HB 3 in 30: College, Career, or Military Readiness Outcomes Bonus and Exam Reimbursements

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Introductions

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Agenda

- College, Career, or Military Ready (CCMR) Outcomes Bonus
  - CCMR Outcomes Bonus Background
  - CCMR Outcomes Bonus Calculation Method
  - CCMR Outcomes Bonus Criteria and Data Sources
  - CCMR Outcomes Bonus Funding Timeline
  - CCMR Outcomes Bonus Spending Requirements

- Study on Alternative Career Readiness Measure for Small and Rural Districts

- College Preparation Exam and Industry-Based Certification Exam Reimbursement
HB 3 incorporates three of the Texas Commission of Public School Finance’s recommendations related to CCMR:

- Creates CCMR outcomes funding
- Provides sufficient funding for the state to pay for one SAT, ACT, or TSIA optional assessment for every student in Texas during high school
- Amends high school graduation requirements to require the completion of either the FAFSA or TAFSA form
The CCMR incentives allow districts to earn additional funds for preparing graduates for college, a career, or the military.

The purpose is to further the goal set under the state’s plan for higher education developed under Texas Education Code (TEC) §61.051 for at least 60 percent of all adults aged 25 to 34 in Texas to achieve a postsecondary degree or workforce credential by 2030.

House Bill 3 CCMR incentives are directly aligned with the Texas Education Agency strategic plan that every child is prepared for success in college, career, or the military.
CCMR Outcomes Bonus
Background
CCMR bonuses are paid for each annual graduate above a certain threshold percentage

- **Economically Disadvantaged**: $5,000 for each CCM-Ready economically disadvantaged annual graduate above a threshold

- **Non-Economically Disadvantaged**: $3,000 for each CCM-Ready non-economically disadvantaged annual graduate above a threshold

*Rules will be adopted to formalize the fixed threshold percentages.*
In addition to the economically disadvantaged / non-economically-disadvantaged CCMR bonuses, CCMR bonuses are paid for each annual graduate:

- **Special Education:** $2,000 for each CCM-Ready annual graduate enrolled in special education
Defining College, Career, or Military Readiness

The CCMR bonus uses a more rigorous standard for CCMR than the academic accountability system:

- **College:**
  - ✔ Texas Success Initiative (TSI) score on SAT/ACT/TSI Assessment (TSIA) **and**
  - ✔ Earned an associate degree prior to graduation **or** enrolled in college by the fall immediately after high school graduation

- **Career:**
  - ✔ TSI score on SAT/ACT/TSIA **and**
  - ✔ Received an industry-based certification / Level I / Level II certificate

- **Military:**
  - ✔ Armed Services Vocational Aptitude Battery (ASVAB) passing score **and**
  - ✔ Enlisted in U.S. Armed Forces after graduation
CCMR Bonus Calculation Methodology
Outcomes bonuses are paid for annual graduates above a threshold.

- The thresholds are set **one time**, in rules to be adopted spring 2020.
- **Statute requires the use of a specific methodology to set the thresholds.**
  - Specifically, TEA must look at data from 2016-17 annual graduates, and set the thresholds equal to 25\(^{th}\) percentile of district CCMR rates that year, for **all three student groups** (economically disadvantaged, non-economically disadvantaged, and special education).
  - The 25\(^{th}\) percentile is determined by ranking each district’s CCMR percentage, by student group, from highest to lowest.
  - The cut point is set at the lowest 25 percent.
- The thresholds **will be fixed**. Going forward, the 25\(^{th}\) percentile concept is irrelevant. It is only used one time to set the initial threshold percentages.
The CCMR bonus is paid for each annual graduate, in each of the three categories, above the minimum threshold.

The thresholds will be defined by rule in the spring when final data are available. Preliminarily, assume the thresholds are the following:

- 20% for non-economically disadvantaged
- 9% for economically disadvantaged
- 0% for special education
Assume 100 Annual Graduates

- 60 are economically disadvantaged
- 10 receive special education services
- 40 are non-economically disadvantaged
How to Calculate the Bonus: An Example

Assume 100 Annual Graduates

= 60 are economically disadvantaged
  (20 are CCMR)

= 10 receive special education services
  (3 are CCMR)

= 40 are non-economically disadvantaged
  (15 are CCMR)
Calculating CCMR Bonus: Eco Dis

Step 1: Multiply eco dis grads (60) by threshold percent in rule for eco-dis (use 9%, but likely to change).

\[ 60 \times 9\% = 5.4 \]

Step 2: The agency will always round down when determining the threshold count. 5.4 graduates turns into 5 graduates.

\[ 5.4 = 5 \]

Step 3: Subtract the threshold count (5) from total eco dis CCMR graduates (20) to get the count of eco-dis CCMR graduates above threshold for the bonus.

\[ 20 - 5 = 15 \]

Step 4: Multiply that by the eco-dis bonus amount ($5,000).

\[ 15 \times $5,000 = $75,000 \]

Bonus Funding To District: $75,000
Calculating CCMR Bonus: Non-Eco Dis

**Step 1:** Multiply non-eco-dis grads (40) by threshold percent in rule for non-eco-dis (use 20%, but likely to change).

\[40 \times 20\% = 8.0\]

**Step 2:** The agency will always round down when determining the threshold count. 8.0 graduates turns into 8 graduates.

\[8.0 = 8\]

**Step 3:** Subtract the threshold count (8) from total non-eco-dis CCMR graduates (15) to get the count of non-eco-dis CCMR graduates above threshold for the bonus.

\[15 - 8 = 7\]

**Step 4:** Multiply that by the non-eco-dis bonus amount ($3,000).

\[7 \times $3,000 = $21,000\]

**Bonus Funding To District:** $21,000
While the methodology to calculate CCMR outcomes bonus payments for students receiving special education services involves a threshold calculation, the threshold percentage is 0% given the 25th percentile of state performance in 16-17. This makes the calculation easier:

All Special Education CCMR graduates generate a bonus.

Step 1: Multiply remainder the number of special education CCMR graduates (3) by SpEd bonus amount ($2,000).

$3 \times 2,000 = 6,000$

Bonus Funding To District: $6,000
How to Calculate the Bonus: An Example

Bonus total for economically disadvantaged: $75,000

Bonus total for non-economically disadvantaged: $21,000

Bonus total for special education: $6,000

Total CCMR Outcomes Bonus Funding To District: $102,000
Who is Included in the Calculations

Cohort vs. Annual Graduate

- A cohort is a group of students who began grade 9 in public school in a particular school year and were expected to graduate four years later. TEA places students in a cohort based on their first appearance in grade 9 in Texas public schools, with repeaters excluded.

- Annual graduates are students who graduate from a district or campus in a school year regardless of cohort. This is separate from and may include different students than the cohort.

- Annual graduates are used for the CCMR Outcomes Bonus calculations. Cohort is not considered.

Example: If they graduated in 2018, regardless of how many years it took them to graduate, they will be included in calculations for the first year’s CCMR Outcomes Bonus payments.
CCMR Criteria & Data Sources
The Texas Higher Education Coordinating Board (THECB) established criterion scores for the TSIA, SAT, and ACT which demonstrate college readiness.

<table>
<thead>
<tr>
<th>TSIA</th>
<th>SAT</th>
<th>ACT</th>
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<tbody>
<tr>
<td>&gt;= 351 on Reading</td>
<td>&gt;= 480 on the Evidence-Based Reading and Writing (EBRW)</td>
<td>&gt;= 19 on English and &gt;= 23 Composite</td>
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<tr>
<td>&gt;= 350 on Mathematics</td>
<td>&gt;= 530 on Mathematics</td>
<td>&gt;= 19 on Mathematics and &gt;= 23 Composite</td>
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The Texas Success Initiative (TSI) Criteria
SAT, ACT, and TSIA data will come directly from testing vendors.

Enrollment in college is defined as being enrolled on the 12th day of class in the fall semester following high school graduation (to be proposed during rulemaking).

Enrollment data will come directly from the Texas Higher Education Coordinating Board (THECB) and National Student Clearinghouse.
Industry-Based Certification Data

- Industry-Based Certification (IBC) data will continue to be self-reported for the next few years as part of the TSDS PEIMS fall submission and resubmission.
  - TEA will attempt to work with testing vendors to get data directly in the years ahead.

- Level I and Level II certificate data will come directly from THECB.

- The time period for a graduate to earn an IBC, Level I, or Level II certificate will be established in rule (fall following high school graduation).
  - Will reflect timeline of College enrollment deadline.
Military Data

- TEA will begin validating enlistment records against data from the Department of Defense starting spring 2020.
  - Criteria related to military enlistment for academic accountability and the CCMR Outcomes Bonus will be identical.
- Since all enlistees must pass the ASVAB, enlistment data will provide confirmation of both requirements (passing the ASVAB and enlisting).
- The time period for a graduate to enlist in the military will be established in rule (fall following high school graduation).
  - Will reflect timeline of college enrollment deadline.
Category Determination

- Students are reported as **economically disadvantaged** if they are identified as such in the TSDS PEIMS fall submission during their senior year or the summer submission following their senior year.
  - Refer to the TSDS PDM1-120-012 and PDM3-120-007 Student Indicator Reports by Grade.

- Students are reported as **receiving special education services** if they are identified as such in the TSDS PEIMS special programs attendance record submitted following their senior year.
  - Refer to the TSDS PDM3-120-013 Special Programs Attendance Data Report.
TEA currently provides CCMR student listings to districts for academic accountability; however, college enrollment is not included, and military enlistment is self-reported.

The agency will provide districts with the aggregated counts of graduates who meet the criteria for the Outcomes Bonus.

Agency staff are working with the National Student Clearinghouse and the DoD in order to provide as much information as possible to districts for the CCMR Bonus.
CCMR Outcomes Bonus Funding Timeline
Funding Starts in 2019–20 from 2017–18 Graduates

Key Point: Districts will receive an outcomes bonus in the 2019-2020 school year and this bonus will be generated from 2017-2018 graduates.
CCMR Bonus Spending Requirements
Spending Requirements: 55% spent on Improving CCMR for grades 8-12

Allowable/Suggested Use of Funds

- **Support for College and Career Advising**
  - Preparation, professional development, and training for counselors on:
    - FAFSA
    - College entrance requirements
    - Career awareness and exploration activities for students
    - Work-Based Learning

- **Support for establishing and/or maintaining College and Career Readiness School Models**

- **Support for Teacher and Student Preparation**
  - Preparation, professional development, and training for teachers on:
    - ACT and/or SAT
    - Dual credit
    - Advanced Placement (AP)
    - International Baccalaureate (IB)
  - Preparation for students on:
    - ACT and/or SAT
    - Dual credit
    - Advanced Placement (AP)
    - International Baccalaureate (IB)

Spending requirements will be posted to the Financial Accountability System Resource Guide (FASRG)
Can CCMR Outcomes Bonus be spent on funding for a college and career adviser?

Yes, these positions support students in a to and through postsecondary advising program and would be an appropriate use of funds to support more students in meeting CCMR measures.
Can CCMR Outcomes Bonus be spent on technology tools/platforms that assist in advising students in College and Career Readiness?

Yes, these systems reduce the work load of counselors and connect students to college and career modules, opportunities, and planning for CCMR.
Can CCMR Outcomes bonus be spent on student scholarships to postsecondary?

Once the district meets the 55% minimum on CCMR for grades 8-12, they can determine uses of funds for the remaining amount. There is a three-pronged test that must be satisfied for spending funds on scholarships/payment plans. TEA would defer to local legal counsel to help the LEA determine the constitutionality of their proposal.

For further analysis, see the Texas Attorney General’s opinion which specifically addresses the use of funds related to student scholarships. [https://www2.texasattorneygeneral.gov/opinions/opinions/51paxton/op/2018/kp0204.pdf](https://www2.texasattorneygeneral.gov/opinions/opinions/51paxton/op/2018/kp0204.pdf)
Alternative Career Readiness Measures for Rural and Small Districts
On application by a school district, the commissioner may allow a district to demonstrate career readiness for CCMR Outcomes Bonus by completing a coherent sequence of courses required to obtain an industry-accepted certificate.

TEA is looking into the timeline and possibility of this option.

- TEA will send out a TAA with additional information by October 2019.
Not later than January 2021, TEA shall conduct a study on alternative career readiness measures for small and rural districts to determine if annual graduates demonstrate career readiness as it applies to the CCMR Outcomes Bonus

- Connection to Career and Technical Education (CTE)
- Connection to Work-Based Learning

In Statute:
The Study on Alternative Career Readiness can be found in HB 3 §48.1101.
College Preparation Exam and Industry-Based Certification Exam Reimbursement
Funding formulas now include a reimbursement to districts to offer one free college preparation exam & Industry-Based Certification exam per student before they graduate.

Reimbursement is provided once per high school student for SAT/ACT/TSIA.

Reimbursement is provided once per high school student for any of the Industry-Based Certifications in A-F accountability if the student passes the exam.

In Statute:
The College Preparation Assessment Reimbursement can be found in HB 3 §48.155.
The Certification Examination Reimbursement can be found in HB 3 §48.156.
ACT/SAT: Exam Reimbursement

Reimbursement is provided once per high school student for SAT, ACT, or TSIA

- A district is entitled to reimbursement for the amount of fees paid by the district for the administration of an assessment instrument under Section 39.0261 (a)(3)
  - ACT, SAT, or TSIA

- Pays for one exam for students in the spring of their junior OR senior year
Allocation

uada will allocate funding beginning in September of 2019-2020 school year

- TEA projects allocations based on the number of juniors and seniors currently enrolled in the district at 100% of juniors and 50% of seniors taking the ACT or SAT
- Districts will settle-up in April of 2021 to return unused funds
  - Recapture districts would see a smaller recapture payment
- Districts will need to keep track of students and their selected exams for back-up documentation
  - TEA will work to update the TREx system to include information about student ACT, SAT, and TSIA exam information and reimbursement

**Key Point:** Districts will receive funding for these exam fees “front loaded”. If students do not take these exams, this funding will be returned to the agency during settle-up.
ACT/SAT: Allocation of Funding

Fees/Allowable Use of Funds

- TEA will pay for the basic exam for ACT and SAT
  - TEA will not cover additional portions of the exam such as writing
  - TEA will not pay for late fees
- If a student takes more than one exam, TEA will pay for the highest cost exam between ACT, SAT, or TSIA
Summer 2019: Determine number of eligible students per district

September 2019: FSP payment schedule to include frontloaded funds

Late fall and early spring of 2019-2020 school year: ACT and SAT testing

Fall 2020: Data validation of student exams for ACT and SAT

April 2021 Settle-Up: Districts return any unused funds

*The process for TSIA will be determined and released in September 2019*
Industry-Based Certifications: Exam Reimbursement

Reimbursement is provided once per high school student for any of the Industry-Based Certifications in A-F accountability

- **TEA → District**
  
  A school district is entitled to reimbursement for the amount of a subsidy paid by the district for a student’s certification exam

- **District → Student**
  
  A student is entitled to a subsidy if the student:
  - Successfully completes the CTE program of the district in which the student received training and instruction for employment; or
  - Is enrolled in a special education program
  - The student passes a certification exam
  - A student may not receive more than one subsidy under this section
Industry-Based Certifications: Exam Reimbursement

Allocation
District allocations will be released beginning in September of 2019-2020 school year

- Provides districts with funds to pay for IBCs when the student earns the IBC
- Unused funds or additional funding to cover the cost of exam fees paid for students who earn a certification will be a part of the April 2021 settle-up process
- Districts will need to keep track of students and their selected exams for back-up documentation
  - TEA will work to update the TREx system to include information about student IBC exam information and reimbursement

Calculation
Statewide CTE enrollment x Statewide percentage of IBCs earned x growth projection

- $1.39M x 2.7% pass rate x 103% for growth = (112,590 projected IBC earned)
- $112,590 x $105 (avg cost of IBCs) = $11,821,950
- $11,821,950 / 1.39M = $8.51 per student
- District CTE enrollment x $8.51 per student = district allocation
Industry-Based Certifications Exam Reimbursement Timeline

**Year 1**

**Summer 2019:**
Determine number of eligible students per district

**Fall 2020 PEIMS Snapshot:**
District report on all students who earned an IBC with certifying entity and cost information

**April 2021 Settle Up:**
Districts return any unused funds

**September 2019:**
FSP payment schedule to include frontloaded funds

**February-March 2021:**
Data validation of IBCs

*Note:* Districts must hold on to these funds for future settle-up (as long as 20 months)

*The list of Industry-Based Certifications for accountability can be found here: [https://tea.texas.gov/cte/](https://tea.texas.gov/cte/)*
The Free Application for Federal Student Aid (FAFSA)
Graduation requirement that every student must complete a **FAFSA to graduate**, or otherwise opt-out.

- The commissioner must convene a FAFSA advisory board to advise on policy & implementation recommendations
- The requirement begins with students who are seniors in the 2021-2022 school year

*Additional Information coming in the November 14th Webinar*
Stay tuned for the most up-to-date information from TEA on the implementation of House Bill 3

Visit tea.texas.gov/HB3 for the most up-to-date information

Email HB3info@tea.texas.gov with any questions
Thank you!

Additional questions: Email HB3info@tea.texas.gov

(include CCMR in the subject line)