

Act Now for Our Future 2019 LEGISLATIVE PRIORITIES

#ActNowForOurFuture



INVEST

Keep School Funding Separate From High-Stakes Tests

School finance policy that provides funding to K-12 students based on their performance on a high-stakes test has no basis in research. Funding any part of our school system based on student performance on a test, or “outcomes-based” funding, would create inequities and unintended funding consequences.

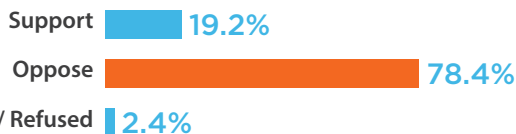
What is outcomes-based funding?

Simply put, outcomes-, performance-, or incentives-based funding distributes funding to schools contingent on student performance. Performance could be based on any number of factors, including completion of coursework, high school graduation, acceptance to college, or how well a student performs on a single standardized test.

The theory behind outcomes-based funding is that school leaders, teachers, and students will respond to the incentive to improve student performance. It implies schools already have the resources they need to meet the needs of all students. While such an incentive may focus attention, research has not shown that allocation of scarce resources to chase a single measure generates better outcomes than a broad measure of school accountability.

What Do Texans Think About Outcomes Funding? ¹

In January 2019, we asked Texans, “Do you support or oppose increases in public school funding tied to student performance on state standardized tests, where higher test scores means more money for a school campus?”



The poll was conducted by Outreach Strategists and was weighted to reflect the demographics of likely voters for the 2020 general election. Margin of error of +/- 4.27 percent.

Where is outcomes-based funding being used?

Outcomes-based funding is used in higher education. Over 30 states have implemented financial incentives to promote student retention and increase graduation rates, but the results indicate performance-based policies negatively impact low-income students.²

Outcomes-based funding policy is not widely used in the K-12 arena. Some states, including Texas, provide funding based on completion of online coursework, but there are few examples of funding students based on achievement levels on a standardized test.

Arizona passed legislation in 2017 that awards additional funding to the top 10 percent of its schools based on math and reading standardized test performance. The results after two years indicate significant inequities between wealthy and poor campuses even though economically disadvantaged students are eligible for more money.

“[Outcomes-based funding] doesn’t do anything to close the opportunity gap between low-income kids and higher-income kids. It doesn’t do anything to address our teacher shortage. It is not accomplishing our key goals.”³

— Dana Wolfe Naimark,

Action Alliance President and CEO responds to an *Arizona Republic* analysis of outcomes-based funding.

Is there a better way to improve student performance?

There is already an overemphasis on high-stakes testing in Texas. Our schools should not be funded based on the performance of a third grader on one day in May. Raise Your Hand Texas' programmatic work tells us a better solution is for the state to fund programs that use tools to benchmark and track student needs and growth. This allows a more personalized, data-driven model of instruction.

Raise Your Hand Texas urges policymakers to keep the state's school finance system separate from its accountability system and fund programs that are proven to work. The state has already developed a robust accountability system to evaluate student achievement, student progress, and college, career, and military readiness and policies to intervene in failing campuses, districts, and charters are already in place. The state's school finance system is not and should not be a punitive system. It should not create a culture of winners and losers. All Texas students deserve a fair shot through an adequate and equitable school finance system.

Policy Recommendations

- ▶ The state's school finance system should not be used as a school accountability system. The finance system guarantees each student an equitable opportunity for an education; the accountability system should be used to hold adults accountable.
- ▶ Invest in programs that support the implementation of a data-driven model of instruction to better personalize learning for students.
- ▶ The state should fund schools adequately to keep up with inflation and other program demands.



References

- ¹ Texas Public Education Perceptions Poll (2019) Raise Your Hand Texas Retrieved from: <https://www.raiseyourhandtexas.org/advocacy/texas-public-education-perceptions-poll/>
- ² Jones, Tiffany. (2017) Can Equity Be Bought? A Look at Outcomes-Based Funding in Higher Ed. Retrieved from: <https://edtrust.org/the-equity-line/can-equity-bought-outcomes-based-funding/>
- ³ Beard Rau, A. (2017) Richest Schools Get Richer in Arizona's Results-Based Funding Program Retrieved from The Arizona Republic 1/30/19

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