



Reason

#426

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A+

Weighted Student Formula Yearbook

Houston

by Katie Furtick & Lisa Snell

Houston Independent School District

Program Name: Weighted Student Formula

Implementation: 2000–2001

Program Type: District-Wide Program

Legal Authorization: School Board Policy

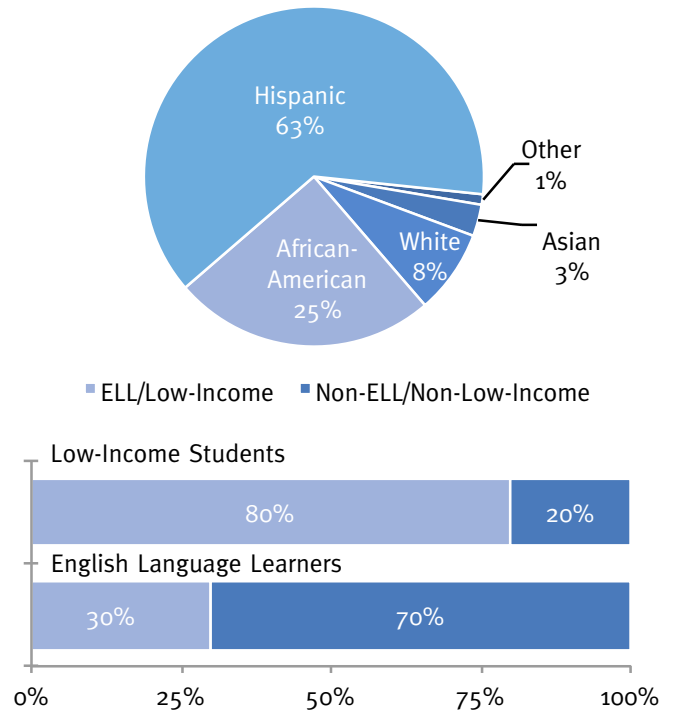
Overall Grade: **A+**

Category	Grade	Rank*
Overall Grade **	A+	1
Principal Autonomy	B	7
School Empowerment Benchmarks	A	6
2011 Proficiency Rates	A-	2
Proficiency Rate Improvement	B	5
Expected Proficiency vs. Actual	B+	3
Expected Proficiency Improvement	A-	3
2011 Graduation Rates	B	4
2011 Achievement Gaps	B+	3
Achievement Gap Improvement	B+	3
Achievement Gap Closures:		
■ <i>Internal District</i>	B+	4
■ <i>Internal District vs. Internal State</i>	B+	3
■ <i>External Achievement Gaps</i>	A	1

* Tied with Baltimore Public Schools, Boston Public Schools, Denver Public Schools, Hartford Public Schools, Minneapolis Public Schools, and Newark Public Schools for "School Empowerment Benchmarks."

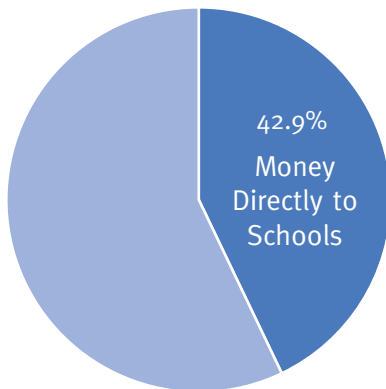
** Overall grades and ranks may not equal the average of individual grades and ranks because categories are weighted differently to reflect their importance.

Demographics



Source: HISD Demographic Facts and Figures

2013–2014 Principal Autonomy



Source: HISD 2013–2014 Budget

School Empowerment Benchmarks

School budgets based on students not staffing	Yes
Charge schools actual versus average salaries	No
School choice and open enrollment policies	Yes
Principal autonomy over budgets	Yes
Principal autonomy over hiring	Yes
Principal training and school capacity building	Yes
Published transparent school-level budgets	Yes
Published transparent school-level outcomes	Yes
Explicit accountability goals	Yes
Collective bargaining relief, flat contracts, etc.	Yes

HISD Met 9 out of 10 School Empowerment Benchmarks

1. Overview of Houston’s Weighted Student Formula Program

Houston Independent School District (HISD) serves a diverse student population, which is 63 percent Hispanic, 25 percent African-American, 8 percent White and 3 percent Asian/Pacific Islander.¹ According to the National Alliance for Public Charter Schools, Houston has about 40,549 charter school students—or 18 percent of students—enrolled in charters. The NAPC reports total enrollment of 228,574 for the Houston district, including students in district and non-district charter schools.²

Approximately 80 percent of HISD students participate in free or reduced-price meal programs. HISD also serves more than 60,000 limited-English-proficient students who, combined, speak more than 90 different native languages.³

To improve instruction and student achievement and to make the district more streamlined and efficient, schools are organized within five regions (North, East, South, West and Central) by feeder patterns composed of specific elementary, middle and high schools.⁴ Each regional office is managed by a regional superintendent who coordinates a team of executive principals to ensure the quality of instruction throughout the region’s feeder patterns.

In 1990, the Houston Board of Education issued a Declaration of Beliefs and Visions for HISD that called for a “new educational structure...that...is decentralized and features shared decision-making.”⁵ The 1990 Beliefs and Visions statement also said that schools should have the maximum freedom to develop and implement the methods that best achieve the goal of high student achievement. In 1991, the school district implemented Shared Decision-Making Committees (SDMC) at the school level to help advise principals and allow the local school community to begin making decisions with reduced central office control. In 1994, when Superintendent Rod Paige was hired, the district began to more aggressively decentralize decision-making to the school level and give principals control over school budgets. By the 2000–2001 school year principals had decision-making authority over their school-level budgets.

In 2010, HISD developed a new plan for transforming the district to align with the board’s *Declaration of Beliefs and Visions* and to meet the needs of HISD’s students and parents and the broader community.⁶

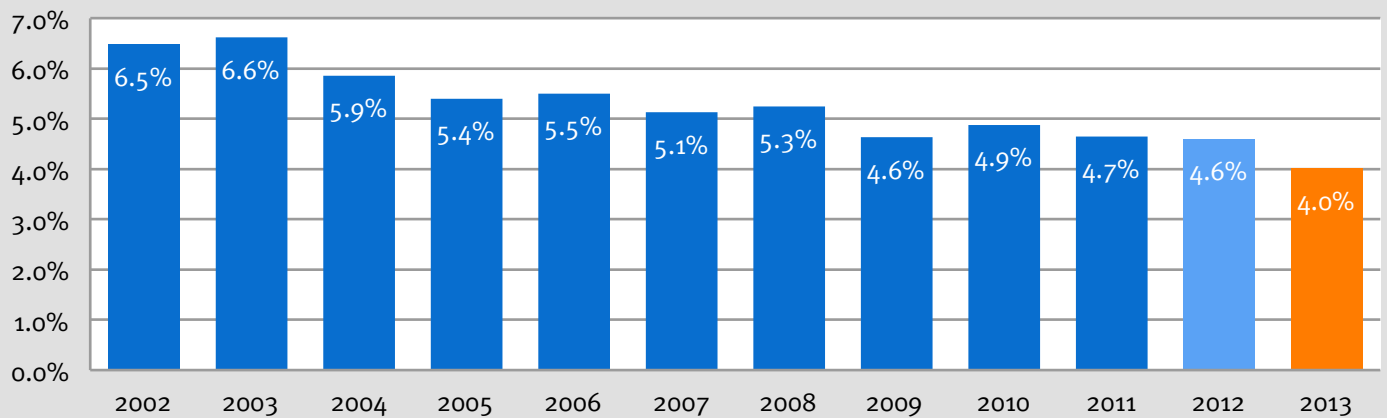
Thousands of people—parents, students, employees and community members—participated in the planning process, and the district identified five core initiatives that would be the strategic focus of HISD:⁷

- Effective Teacher in Every Classroom
- Effective Principal in Every School
- Rigorous Instructional Standards and Supports
- Data-Driven Accountability
- Culture of Trust through Action

The plan states that the “bottom line for the success or failure of this plan will be student achievement. More specifically, our goal is to ensure that all HISD students graduate from high school ready to succeed in the college and career of their choice.”

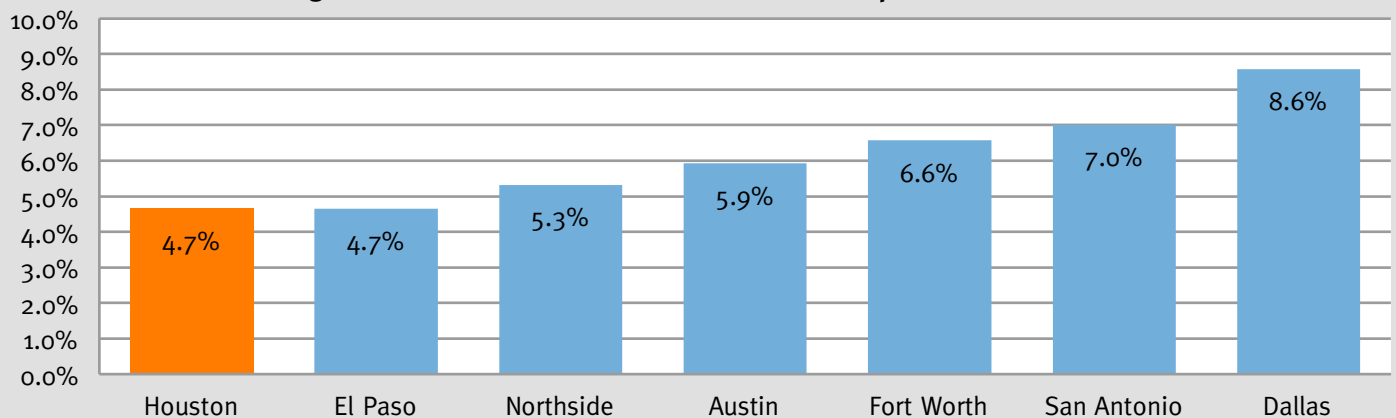
In 2013 HISD remains committed to the decentralization of resources and decision-making authority to the school level, where student academic success is the highest priority. Houston has continued to reduce its administrative costs and direct more revenue to the classroom. The administrative cost ratio has declined from 6.48 percent in 2002 to an estimated 4.01 percent for 2013, shown in Figure 1.⁸ This decline is a result of reducing administrative positions, transferring or increasing resources to the schools, and declining administrative costs throughout the district. Comparison of administrative cost ratios reveals that HISD continues to maintain a competitive position among the seven largest districts in Texas, shown in Figure 2.

Figure 1: HISD Administrative Cost Ratios



Source: 2002 through 2012 from the Financial Accountability Rating System of Texas; (FIRST); 2012 projection from unaudited actual finance data and 2013 from the Adopted Budget

Figure 2: Administrative Cost Ratios Direct Comparisons for 2011



Source: Financial Integrity Rating System of Texas (FIRST)

2. How Does Houston’s Student-Based Budgeting Process Work?

The district has formulated a school budgeting process that includes a weighted student formula. The process begins with a base grade-level formula for every student, shown in Table 1.⁹ The base formula is allocated on 100 percent average daily attendance or in essence each school’s total enrollment if every student attended every day. The formula also provides additional resources for special populations based on student characteristics.

Table 1: Houston Independent School District’s Weighted Student Formula

	Pre-K	Elementary	Middle	High
 Base Allocation	---	\$3,341	\$3,366	\$3,330
	0.5	1.0	1.0	1.0
 Special Education	0.15			
 English Language Learners	0.10			
 State Compensatory Education *	0.15			
 Gifted & Talented	0.12			
 Career & Technology **	0.35			
 Homeless	0.05			
 Refugee	0.05			

* SCE units are determined by 50 percent economically disadvantaged students and 50 percent at-risk students.

** Weight assigned per FTEs.

1. Special education students are students a school serves with an individualized education plan (IEP). The weighting provides discretionary non-payroll resources to the students. The central office still allocates special education teachers. Multiply the number of eligible students by the weight of .15 to get the weighted special education units.
2. English language learner weight is multiplied by the number of students at each school designated as English language learners.

3. State compensatory education (SCE) student counts are based on the 50 percent of students who qualify for free or reduced lunch at a school and 50 percent of students at risk, as determined by multiple factors including test scores and dropout status. These two counts are combined to get the total student population that will receive the SCE weight. In other words, this weight multiplies the total number of free lunch students by .50 and the total number of at-risk students by .50 and then funds the new population that was created based on one-half of the free lunch and at-risk population at the school.
4. The gifted and talented student population is determined by the number of students at each school that have been designated as GATE students.
5. Vocational education weight is determined by the number of hours each student is enrolled in vocational education courses. The unit for each course is computed based on contact hours multiplied by 175 instructional days. Multiply the weight of .35 by the units.
6. Homeless weight is multiplied by number of students who lack a fixed, regular and adequate nighttime residence.
7. Refugee weights include any students who initially enrolled in a school in the United States in grades 7 through 12 as an unschooled asylum-seeker or refugee.

In addition to the student weights, each school receives a capital allocation of \$10 per enrolled student.

HISD also maintains a small school subsidy. The per-student allocation for the small school subsidy is \$850. The small school subsidy distribution is calculated based on a school's enrollment. The threshold enrollment levels are as follow:

- Elementary School - 500
- Middle School - 750
- High School - 1,000

$(\text{Threshold Enrollment} - \text{School Enrollment}) \times \text{Per Unit Allocation for small school}$

= Small School Subsidy Allocation (capped at the lower of 15% of total school Base Allocation or \$228,480)

3. How Much Autonomy Do Houston's Public Schools Enjoy?

There are two ways to view school-level autonomy. First, autonomy at the school site can be evaluated by budget discretion—what proportion of funds is sent to the schools versus retained at the district level?

Second, one can evaluate by planning discretion—how much control over staffing and programmatic offerings do principals have?

The letter grade given to school districts in the *Weighted Student Formula Yearbook* indicating the level of autonomy over school budgets is based on the percentage of yearly operating funds that are allocated to the school level. The higher the percentage of operating funds allocated to the school level, the greater budget autonomy the principal enjoys.¹⁰

Combining both unrestricted and restricted operating funds, Houston Independent School District principals have full discretion over weighted student allocations, which make up 42.9 percent of the district’s general fund budget. This is a large percentage of budget autonomy relative to other school districts highlighted in the *Weighted Student Formula Yearbook*, giving HISD a “B” in principal autonomy.

In Houston, principals have discretion over hiring decisions. Also, collective bargaining is illegal in the state of Texas and school boards set personnel practices. In addition, school board policy gives principals significant discretion over personnel decisions and the design and organization of each school. These policies and practices, along with relatively high control over school budgets, give HISD principals a great amount of autonomy over their schools.

4. How Does Houston Independent School District Support Principals?

HISD runs an ongoing School Leadership Academy for new and emerging school leaders focused on instructional leadership and key business and management practices. The district also runs intensive Summer Leadership institutes to focus on specific principal training issues like data-driven decision-making.

In addition, HISD provides principals with support from budget analysts during the yearly budgeting process at each regional office and publishes a very comprehensive step-by-step budgeting guide called the “Resource Allocation Handbook,” which is updated every fiscal year.¹¹

In 2013 the district created a new online tool called the “principal’s dashboard,” also known as Analytics for Education. The dashboard is designed to give principals immediate access to all the information they need to drive decision-making at their schools. The dashboard includes data on everything from attendance records and student test scores to budget documents and procurement records.¹²

5. The Site-Based Management of Houston's Public Schools

HISD schools operate under a site-based management concept with each school having a Shared Decision-making Committee (SDMC). This school-level planning and decision-making process was established in 1992 by the Board of Education to involve professional and non-professional staff members, parents, community members and business representatives in public education. Participants at each school review the district's educational goals, objectives and instructional programs. The school principal determines the size of the committee and nominates members from the public sphere.

6. The School Choice Component of Houston's Weighted Student Formula Program

Most schools have specifically defined attendance zones that include residential areas that each school serves. On the basis of a student's home address, HISD assigns each student to a "feeder pattern" composed of a specific elementary, middle and high school.

HISD also offers parents the option of sending their child to a school other than the "home" or "zoned" campus, provided that the school of choice has sufficient space available to accept additional students. When the school of choice accepts a student from outside its attendance zone, HISD requires that the parents agree to keep the student at the chosen school for the entire school year, and parents must assume responsibility for the student's transportation.

If the demand for space-available seats exceeds the space available at an individual school, a lottery is used to determine which students are selected to enroll in the school.

Although students are assigned a residential school, parents have a variety of options:¹³

Neighborhood schools are the foundation of HISD's portfolio of educational options. The schools offer a well-rounded curriculum and have a history of community involvement. Students are zoned to a neighborhood campus based where they live. Each neighborhood has a feeder pattern, connecting an elementary school to a middle and high school. The continuity allows for aligned learning from grades K–12.

Magnet schools offer a theme-based curriculum that allows students to select schools based on their expressed interests, talents, skills or career path. Teachers receive specialized training aligned to the school's thematic focus, and strong community/business partnerships support the relevance of the theme with a real-world view. Magnet schools seek to recruit and draw an ethnically diverse student body from throughout the city.

Vanguard is a Magnet program that serves students who have been identified as potentially gifted or talented in intellectual ability, creativity or leadership. A Magnet Vanguard offers a differentiated curriculum that is both accelerated and enriched. Admission to the Magnet Vanguard program requires testing and the use of the Vanguard application.

Charter schools are focused on a particular education concept and/or student population. HISD operates five types of charter schools: whole-campus, program (school-within-a-school), cooperative, internal, community-based and external-campus. All charter schools are accountable under the Texas Education Agency accountability system.

Montessori is a system of education that is both a philosophy of child development and a methodology of guiding each child's development to its full potential. In a Montessori school children grow in an environment of mutual respect to become responsible world citizens. Every classroom is equipped with Montessori materials. Children experience a spiraling, connected curriculum founded on Montessori principles.

International Baccalaureate (IB) is an advanced academic curriculum that focuses on problem-solving and independent critical-thinking skills, which better prepare students for college and a lifetime of learning.

Early College high schools and college-prep programs provide students with an opportunity to get a head start on their college aspirations. Many teens are able to graduate with a high-school diploma and an associate's degree simultaneously, effectively saving them thousands of dollars in college tuition.

Houston Innovative Learning Zone (HILZ) programs allow students to earn an associate's degree and valuable career certifications to help them land lucrative jobs in some of the region's most in-demand professions, including the fields of medicine, shipping, energy, manufacturing and computer technology.

Career academies provide courses in 16 different career concentrations to prepare students for jobs in the workforce. Some programs prepare students for vocational certifications, while others offer dual credit courses to give them a head start in college.

STEM is a program that offers science, technology, engineering and math instruction through problem-solving and independent critical-thinking skills, while emphasizing laboratory exploration and hands-on activities.

Language programs offer students an opportunity to learn one or multiple languages in an instructional setting that integrates subject content presented in English and another language. Models vary depending on the language and school level. This program provides a continuum of learning experiences that lead to the development of advanced-level linguistic skills.

Fine arts programs provide specialized instruction in a variety of areas, including strings, band, piano, art, dance, creative writing and gymnastics. Excellence in the arts is a natural, integrated extension of the academic program. Offerings in each individual school may vary.

7. Initiatives to Increase School-Level Accountability in Houston

In 2008 the Houston Independent School District implemented a new accountability process called the ASPIRE (Accelerating Student Progress and Increasing Results and Expectations) model. This overarching initiative connects all of HISD's educational improvement efforts and encompasses innovative technology solutions, professional development and communications. ASPIRE's system of value-added analysis helped HISD increase student achievement and reward those who help students make strong academic progress. As one of the largest performance-pay plans in the nation, in 2008 the ASPIRE Award Program recognized more than 10,000 teachers and other school personnel with more than \$23 million in bonuses. The district also broadened performance management, making everyone in the central office more accountable for the quality of support provided to ensure successful teaching and learning in every classroom. ASPIRE has now become even more rigorous. For example, teachers who ranked in the top half no longer are guaranteed bonuses. They either had to meet certain thresholds, or to rank in the top 25 percent or 30 percent. The district paid out \$17.6 million in bonuses in 2013.¹⁴

A central component of ASPIRE is school-level, value-added reports to provide information about performance/progress by the campus overall and at each grade level. These reports give information about specific subjects, including reading, math, language arts, science and social studies.

In addition, the district's research and accountability office also provides parents with school-level profiles that include school enrollment and demographic information, special programs and school performance data.

HISD is also more transparent about the budgeting process than many districts that report school-level budgets. While most school-level budgets using student-based budgeting provide overall school allocations, HISD breaks the school-level budget down by individual student counts and the weights these student populations generate. In addition, HISD's school-level budgets also report student achievement data for each school.¹⁵

8. Performance Outcomes in Houston Public Schools

While compiling this *Weighted Student Formula Yearbook*, Reason Foundation conducted an analysis to determine how the school districts that have adopted a Weighted Student Formula are performing relative to other districts in their state, and relative to each other.

Reason’s analysis grades 10 performance metrics. Scores are determined by comparing the school district in question—in this case Houston—with other school districts in the same state (Texas, in this instance), and sorting them into a decile ranking. Based on the school district’s decile rank within its own state, the analysis then compares it with the other districts studied in this *Weighted Student Formula Yearbook*. Finally, it assigns the studied school districts a grade based on how they measure up against one another. This analysis also grades and ranks studied school districts on two other measures: the number of school empowerment benchmarks the district has reached, and the degree of autonomy principals have over school budgets. In determining the grades on these two measures, districts are compared only with the other districts covered in this *Yearbook*. A detailed explanation of the methodology used to determine performance metrics and grading can be found in the methodology section of this *Weighted Student Formula Yearbook*. Student proficiency rates, as determined by standardized state tests, and student enrollment data were used to calculate the following:

- 2011 proficiency rates;
- Improvement (average change) in proficiency rates from 2008 to 2011;
- Expected versus actual proficiency rates;
- Improvement in expected proficiency from 2008 to 2011;
- Achievement gap, and
- Each of three achievement gap closure metrics.

HISD proficiency rate data were obtained from the Broad Prize for Urban Education 2012 District Data Reports.¹⁶ Elementary and middle school student proficiency rates in reading, mathematics and science derive from Texas Assessment of Knowledge and Skills test results.

The analysis discusses student achievement including 2012 proficiency rates, but 2012 data were not included because in many school districts the data were not yet available at the time of analysis. Therefore, 2012 student achievement is mentioned, but not compared relative to other school districts in Texas and in the *Weighted Student Formula Yearbook*.

Graduation rates were collected from Data.gov based on adjusted cohort graduation rates at the school level for school year 2010–11 (most recent data available).¹⁷ Four-year adjusted cohort graduation rates are calculated by state education agencies in accordance with U.S. Department of Education regulations on

ESEA, Title I, published in 2008. Adjusted cohort graduation rates are reported for each school as a whole and for key sub-groups of students.

To find district graduation rates from the available school-level graduation rates, this analysis averaged graduation rates across schools, weighted by the total number of students in each graduation cohort at each school. It also calculated average district graduation rates overall and for three sub-groups (African-American, Hispanic, and low-income students).

The grade given for school empowerment benchmarks is based on 10 benchmarks determined to be best practices within existing weighted student formula programs, and recommendations of other studies on student-based budgeting.

The following sections expand upon each graded category by highlighting areas in which Houston Independent School District performed exceptionally well relative to other districts in Texas, and to other districts in the *Weighted Student Formula Yearbook*. This analysis also discusses areas in which HISD has fallen behind or could use improvement.

Student Achievement

Since decentralization efforts began in the 1990s, HISD has been working on continuous improvement for student performance. In 2013, HISD won the Broad Prize for the second time since 2002 for being a top performing urban school district. The district was a finalist for the prize in 2012.

Category	Grade
2011 Proficiency Rates	A-
Proficiency Rate Improvement	B
Expected Proficiency vs. Actual	B+
Expected Proficiency Improvement	A-
Graduation Rates	B

Houston Independent School District was among the top 50 percent of all Texas school districts for highest 2011 proficiency rates in mathematics, reading and science among African-American elementary and middle school students. Specifically, HISD students performed exceptionally well relative to other Texas and *Weighted Student Formula Yearbook* school districts in science proficiency rates among African-American elementary (top 30 percent of Texas school districts) and middle school (top 40 percent of Texas school districts) students.

In 13 of the 36 categories for 2011 proficiency rates, HISD was the highest ranked school district out of all school districts included in the *Yearbook* analysis. In most cases, Houston fell among the top 40 or 50 percent of school districts in these categories, placing the district in the average to above average range for 2011 proficiency rates relative to all other Texas school districts.

Houston Independent School District is among the top Texas school districts with highest rate of improvement in science proficiency rates from 2008 to 2011 among middle school students, shown in

Figure 3. Overall, Houston was among the top 30 percent of all Texas school districts for improvement in middle school science proficiency. In each sub-

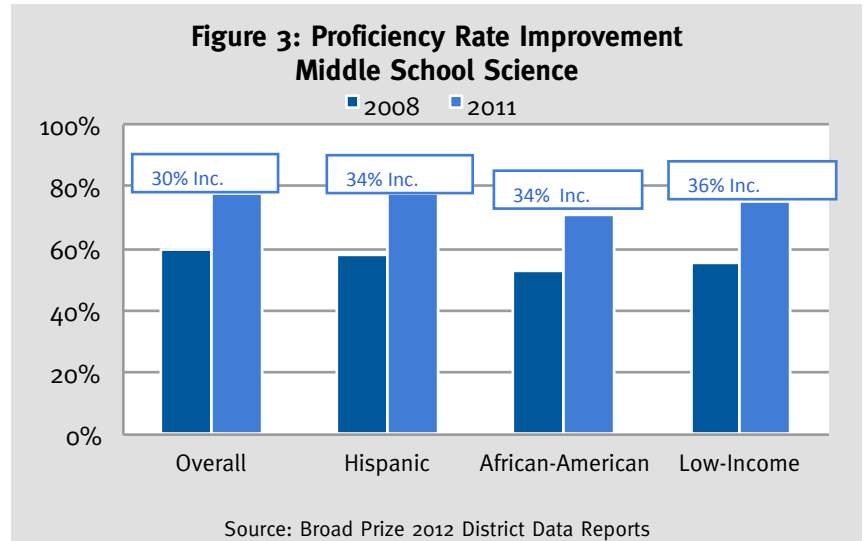
group of student proficiency rates that were analyzed (African-American, Hispanic, and low-income), Houston was among the top 40 percent of Texas school districts in this category.

Achieving these high rates of improvement demonstrates success in student achievement—with HISD also being among the top Texas school districts for 2011 proficiency rates in middle school science proficiency across all student sub-groups.

HISD also has shown high rates of improvement overall (top 20 percent of Texas school districts) and among each sub-group of middle school students in middle school mathematics proficiency. Usually, school districts that show high improvement are those that also have low 2011 proficiency rates, giving more room for improvement. However, HISD mathematics proficiency rates, especially among middle school students, are about average relative to other Texas school districts, but their rate of improvement is above average. If HISD students continue to improve mathematics and science proficiency at this rate, the district will soon be among the top performing districts in the state.

Houston Independent School District is among the top 30 percent of all Texas school districts for 2011 expected proficiency rates in mathematics and science among elementary and middle school students. Taking into account the percentage of low-income students at each school level, HISD performed better than expected in mathematics and science proficiency among elementary and middle school students.

Also, HISD has the highest improvement in expected proficiency rates in all subjects among middle school students. This means that from 2008 to 2011, the expected proficiency rate among these students has increased faster than most other Texas school districts, given the percentage of low-income middle school students in the school district each year. For instance, Figure 4 shows standardized residuals for expected proficiency in mathematics, reading and science from 2008 to 2011 among HISD middle school students. Negative residuals indicate that the district proficiency was lower than expected (given the percentage of



low-income students in the district); positive residuals indicate that the district performed better. The sharp upward trend of residuals shows that HISD increasingly performed better than expected in reaching student proficiency each year.

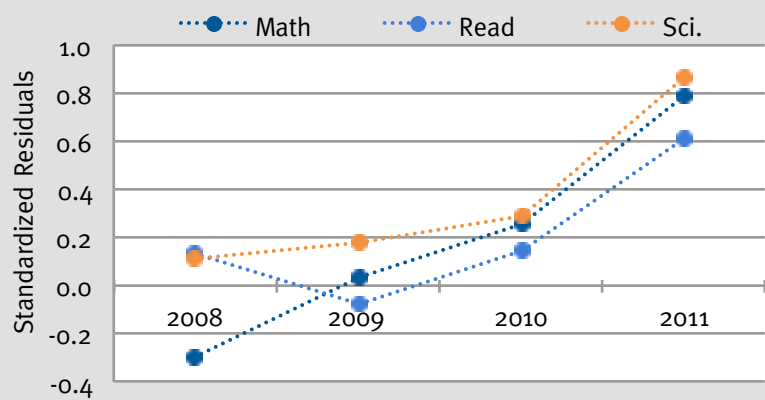
In 2012, HISD students took 23,227 AP exams, double the number of AP exams taken in 2009.

Students scored a 3 or higher on 7,106 AP exams (passing is receiving a 3 or higher on a 5 point scale), a 45 percent increase from 2009. The number of AP exams taken by African-American and Hispanic students more than doubled during the past four years from nearly 1,700 to over 4,300 and from nearly 5,000 to over 12,000, respectively. Their performance has not suffered even with this significant increase in participation rates. The number of exams taken by African-American students earning a qualifying score has increased by 98 percent and by 93 percent for Hispanic students over the past four years.

HISD continues to improve graduation rates among all student sub-groups. From 2008 to 2011, according to Texas Education Agency four-year graduation rates, the district has improved graduation rates each year, shown in Figure 5. Particularly, low-income students have increased graduation rates by 15.5 percentage points from 2008 to 2011.

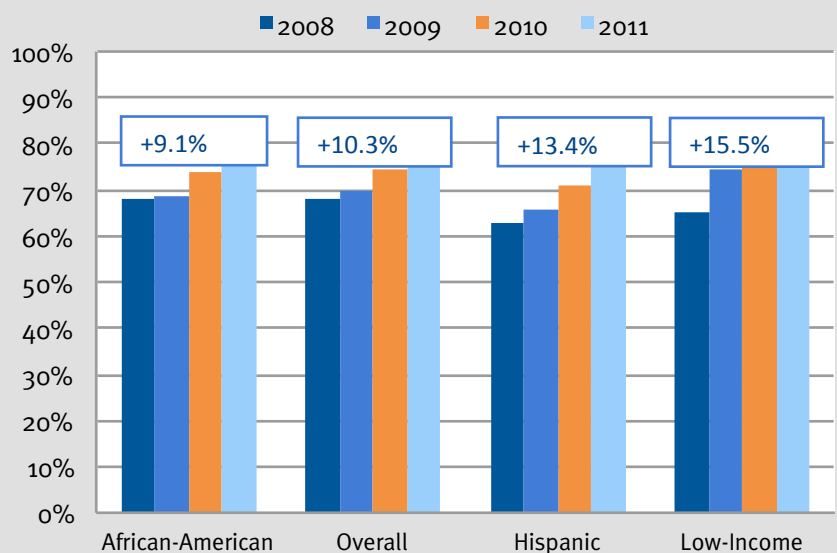
Although HISD students generally have average to low graduation rates among their student sub-groups, the fact that graduation rates are increasing shows promise. For instance, Hispanic students have low 2011 graduation rates relative to the rest of Texas school districts. However, Hispanic students' graduation rates have increased 13.4 percentage points in just four years,

Figure 4: Expected Proficiency Middle School Students



Source: Broad Prize 2012 District Data Reports

Figure 5: Four-Year Cohort Graduation Rates



Source: Texas Education Agency, 4-Year Graduation Rate Data

suggesting that with continued improvement HISD will outpace other school districts.

Achievement Gaps

The following three achievement gaps are measured across all grade levels (elementary, middle and high school) and school subjects (reading, mathematics, science):

- African-American versus White student proficiency;
- Hispanic versus White student proficiency, and
- Low-income versus non-low-income student proficiency.

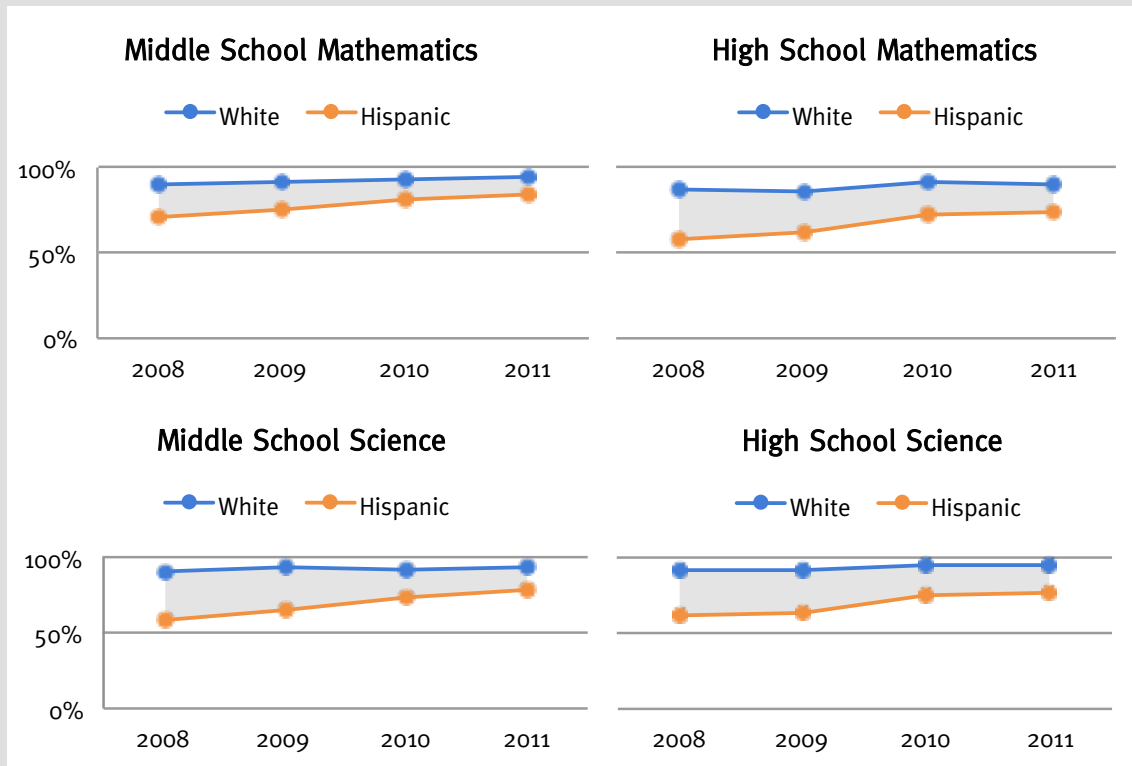
Category	Grade
2011 Achievement Gaps	B+
Improvement in Achievement Gaps	B+
Achievement Gap Closures:	
<i>Internal District</i>	B+
<i>Internal District vs. Internal State</i>	B+
<i>External Achievement Gaps</i>	A

Internal district achievement gaps (IDG) are measured as proficiency gaps between disadvantaged and non-disadvantaged student groups within a given district. Because internal district achievement gaps are measured for each district in the state, this analysis can rank relative size of achievement gaps across districts in the state, and assess how quickly those achievement gaps are closing from 2008 to 2011.

An achievement gap is considered to be closing if the disadvantaged student group proficiency rate is increasing faster than the advantaged student group proficiency rate.

Of all school districts in the *Yearbook*, HISD has the best ranking for smallest 2011 achievement gaps in mathematics proficiency among elementary school students. Houston Independent School District is outperforming all other districts analyzed in the *Yearbook* in having the smallest 2011 achievement gap in mathematics proficiency between White and African-American and White and Hispanic elementary school students.

Houston Independent School District is among the top 30 percent of Texas school districts for fastest closing achievement gap between White and Hispanic high school student proficiency in mathematics and science, shown in Figure 6. An achievement gap is considered to be closing if the disadvantaged student group proficiency rate is increasing faster than the advantaged student group proficiency rate. HISD is also succeeding in—and among the top 20 percent of Texas school districts for—fastest closing achievement gap between White and Hispanic middle school student proficiency in mathematics and science.

Figure 6: Hispanic versus White Student Proficiency Achievement Gap Improvement

Source: 2012 Broad Prize for Urban Education, District Data Profiles

Achievement gaps between low-income and non-low-income students are not closing quite as quickly as those between White and African-American students and White and Hispanic students. This is likely due to ceiling effects regarding mathematics and science proficiency rates, meaning that achievement gaps between low-income and non-low-income students are already small relative to other Texas school districts.

However, proficiency gaps in reading among advantaged versus disadvantaged students are larger than most Texas school districts and are not closing (low-income vs. non-low-income high school students) or *are* closing, but not quickly.

In addition to internal district achievement gaps (IDG) discussed above, this analysis also measures internal district versus internal state (ID vs. IS) achievement gaps and external district achievement gaps (EDG).

Internal district achievement gaps (IDG) are measured between student groups within the district. Internal district versus internal state (ID vs. IS) achievement gaps are measured as the district's achievement gap versus the average achievement gap of every other district in Texas (excluding HISD). If a given Houston Independent School District achievement gap is closing faster than that of the rest of the state, the

ID vs. IS gap is considered to be closing. Finally, external district achievement gaps (EDG) are measured by the difference between the district's disadvantaged student group proficiency rate and the advantaged student group average proficiency rate of all other districts in the state. External achievement gaps are considered to be closing if the district disadvantaged group proficiency rate is increasing faster than the state advantaged group. The table below shows which achievement gaps HISD is closing, and which achievement gaps are not closing, given the available data.

Table 2: All Achievement Gap Closures

Achievement Gap	School Level	Subject	IDG	ID vs. IS	EDG
African-American vs. White	Elementary	Math	X	X	√
Hispanic vs. White	Elementary	Math	X	X	√
Low-income vs. Non-low-income	Elementary	Math	√	X	√
African-American vs. White	Elementary	Reading	√	√	√
Hispanic vs. White	Elementary	Reading	√	√	√
Low-income vs. Non-low-income	Elementary	Reading	√	X	√
African-American vs. White	Elementary	Science	X	X	√
Hispanic vs. White	Elementary	Science	X	X	X
Low-income vs. Non-low-income	Elementary	Science	√	X	X
African-American vs. White	Middle School	Math	√	√	√
Hispanic vs. White	Middle School	Math	√	√	√
Low-income vs. Non-low-income	Middle School	Math	√	√	√
African-American vs. White	Middle School	Reading	√	√	X
Hispanic vs. White	Middle School	Reading	√	√	√
Low-income vs. Non-low-income	Middle School	Reading	√	X	√
African-American vs. White	Middle School	Science	√	√	√
Hispanic vs. White	Middle School	Science	√	√	√
Low-income vs. Non-low-income	Middle School	Science	√	√	√
African-American vs. White	High School	Math	√	√	√
Hispanic vs. White	High School	Math	√	√	√
Low-income vs. Non-low-income	High School	Math	√	X	√
African-American vs. White	High School	Reading	√	X	√
Hispanic vs. White	High School	Reading	√	X	√
Low-income vs. Non-low-income	High School	Reading	X	X	√
African-American vs. White	High School	Science	√	X	√
Hispanic vs. White	High School	Science	√	√	√
Low-income vs. Non-low-income	High School	Science	√	X	√
Total Gaps Closing out of Total Available:			22/27	13/27	24/27

The table above shows that Houston Independent School District is performing best at closing achievement gaps between disadvantaged and advantaged middle school students. In fact, among internal district achievement gaps, HISD is closing every achievement gap among middle school students, and all but one (low-income vs. non-low-income high school reading proficiency) among high school students.

Out of the three achievement gaps measured, HISD is doing best at closing external achievement gaps. This means that the HISD disadvantaged students are increasing proficiency rates at a faster rate than the “rest of state” average proficiency rate improvement. The district is closing nearly half of all internal district versus internal state achievement gaps, which is above average relative to other school districts in the *Yearbook*. This achievement gap measure indicates that HISD is not closing achievement gaps as quickly as the “rest of state” average achievement gap rate of closure, particularly among elementary and high school students.

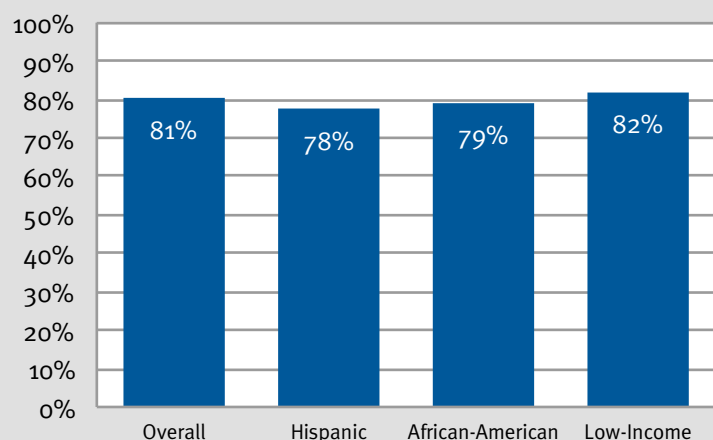
Areas for Improvement

HISD has below average reading proficiency, which has not been improving as quickly relative to other Texas school districts. Houston Independent School District has excelled at increasing mathematics and science proficiency rates so that the district now is among average to above average Texas school districts in these categories. However, reading proficiency rates need improvement.

Houston Independent School District is not closing achievement gaps as quickly as the “rest of state” average achievement gap closure rate. HISD could improve in this measure by working on increasing proficiency rates among the district’s disadvantaged elementary and high school students more quickly in order to keep up with districts in the rest of the state.

Houston Independent School District has average graduation rates among African-American and low-income students (top 50 percent of Texas school districts), but is underachieving relative to the rest of Texas school districts among Hispanic students (bottom 40 percent of Texas districts). Figure 7 shows 2011 four-year cohort graduation rates. However, as mentioned previously, graduation rates have improved each year from 2008 to 2011 for

Figure 7: 2011 Four-Year Cohort Graduation Rates



Source: EdFacts 2011 4-Year Cohort Graduation Rates

each student group. If this upward trend continues, and as the district continues to improve rates of student achievement at lower grade levels, it is likely that success will translate into higher graduation rates in coming years as data is available.

School Empowerment Benchmarks

Houston Independent School District has reached nine of the 10 weighted student formula implementation benchmarks, and has learned its own best practices, which have aided the school district in accomplishing increased student achievement.

Category	Grade
School Empowerment Benchmarks	A
School budgets based on students not staffing	Yes
Charge schools actual versus average salaries	No
School choice and open enrollment policies	Yes
Principal autonomy over budgets	Yes
Principal autonomy over hiring	Yes
Principal training and school capacity building	Yes
Published transparent school-level budgets	Yes
Published transparent school-level outcomes	Yes
Explicit accountability goals	Yes
Collective bargaining relief, flat contracts, etc.	Yes

9. Lessons Learned in Houston

1. Use performance pay in connection with the weighted student formula to encourage principals and teachers to meet the goals they outline in their academic plans as part of their discretion over budgets.
2. Use value-added analysis in addition to static achievement data to analyze how schools and teachers are changing student performance over time. Offer parents transparent school profiles that include both value-added data and overall school performance data.
3. Report detailed school-level budgets that include each school’s student populations and the weights and budget allocations attached to those students. Also report student achievement data on school-level budget reports.
4. Provide principals with a user-friendly “Principal Dashboard” where they can have easy access to multiple school data points from student achievement to budget data.

Resources

- *2012–2013 Adopted Budget*, Houston Independent School District.
<http://www.houstonisd.org/Page/74109>.
- *Resource Allocation Handbook 2012–2013*, Houston Independent School District,
<http://www.houstonisd.org/site/handlers/filedownload.ashx?moduleinstanceid=81052&dataid=56426&FileName=2013-2014%20ResAllocHandbook--recom.pdf>.
- For school-level weighted pupil budgets go here:
<http://www.houstonisd.org/site/handlers/filedownload.ashx?moduleinstanceid=89273&dataid=41947&FileName=Schools%20Section.pdf>.

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Endnotes

- ¹ Houston Independent School District, Demographic Facts and Figures. <http://www.houstonisd.org/domain/7908>.
- ² “A Growing Movement: America’s Largest Charter School Communities,” National Alliance for Public Charter Schools, November 2012. http://publiccharters.org/data/files/Publication_docs/NAPCS%202012%20Market%20Share%20Report_20121113T125312.pdf.
- ³ Houston Independent School District, Demographic Facts and Figures. <http://www.houstonisd.org/domain/7908>.
- ⁴ Houston Independent School District, General Information – HISD Organization. <http://www.houstonisd.org/Page/31690>.
- ⁵ *Preliminary Resource Allocation Handbook, 2001–2002*, Houston Independent School District.
- ⁶ Houston Independent School District, General Information – Declaration of Beliefs and Vision. <http://www.houstonisd.org/site/Default.aspx?PageID=32489>.
- ⁷ For details of the 2010 strategic plan see: “Strategic Direction: Refining HISD’s Vision and Goals.” <http://www.houstonisd.org/domain/7909>.
- ⁸ Houston Independent School District, *2012–2013 Adopted District Budget*, Informational Section
- ⁹ *Resource Allocation Handbook: Recommended 2009–2010*, Houston Independent School District, http://www.houstonisd.org/BudgetingFinancialPlanning/Home/School%20Resource%20Handbook/2009-2010_Resource_Allocation_Handbook.pdf.
- ¹⁰ The methodology used for determining principal autonomy is explained in detail in section 2 of the methodology chapter of this *Yearbook*.
- ¹¹ See Houston Independent School District, *Resource Allocation Handbook 2012–2013*.
- ¹² “New Dashboard to Help Principals Manage their Campuses More Effectively,” Press release, Houston Independent School District, June 26, 2013. <http://blogs.houstonisd.org/communitynews/?p=2791>.
- ¹³ Houston school options district page: <http://www.houstonisd.org/Page/31464>.
- ¹⁴ Ericka Mellon, “HISD Awards Bonuses with Some Changes,” *Houston Chronicle*, February 27, 2013.
- ¹⁵ Detailed school level budgets and achievement data can be found in the schools section of the yearly Budget book. Here is the 2012–2013 link: <http://www.houstonisd.org/Page/74109>.
- ¹⁶ MPR Associates, Inc., *2012 Broad Prize District Data Reports*, (Los Angeles: The Eli and Edythe Broad Foundation, 2012), http://www.broadprize.org/resources/75_districts.html#using, June 2013.
- ¹⁷ U.S. Department of Education, ED Facts, *Adjusted Cohort Graduation Rates at the school level: School Year 2010–11*, <https://explore.data.gov/Education/School-graduation-rates/5vtz-kvrk>, April 17, 2013.