

SUBJECT: Designating math innovation zones and creating pay for success programs

COMMITTEE: Public Education — favorable, without amendment

VOTE: 11 ayes — Huberty, Bernal, Allen, Bohac, Deshotel, Dutton, Gooden,
K. King, Koop, Meyer, VanDeaver

0 nays

SENATE VOTE: On final passage, May 4 — 31-0

WITNESSES: *On House companion bill, HB 2014:*

For — Flavio Cunha, Rice University; (*Registered, but did not testify:*
Seth Rau, San Antonio ISD; Courtney Boswell, Texas Aspires; Ellen
Arnold, Texas PTA; James Thurston, United Ways of Texas)

Against — None

On — Mike Morath, Texas Education Agency; (*Registered, but did not
testify:* Kristi Hassett, Lewisville ISD Board of Trustees; Kara Belew and
Von Byer, Texas Education Agency)

BACKGROUND: Concerns have been raised that, due to startup costs, few schools have adopted innovative programs intended to improve the math reasoning skills of Texas students. Some parties suggest that providing grants to encourage alternative math instruction would address this issue.

DIGEST: SB 1318 would allow the Commissioner of Education to designate the campus of a school district or open-enrollment charter school as a math innovation zone upon application. The commissioner could award a grant to the campus to support implementation of innovative math instruction from funds appropriated or donated for that purpose. The total amount of grants awarded during fiscal 2018-19 could not exceed \$12.5 million.

A campus designated as a math innovation zone would have to implement with fidelity an innovative math instructional program approved by the

commissioner to address the essential knowledge and skills of the math curriculum. The campus also would be required to comply with objectives, metrics, and other math innovation zone requirements, and provide all data requested by the Texas Education Agency (TEA).

The commissioner could revoke the designation of a campus as a math innovation zone and suspend associated grant funding if the commissioner determined the campus had failed to implement the instructional program with fidelity or comply with requirements.

A math innovation zone would not be subject to interventions under the state accountability system for the first two years of the designation. The period that the campus was exempt from interventions would not be used to determine consecutive school years for a campus turnaround plan.

A school district or charter school could use a "pay for success" program to pay costs associated with the designation of a campus as a math innovation zone. The bill would define pay for success program as a program involving private financing under which payments were dependent on achievement of measurable outcomes. The commissioner could structure and approve pay for success programs and could accept gifts, grants, or donations from any public or private source for this purpose.

The commissioner could evaluate certain participants for pay for success programs and require chosen participants to comply with program requirements. In evaluating a potential participant, the commissioner could evaluate the availability of funds of private investors, the credentials and effectiveness of education service providers, and the credentials and independence of third-party evaluators.

A district or charter school using a pay for success program would not be subject to state procurement requirements that would otherwise apply. TEA, the commissioner, and other TEA employees would be immune from liability for actions associated with the structuring, approval, or implementation of a pay for success program.

The commissioner could adopt rules to implement the provisions of this bill.

The bill would take effect September 1, 2017.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of \$12.5 million to general revenue related funds through fiscal 2018-19, and a negative impact of about \$10 million in each subsequent fiscal year.

A companion bill, HB 2014 by Parker, was reported favorably by the House Public Education Committee on May 4 and placed on the General State Calendar for May 11.