy training into their own district calendars.

HB 3 significantly compressed tier one maintenance and operations (M&O) tax rates across the state. The Commissioner stated the intention of HB 3 was to balance the state and local funding contributions for public education with increasing property values. HB 3 compressed the school district M&O tax rates that are levied against increasing property values to calculate a property owner's property tax bill. Compressing these tax rates resulted in a greater share of public education funding coming from the state and not local property taxes. TEA data presented by the Commissioner indicated HB 3 saved property owners in Texas about \$9.5 billion in tax collections between 2019 and 2021.



Senator Hughes asked the Commissioner to provide an update on a specific provision in HB 1525 regarding non-profit teacher organizations. HB 1525 allowed members of non-profit retired teacher organizations to provide tutoring services to K-12 public school students. Senator Hughes asked the Commissioner to provide an update on the implementation of this provision. Commissioner Morath responded by outlining the complexities involved with the hiring and rehiring of retired teachers. In order for retired teachers to be paid for tutoring services, with no negative impact on their pensions, the employment of the retired teacher has to be explicitly linked to the partnership with the nonprofit organization. For example, the Texas Retired Teachers Association would need to have some sort of memorandum of understanding in place with a school district in order for its members to be paid for tutoring services without impacting their pensions. The Commissioner recommended follow-up action regarding this provision of HB 1525 by the legislature to clarify the eligibility circumstances for retired teacher pension benefits.

Following questions for Commissioner Morath, Ben Mackey, Interim Executive Director at the Texas Impact Network, began his testimony on HB 3 and HB 1525. The Texas Impact Network is a joint venture designed to support pioneering school systems in developing, implementing, and evaluating new evidence-based strategies. The three, data-proven policies are: Teacher Incentive Allotment (TIA), College, Career and Military Readiness (CCMR) Outcomes Bonus, and Additional Days School Year (ADSY). Mr. Mackey referenced these policies can pay dividends in both student achievement and increased funding when implemented with fidelity. This would require a great deal of financial and administrative capacity, high levels of engagement and a sustained effort.

## Growing Momentum for TIA

Three years since passage, school systems across the state continue to see value of implementing the program.

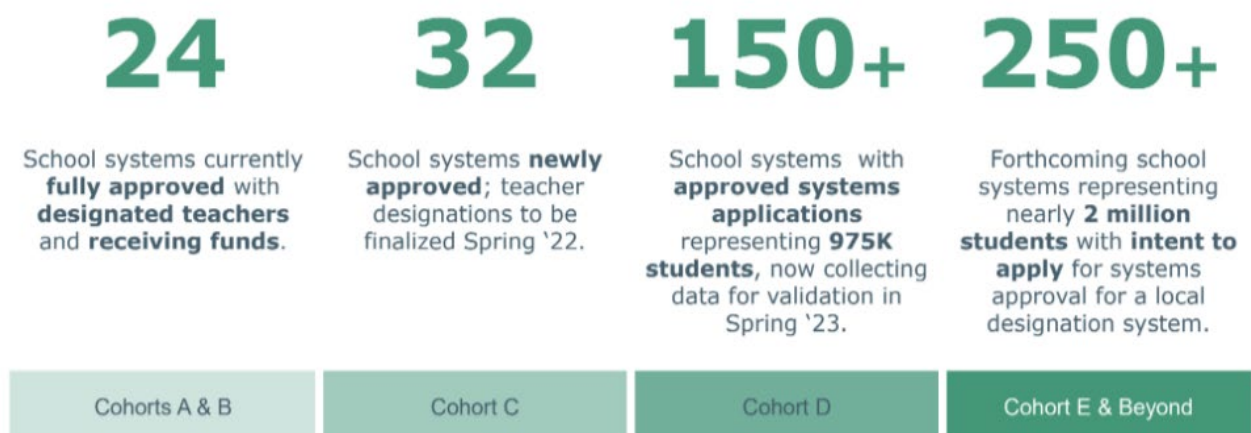


Figure 4.2 - TIA Implementation Update

The Texas Impact Network supports over 140 school districts that serve 39-percent of Texas public school students. The Network, with other district and state-wide partners, provides support to school districts with technical assistance to implement the three strategies created with HB 3. Mr. Mackey presented data to the Committee showing the growing momentum for the TIA program across the state (Figure 4.2).

Mr. Mackey identified six best practices the Texas Impact Network as seen across the state and determined to have positive impacts on student outcomes:

- Teacher training and professional development on CCMR content
- Student preparation for CCMR content (ACT/SAT, dual credit, Advanced Placement courses)
- Expanding college advising services to grades 9-12
- Work-based learning, informed by regional landscape analysis
- Advanced academics
- College and career readiness models (P-TECH)

#### House Bill 4545 (87th Legislature)

Commissioner Morath provided testimony on the monitoring of House Bill 4545 (HB 4545) from the 2021 Legislative Session. HB 4545 made three key changes to law:

1. Clarified the definition of accelerated instruction
2. Removed test-based grade retention and retesting requirements
3. Established a Strong Foundations grant

The Commissioner reviewed data showing the limited success with accelerated instruction for students below grade level in math. Between 2017-2019, seven percent of 3rd graders who were below grade level in 3rd grade math grew to approach and then meet grade level within two years. HB 4545 helped establish and define high quality tutoring programs to significantly accelerate student learning in Texas. Commissioner Morath cited a 2020 meta-analysis of 96 studies of high quality tutoring programs that determined students made five months of additional progress on average.

HB 4545 tutoring programs were funded through a large funding base in HB 1525. HB 1525 guaranteed a minimum amount of federal COVID-19 relief funds to all school districts to support tutoring. As of May 2022, school districts have spent about \$74 million of the nearly \$4 billion set-aside for tutoring in Texas from COVID-19 relief funds. The TEA has created optional supports to help school systems implement tutoring requirements. Commissioner Morath noted TEA-approved tutoring providers can provide virtual and remote tutoring options to school districts.

The Commissioner testified implementing HB 4545 properly requires a change in the daily school schedule to accommodate independent study blocks for students. Students would be able to receive independent tutoring during these study blocks. The Commissioner mentioned virtual tutoring can be an effective approach when supplemental staff are limited. There are over 200,000 virtual and hybrid

tutors available from TEA approved tutoring providers, but school systems have been hesitant to use virtual tutors given their prior experiences with virtual instruction.

Commissioner Morath continued his testimony by reviewing provisions in HB 4545 that effectively removed high stakes STAAR testing for students in grades 3-8. Fifth and eighth grade students are no longer required by state law to be retained at the same grade level based on STAAR, and grade placement committees have been eliminated. He also referenced HB 4545 created the Strong Foundations Grant. The Strong Foundations Grant offers districts supports intended to get more third graders to read on grade level and prevent students from initially falling below grade level.

The Commissioner concluded his remarks by asking the Committee to consider several improvements concerning HB 4545. Mainly, to consider rolling back on compliance monitoring requirements and whether it would be appropriate to support a range of supplemental instruction intensity, varied by student need.

Senator Creighton asked the Commissioner to mention what feedback he has received in terms of concerns and challenges from districts and teachers regarding HB 4545. The Commissioner responded by stating if districts have not been able to set aside dedicated time for students to have independent intervention and study in their daily schedules, they've experienced some difficulties with HB 4545. He also mentioned it's worthy to consider prioritizing reading and math tutoring so districts can concentrate on fewer subjects and mitigate management challenges.

The Commissioner emphasized HB 4545 is projected to be good for students, so the state should consider keeping it going. It would be more damaging to start and stop the process before school districts have an opportunity to fully implement these programs. It is important to recognize that this is difficult work for the districts and it may take a few years.

Senator Paxton asked the Commissioner how TEA is collecting HB 4545 implementation data. Commissioner Morath stated the agency does not have data on managerial inputs, only data on student outcomes. TEA does some case study work with peer-districts that have different implementation strategies. Senator Paxton then asked how many districts are involved in those case studies. The Commissioner did not have a specific number, but he mentioned it is small due to TEA's limited ability to monitor many districts. One of the most effective practices facilitated by TEA has been bringing district leaders across school districts together to learn and study what other districts are doing well.

Regarding accelerated instruction to close the learning gap, Senator Schwertner asked the Commissioner what legislators should expect in terms of actually closing the gap. Senator Schwertner referenced past studies that demonstrated the learning gaps were never closed. Commissioner Morath stated this will be a multi-year process of recovery. If Texas is going to be successful at it, it will take several years and it is important to manage expectations. This has been the largest decline in student

proficiency in both the state of Texas and the country. The Commissioner noted if the state does not recover, there is evidence that would indicate this would be equivalent to every kid in Texas having their lifetime earnings reduced by roughly six-percent. This would be a very significant potential consequence.

Commissioner Morath mentioned the supplemental instruction and tutoring provisions in HB 4545 are only required to be offered by school districts if they're receiving federal funds. Once federal COVID-19 relief funds expire in several years, school districts will not be required to offer high quality tutoring programs.

Senator Menéndez mentioned some concerns regarding the stipends teachers receive to complete Reading Academies. Senator Menéndez believes the stipends are not enough to cover the costs of the time it takes teachers to complete the training. Other concerns included the amount of tutoring some students are required to complete and school districts not utilizing state-provided resources and funding. Commissioner Morath mentioned summer school would have to be utilized if students are required to take tutoring for multiple subjects. In response to the other concerns Senator Menéndez voiced, the Commissioner discussed how the TEA created best practice models for districts to implement new programs and utilize state-provided resources. The Commissioner stated he recognizes there is a balance between state support and local control. School districts and local school boards are the ultimate decision-makers and if they feel they have a better approach, they can choose to follow their own strategies. Then Commissioner Morath mentioned that is why there is the A-F accountability system, to provide districts feedback regarding what is or is not working to generate positive student outcomes.

Senator Powell referenced that only \$74 million of nearly \$4 billion has been utilized by school districts to establish HB 4545 tutoring programs. Senator Powell asked the Commissioner why so little of these funds have been allocated. The Commissioner stated a number of districts are implementing the requirements of HB 4545 very effectively and figured out how to do that without significant out-of-pocket expenditures. Some districts have figured out how to do this far more efficiently than expected.

Dr. Charla Horton-Williams, Senior Director of Academic Recovery at Commit Partnership, continued the discussion on monitoring of HB 4545. Dr. Horton-Williams presented data on STAAR student outcomes indicating steady progress from 2012 to 2019, followed by a quick decline to pre-2012 levels (Figure 4.3). She mentioned the State of Texas has historically lacked success addressing learning recovery so a substantially different approach will be necessary.

In Dallas, 136,000 students in three different Dallas County schools were in need of academic intervention to meet the HB 4545 mandate. School leaders decided to take a regional approach to address this issue. The Commit Partnership established a partnership with Dallas ISD, Garland ISD, Uplift Education and others to provide supplemental tutor pipeline support and create model tutoring systems. Dr. Horton-Williams listed six learning opportunities that their work has provided insight on:

1. Texas is one of only 10 states that enacted legislation for academic recovery.
2. District leaders and teachers value tutoring and the benefit it offers students.
3. Tutoring during the school day is most effective.
4. There is not enough time in the day to meet the current comprehensive hour requirement for some students. Compounding hours was incredibly problematic in high school this year.
5. A wide variety of state and local structural barriers inhibited districts from full and optimal implementation, e.g., fingerprinting, procurement, and staffing.
6. Mindset matters. For long-term sustainability and impact, this has to be less about compliance and more about doing what's right for students.

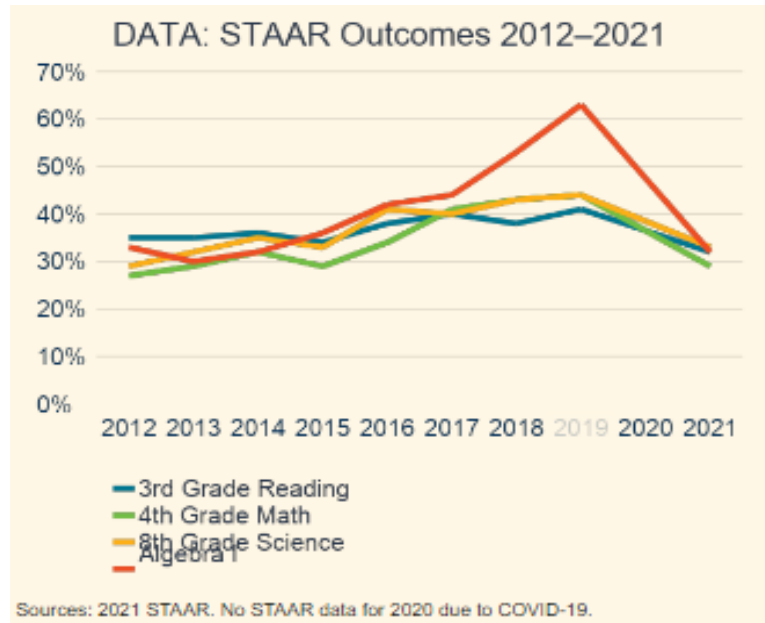


Figure 4.3 - STAAR Outcomes 2012-2021

Dr. Horton-Williams concluded her testimony with considerations for continued implementation of HB 4545. First, she suggested maintaining current three-to-one student-tutor ratios. Group size is a significant part of the effectiveness of any tutoring program. She also recommended providing greater flexibility to schedule tutoring during the school day and addressing tutoring capacity issues by narrowing the scope of HB 4545 to grades 3-9 and focusing on reading and math.

HD Chambers, Superintendent of Alief ISD, provided additional insights on the implementation of HB 4545 from a superintendent's perspective. Mr. Chambers mentioned one of the biggest barriers school districts encounter when implementing HB 4545 is the inability to hire and the shortage of staff to hire for tutoring services. He then addressed implications regarding the idea of adjusting a school district's master schedule to embed additional tutoring opportunities. Mr. Chambers stated when you begin to carve out time on a master schedule, you take away time from first-line instruction. First-line instruction is the initial engagement a teacher has with a student in a classroom to prevent

the need for accelerated learning and what HB 4545 requires. Making changes to a school district's master schedule quickly becomes a very difficult task to work through.

Mr. Chambers recommended the Committee consider providing flexibility on the three-to-one tutor-student ratio requirement with the barriers to find staff. Also, providing flexibility on the amount of tutoring hours required to be provided. Allowing school districts to make this decision locally will give them the opportunity to address each student's specific needs.

## **Recommendations**

1. Provide resources to increase technical assistance available to school districts to integrate teacher training and accelerated learning initiatives into district master calendars to allow more accommodating scheduling.
2. Examine the various eligibility restrictions for rehiring retired teachers including impacts to pension benefits and providing school districts incentives to rehire, in certain circumstances, retired teachers for a limited period.
3. Restructure high-quality tutoring programs for struggling students that ease regulatory compliance while ensuring students' needs are met and receive full-range of appropriate supports to accelerate learning.