

## Early Childhood School Finance Talking Points

### TALKING POINTS:

1. By 2020, more than 60% of Texas jobs will require some sort of education or credential past a high school diploma, yet only 30% of Texas higher schools today obtain such a credential within 6 years of high school graduation. Investing in high quality early childhood education is an effective way to ensure our students are prepared for college or career after graduation.
2. Our students are not prepared for success early on: just 41% of Texas students meet grade-level reading standards by the end of 3<sup>rd</sup> grade, and only 32% of low-income students meet this same benchmark.
3. High quality early childhood programs can have significant, long-term impacts on student outcomes. Data from San Antonio's PreK4SA program show that students who attended high quality pre-K programs scored nearly 12 percentage points higher on the 3<sup>rd</sup> grade STAAR reading exam than similar peers who did not attend pre-K. For the 3<sup>rd</sup> grade math STAAR, pre-K students scored nearly 16 percentage points higher.
4. Our public school finance and accountability systems do not prioritize the early grades, which are crucial for long-term success. Consistent with the School Finance Commission recommendations, reform to the Texas school finance system must:
  - Establish a statewide and school district board goals for 3<sup>rd</sup> grade reading, ideally that by 2030, 60% of Texas 3<sup>rd</sup> graders are meeting grade-level literacy expectations.
  - Provide \$780m annually through a weight for K-3 low-income and ELL students, requiring districts to offer full-day, high-quality pre-K subject to capacity restraints.
  - Provide \$400m in outcomes-based funding for every student meeting 3<sup>rd</sup> grade literacy expectations, weighted equitably so low-income students receive 2.3x more funding.

### BACKGROUND:

**By 2020, more than 60% of Texas jobs will require some sort of education or credential past a high school diploma.** Our current public education system leaves a gap in future workforce needs, **as fewer than 30% of Texas high schoolers obtain any type of postsecondary degree** within six years of graduation.

**Improving our postsecondary outcomes begins with high quality early childhood education.** Research illustrates that students who are ready to learn on the first day of Kindergarten are much more likely to read on grade level by the end of 3<sup>rd</sup> grade, and **students meeting literacy standards at the end of 3<sup>rd</sup> grade are 4 times more likely to graduate from high school.**

However, despite their critical importance, our current school finance and accountability systems do not prioritize the early grades:

1. **Texas only provides a half day of funding for pre-K for eligible students.** Data shows that pre-K programs significantly increase school readiness and 3<sup>rd</sup> grade literacy outcomes. This impact is greatest when programs are high-quality and full-day. Currently, districts offering full-day pre-K do so out of their own pockets, with little assistance from the state.
2. **Our accountability system incentivizes elementary principals to focus their best teachers in STAAR tested grades (3<sup>rd</sup>-6<sup>th</sup>),** oftentimes removing high quality educators from early grades classrooms and placing them in the tested grades. This practice results in weaker educators being placed in front of our youngest students, during the most formative years of their academic career.

**The misalignment of our funding and accountability systems shows in our outcomes: only 41% of all Texas students are reading on grade level in 3<sup>rd</sup> grade, and just 32% of our low-income students are meeting that same benchmark.**

Our state must work to address these crucial years in our education pipeline.

#### **RECOMMENDATIONS:**

**Evidence-based interventions in the early grades, such as high-quality full-day pre-K, teacher literacy training, and student literacy interventions, can effectively improve outcomes throughout the early grades, ultimately increasing 3<sup>rd</sup> grade literacy.**

First and foremost, school districts should be pushed to prioritize the early grades by **requiring boards to set a goal for 3<sup>rd</sup> grade reading proficiency**, aligned with a **statewide goal that by 2030, at least 60% of Texas 3<sup>rd</sup> graders meet grade-level reading standards.** The state should then provide funding, allocated specifically to the early grades, to ensure school districts make meaningful progress against their set goal.

In line with the recommendations from the Texas Commission on Public School Finance, the state should provide **\$780 million in annual funding for the early grades**, through a weight to economically-disadvantaged and/or English-Language-Learning K-3 students, **sufficient to require school districts statewide to offer full-day, high-quality pre-K for eligible students**, subject to capacity restraints. If a school district cannot offer full-day, high-quality pre-K, the funding must be spent to support early literacy programs in grades K-3.

The state should also provide **\$400 million in outcomes-based funding** to school districts **for each student meeting standard on 3<sup>rd</sup> grade reading, weighted equitably so that low-income students receive approximately 2.3 times the amount of funding** for meeting standard than their non-low-income peers, in recognition of the greater resources necessary for students in more challenged schools and to address the significant achievement gap for our economically-disadvantaged students.

#### **CLOSING:**

Early literacy must be the focal point of any comprehensive school finance reform bill. School districts are hard pressed to graduate and prepare high school students for college and career success, yet many students enter high school too many steps behind. To sustainably and effectively improve outcomes across our educational pipeline, we must invest heavily in the earliest years to provide all our students, particularly low-income and English-Language-Learning students, with a strong foundation in early literacy, without which subsequent outcomes will never meaningfully improve.