



AMERICANS FOR PROSPERITY



April 28, 2009

Dear Budget conferees:

Restoration of the state's teacher incentive pay programs should be one of your top priorities during the conference committee on Senate Bill 1.

The House version of the budget includes an amendment by Rep. Mike Villarreal that defunds state teacher incentive pay programs and moves the funding to school districts through formulas. The language also strips funding for teacher bonuses based on demonstrable increases in student achievement.

The goal of teacher incentive pay is to raise student achievement. Teacher quality is extremely important, as research conclusively finds that the teacher is the most important factor in improving student learning. Texas school districts need to do everything possible to recognize and reward excellent teachers so that students learn and improve their chances to succeed in life.

The unpredictability of funding for teacher incentive pay has been a major deterrent to school districts adopting incentive pay programs. Major changes such as this punish those school districts that have embraced incentive pay by cutting their funding and redistributing it to all school districts, regardless of their interest in incentive pay.

The House's language will devastate the most promising school district incentive pay programs in the state. Every existing teacher incentive pay program stands to lose half its state funding. For example:

- Houston ISD, the state's largest program, is projected to lose \$8 million per year;
- Dallas ISD will see its funding cut by almost \$6 million;
- Austin ISD will lose more than \$5 million; and
- Fort Worth ISD may lose \$4 million.

Many problems emerge with moving the money to the formula, such as ensuring that these funds will be used for the stated purposes, and the ability of school districts to receive technical assistance to design and implement successful incentive pay programs.

Thus far, the results of teacher incentive pay programs in Texas are promising. For example, Austin ISD credits its Strategic Compensation Initiative with retaining new teachers at its highest-needs schools and raising student growth in math. Retention of novice teachers at highest-needs schools participating in the program increased by 11 percent versus only 3 percent at comparable schools not participating. Additionally, teachers at non-high needs pilot schools who met their academic goals in math, thus qualifying for a bonus, had significantly more students exceed 2008 TAKS expectations than teachers that did not meet their math goals.

Fort Worth ISD has shown promising signs of success with its PEAK (Public Educators Accelerating Kids) pilot program which was launched at 15 campuses this past fall. TAKS scores have shown noticeable increases

at many of these PEAK campuses and teachers have expressed positive feedback regarding change in climate, increased focus on collaboration, and peer support.

Small school districts such as Aransas County ISD and Lamesa ISD have seen excellent results. Aransas County ISD's plan led to increased teacher collaboration and data-driven decision making, significant improvement in math and reading TAKS scores, increased student attendance by a full percentage point, and the only *Recognized* rating among 4A/5A Region 2 school district. Lamesa ISD has seen increased teacher morale, and tremendous gains in test scores in reading, math, and science.

Texas' investment in teacher incentive pay programs began in 2006, helping over 200 school districts implement plans, many of which would not be possible without state funding and technical assistance. With the state's move toward measuring student growth through value-added data, it should be easier to see the effectiveness of the incentive pay programs.

With the best interests of students in mind, we strongly urge you to support the Senate's approach on funding teacher incentive pay programs at the state level.

Sincerely,



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