

MANAGEMENT AND PERFORMANCE REVIEW OF TEXAS REGIONAL EDUCATION SERVICE CENTERS

Volume II – Global Report



Submitted by:

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**Management and Performance
Review of Texas Regional
Education Service Centers**

**VOLUME II –
GLOBAL REPORT**

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MANAGEMENT SUMMARY

MANAGEMENT SUMMARY

The Legislative Budget Board (LBB) engaged MGT of America, Inc. (MGT) to conduct a Management and Performance Review of the Regional Education Service Centers (RESCs), a study required by Senate Bill (SB) 929 and House Bill (HB) 3459 of the 78th Legislature. The Council on Competitive Government (CCG) also was engaged to fulfill selected portions of the required study components, prior to MGT’s engagement. The CCG report was intended and used as a data source that was further evaluated by MGT in the course of the review.

GENERAL INFORMATION ABOUT RESCs

RESCs are intermediate educational units that provide training, technical assistance, administrative support, and an array of other services as determined by the Legislature, the Commissioner of Education, and the needs of local school districts and charter schools.

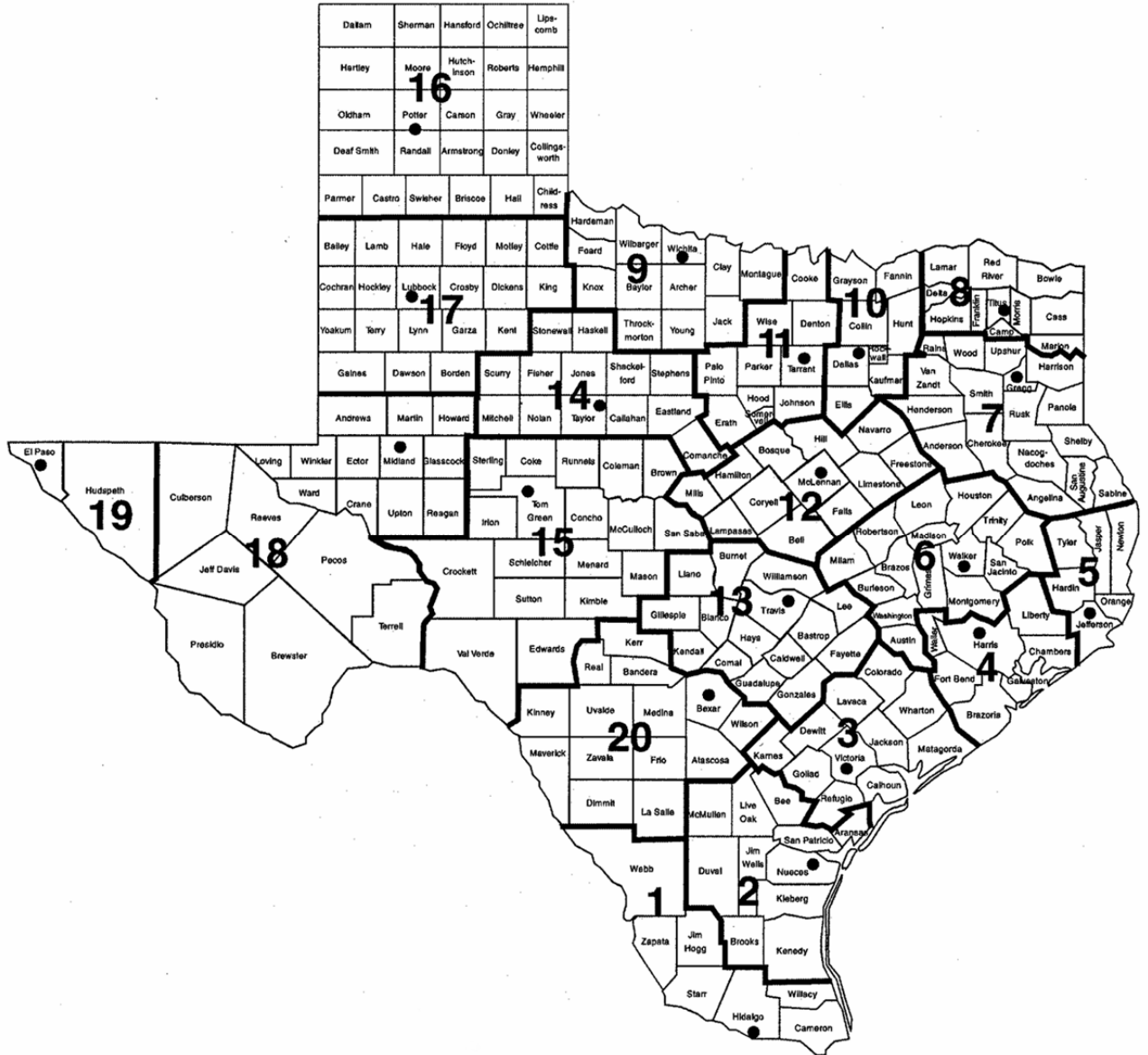
The RESCs began in 1965 as 20 federally-funded media centers—the result of Title III of the Elementary and Secondary Education Act (ESEA), which provided limited funding for instruction-related training and services. In 1967, the Texas Legislature incorporated the original 20 centers into ESEA, Title II funded service centers, designated “Regional Education Service Centers,” and the State Board of Education defined the 20 regions as geographic areas of counties and the encompassed school districts. The map of the Regional Education Service Centers, displayed as **Exhibit 1**, shows the locations of the 20 centers. Eighteen additional sites are established as satellite locations, not shown.

As can be seen from the map, there is considerable variation in the geographic areas for which each RESC is “responsible.” While the original 20 centers and respective geographic locations have not changed since 1967, the funding, assigned responsibilities, and satellite locations have greatly expanded since that time.

RESCs are assigned responsibility for providing core services to each school district, campus, and charter school within their respective regional boundaries. In total, there are currently six major types of services provided by RESCs to school districts, schools, charter schools, and other entities:

- Core services identified in the Texas Education Code §8.051:
 1. Training and assistance in teaching each subject area assessed under §39.023,
 2. Training and assistance in providing each program that qualifies for a funding allotment under §§42.151, 42.152, 42.153, or 42.156,
 3. Assistance specifically designed for a school district rated academically unacceptable under §39.072(a) or a campus whose performance is considered unacceptable based on the indicators adopted under §39.051,
 4. Training and assistance to teachers, administrators, members of district boards of trustees, and members of site-based decision-making committees,
 5. Assistance specifically designed for a school district that is considered out of compliance with state or federal special education requirements, based on the agency’s most recent compliance review of the district’s special education programs, and

**Exhibit 1
Location of Regional Education Service Centers**



Region	Headquarters	Region	Headquarters
1.	Edinburg	11.	Fort Worth
2.	Corpus Christi	12.	Waco
3.	Victoria	13.	Austin
4.	Houston	14.	Abilene
5.	Beaumont	15.	San Angelo
6.	Huntsville	16.	Amarillo
7.	Kilgore	17.	Lubbock
8.	Mount Pleasant	18.	Midland
9.	Wichita Falls	19.	El Paso
10.	Richardson	20.	San Antonio

6. Assistance in complying with state laws and rules;

- Decentralized Texas Education Agency (TEA) functions;
- Administrative support for schools;
- Instructional support for schools;
- Direct student instruction, and
- Other locally-determined services.

The main purposes of these services are to assist in the improvement of student performance, to assist schools to operate more efficiently and effectively, and to carryout the initiatives of the Texas Legislature and the Commissioner of Education.

Texas school districts may elect to receive services from any service center in the state, and as a result, some RESCs are held accountable for the performance of school districts to which services are not provided.

2003-04 FINANCIAL DATA

- RESCs receive funds from three types of sources, as defined below:

State: state funds come from appropriations that flow through TEA and the school funding formula, and grant monies under specific TEC sections that are offered to the centers on a competitive basis;

Local: local funds include fees paid by school districts for services, investment earnings, rental or other fees derived from letting others use RESC facilities, sales of programs or products to non-Texas school districts and other entities, and donations or gifts; and

Federal: Head Start program funds flow directly to a specific RESC, other federal funds (except grants applied for directly from the RESC to the federal program), flow through TEA or other state agencies.

- RESCs’ total budgeted FY 2003-04 revenues by source: \$60,881,175 (State), \$176,052,197 (Local), and \$220,590,945 (Federal) for a total of \$457,524,317.
- RESCs’ total budgeted expenditures: \$464,036,460.
- The \$6,512,143 “deficit” or expenditures in excess of current year revenues reflects that individual RESCs had to use fund balance to meet their budget obligations.
- RESCs have no taxing authority.

SIGNIFICANT RECOMMENDATIONS

A fiscal summary of costs and savings to RESCs, listed by recommendation, is included at the end of the executive summary.

FOR LEGISLATIVE ACTION

- **Recommendation 2-1: The Legislature should require the Commissioner of Education to establish criteria to determine if an RESC should continue to exist, or should become a satellite of another RESC.** The Commissioner of Education should present recommendations to the Legislature on consolidation once criteria are defined and applied. Maintain the current geographical distribution and number of Texas RESCs until the criteria are established and applied. Between 2000-01 and 2002-03, Regions 2, 3, 5, 9, 14, 15, 16, 17, and

18 lost student enrollment, while all the other RESCs' regional student populations increased. There are no minimum established criteria that can be applied for periodic review to determine when a RESC does not have sufficient student enrollment or client base to justify continued existence as a stand-alone center. In addition, there are no defined criteria to apply to decide whether a center with declining student enrollment or client base should be dissolved or designated as a satellite to another RESC. **Companion Recommendation: Issue a Commissioner of Education rule that defines a satellite center and the conditions under which a "satellite" center should be created by an RESC.** Current statutes and Texas Education Code Commissioner's Rules do not address the conditions under which a satellite center can be created. Neither the Texas Education Agency nor the RESCs have any criteria in place for determining when a satellite center is needed or can be created, or removed. In fact, the state has no written definition for a "satellite" center. TEA and RESC satellite site counts differ for many of the centers, including RESCS 1, 6, and 12.

- **Recommendation 2-2: The Legislature should clarify the legislative intent regarding the role of the Commissioner of Education in hiring and dismissing RESC executive directors.** In 2004 the Commissioner of Education granted approval of a short list of candidates for an RESC executive director position prior to the RESC board's selection and hiring. Almost immediately after the board filled the position, the Commissioner of Education withdrew/refused approval of the newly hired executive director, and instead selected a different,

interim director for the RESC, pending a new search and evaluation process to fill the position. Legislative clarification of Texas Education Code §8.004 on the role of the Commissioner of Education in hiring and dismissing executive directors will improve the relationship between each centers' board of directors and TEA.

- **Recommendation 2-3: The Legislature should clarify the legislative intent on regulatory responsibilities of RESCs. The Legislature should require that the Commissioner of Education ensure that no regulatory responsibilities are transferred to the RESCs while complying with the General Appropriations Act.** Texas Education Code §8.121 precludes assignment of any regulatory responsibility to the RESCs. However, since the late 1990s the biennial General Appropriations Acts have required each RESC to establish a coordinator position for dyslexia and related disorders services to be funded from Teaching Excellence and Support funds, positions that were previously housed under TEA and included both regulatory and non-regulatory responsibilities. According to various school district and RESC staff, the regulatory functions were not separated and retained prior to position transfers, while TEA staff said that the regulatory functions were separated prior to transfer to the RESCs. The transfer of these coordinator positions, without clear delineation of the regulatory functions, has created an apparent conflict between the statute and appropriations language on the intent of the Legislature.
- **Recommendation 4-2: The Legislature should amend Texas Education Code §44.0011 so all**

RESCs and their member districts have the same fiscal year. As of September 2004, 89 school districts have a fiscal year beginning July 1. Having each RESC and their member districts using the same fiscal year will simplify the timing of fiscal reporting and make comparative analysis easier. Because of legislative and TEA functions, a September 1 – August 31 fiscal year would be easier to implement and maintain.

- **Recommendation 5-1: The Legislature should require the Commissioner of Education to contract for a qualified independent third party to perform a detailed assessment comparing the 2002-03 and 2003-04 TAKS reading results.** TEA has not presented a true (equalized) evaluation of the student performance changes between the two tests or testing years. Without a true assessment, TEA, RESCs, and school districts do not know if the services provided to school districts are addressing student performance needs, or where to make adjustments for future improvement. A cursory review indicates significant decreases at all RESCs in the percentage of students statewide meeting the reading standard. An independent consultant should identify specifics to qualify and explain student performance compared on an equalized basis.

Since a comprehensive review of the TAKS scores and related recommendations is beyond the scope of this RESC study, TEA should hire a qualified independent contractor to resolve issues such as: test items being equivalent for both years; time of testing including if the number of instructional days was equivalent prior to both years' test administration; and were the norms applied the same way in 2003 and 2004.

- **Recommendation 5-7: The Legislature should clarify the definition of “core services” for the Windham School District and require the Commissioner of Education to create a statewide plan for serving the schools in the Windham School District.** Service to each of the Windham schools throughout Texas should be established at an acceptable level of equity. This responsibility could be delegated to the Commissioner of Education, where TEA, RESC executive director and Windham school systems representatives meet to identify the core services that should be provided to Windham School District. Once having identified the core services, TEA should conduct a review of the capacity of each of the RESCs to meet the requirements of providing core services.
- **Recommendation 5-2: The Legislature should clarify the definition of “core services” and specify which services should be required by all RESCs.** The Legislature should clarify what specifically is meant by a core service in Texas Education Code §8.051, or require the Commissioner of Education to establish a rule that defines core services. This recommendation should result in establishing the specific core services assigned to RESCs. By identifying a common definition, the Legislature and TEA can obtain a better understanding of the budgetary needs of the centers. Additionally, implementing this recommendation should contribute to ensuring that RESCs and TEA do not create situations of unwarranted duplication of services, therefore ensuring greater operational efficiency.

The Commissioner of Education could confer with RESC executive directors and determine the possible core services menu. Following establishment of this listing of core services, the Commissioner should incorporate the definitions into TEA requests for approval by the Legislature at the next regular legislative session.

- **Recommendation 4-7: The Legislature should require the Commissioner of Education to allocate the competitive grant funds intended only for RESC funding to RESCs.** Funds appropriated for purposes of competitive grants under TEC §§ 8.123 and 8.124 were intended only for RESC funding for training programs but instead are being allocated to higher education institutions. Allocation of the funds to the universities instead of RESCs is not consistent with the TEC. From 2002-03 to 2003-04, TEA discretionary grants to RESCs declined from \$72.3 million to \$31 million. Since training programs for school districts are components of the core services defined in Section 8.051, transfer of the programs and related funding to colleges and universities is inconsistent with the requirements for RESCs to provide these programs.
- **Recommendation 4-8: The Legislature should direct the Commissioner of Education to develop a new funding formula that distributes base funding to RESCs in an equitable manner.** The Commissioner should appoint a work group comprised of TEA education finance staff and RESC finance staff to develop an equitable base funding formula that distributes resources consistent with §8.121 of the TEC. §8.121 provides that the allocation should be based on the minimum amount of money necessary for the

operation of a center; an additional amount of money that reflects the size and number of campuses served by the center under TEC §8.051; and an additional amount that reflects the impact of the geographic size of a center's service area on the cost of providing services under §8.051.

- **Recommendation 4-9: The Legislature should allocate an adequate amount to provide all core services as defined in TEC §8.051 (Reference Attachment at end of executive summary)** Allocation of an adequate amount to cover core services will ensure that RESCs can provide these essential services to meet the needs of school districts, and to improve student performance. This recommendation should be implemented in conjunction with clarifying the definition of core services for school districts, and the Windham School District. The Legislature would need to determine if these funds were to be allocated from the Foundation School Program, be a combination of increased user fees as well as additional appropriations, whether the core services should be redefined, or if the number of service centers should be reduced. Assuming that the RESC system continues in its current configuration, an increase of \$35.2 million per year would be required.
- **Recommendation 2-6: The Legislature should direct the Commissioner of Education to amend the list of agencies eligible to receive funding under NCLB to include the RESCs.** As a result of inclusion on the list, the RESCs will become eligible to apply for at least \$10 million annually in federal NCLB grant funding. If successful, additional resources would be available to the successful RESC(s) to use for the specific purposes of the

grant. In fiscal year 2003, Texas returned discretionary unused NCLB funds. Since NCLB relates directly to the core services of RESCs to assist low-performing schools and school districts, these funds would provide additional and important services to schools and districts.

FOR COMMISSIONER OF EDUCATION ACTION

- **Recommendation 5-5: The Commissioner of Education should develop, issue, and implement Commissioner’s rules or guidelines for evaluation of specific programs designed to determine their continuation or modification.** This recommendation is essential to providing continued financial support of programs and services. The review team recommends that RESC 4’s process for the evaluation of its center programs be used as a statewide model and should play an integral role in the development of the evaluation guidelines.
- **Recommendation 3-7: The Commissioner of Education should issue a Commissioner’s Rule that requires RESC board of directors training similar to school district board training.** A core curriculum that includes the Texas Education Code, Commissioner’s rules, updates on state and federal legislation and rules, board roles and functions, RESC statewide and regional strategic planning, education standards, budget and finance, and other contemporary issues should be developed and offered to RESC board members. Once training requirements are established, a schedule for providing training should be adopted and implemented. Where feasible, training should occur concurrently with district school boards training and in close proximity to the RESC area.

- **Recommendation 3-6: The Commissioner of Education should issue a Commissioner’s Rule that requires implementation of an annual board of directors’ self-assessment.** Providing feedback, both formally and informally, is fundamental in any improvement process. Structured feedback, in the form of an evaluation instrument can supplement honest, ongoing dialogue and discussion. Governing boards in any organization can improve their performance through a formal self-evaluation in addition to an informal feedback process. Implementing this recommendation can be a significant “first-step” toward creating board accountability and providing a medium for reporting governance activity constitutes.
- **Recommendation 7-1: The Commissioner of Education should issue a Commissioner’s rule to implement a statewide RESC job description development and updating process.** Job description practices vary greatly with the RESCs – some are commendable and others do not have any on file. The Commissioner should direct the RESC executive directors to appoint a task group composed of RESC staff representatives involved in human resources. The task group should be charged with developing processes for review and approval, which then would be incorporated into the Commissioner’s rule. The processes then should be implemented during the next annual employee appraisal cycle. Following the process, each RESC should develop and maintain up-to-date job descriptions for all identified positions.
- **Recommendation 10-2: The Commissioner of Education should issue Commissioner’s rules on systemwide standards for asset**

management. Current asset management practices vary across the RESCs – some are commendable. A standard policy for asset management across the regions will help ensure that practices are adequate and reflect good stewardship of public resources. The new rule or policy could be developed as part of a meeting of executive directors and/or business officers with the Commissioner or designee. The policy should address minimum standards to which all RESCs should conform.

- Recommendation 10-3: The Commissioner of Education should issue a Commissioner’s rule that requires the establishment of a sinking fund in each RESC to accumulate fees for use of space.** The establishment of a sinking fund at each RESC will enable that RESC to accumulate funds to pay for future building renovation or replacement costs. This is a best practice used by most businesses that charge for facility use. When the fee dollars are placed in a sinking fund, the earnings on investments as well as the principal amount can be used to “pay-as-you-go” rather than borrowing principal and paying interest on the borrowed money. The Commissioner of Education can issue the rule after discussions with RESC directors and TEA staff on the appropriate levels of the funds and other language.
- Recommendation 3-8/9: The Commissioner of Education should require that a standardized job description including performance criteria be developed for RESC executive directors, and that Commissioner and board evaluations of the RESC executive directors be based on the standardized, detailed performance criteria.** No standard job description exists for RESC directors, and the

performance criteria used by various RESC boards and the Commissioner of Education are different. However, some of the Commissioner of Education’s current performance criteria hold RESC executive directors accountable for the academic performance of all school districts within their geographic boundaries, yet school districts are not required to use services from their geographically related RESC except for PEIMS data evaluation. Further, when school districts purchase services from RESCs not in their geographic region, the accountability does not follow. True accountability for performance is not assessed.

A comprehensive assessment of the executive director's performance is a necessary component of accountability. These assessments should be related to defined RESC and TEA goals. Requiring school districts to go to their geographically related RESC for academic performance services would not suffice because (1) the goal is to evaluate RESC performance, not adapt to an existing system that does not work and (2) placing limitations on where school districts can buy academic services goes against the free-market and non-regulatory based concept of the RESCs, and would limit local control.

Key implementation steps should include a review of other RESC evaluation instruments and those used in other states as a means to identifying important evaluation instrument dimensions that could be incorporated into the process. Additionally, a complete job description would be helpful in providing essential information to new board of director members as a means of orienting them to the executive

director’s specific and range of responsibilities.

OTHER RECOMMENDATIONS WITH FISCAL IMPACTS

- Recommendation 9-2: Minimize the number of cooperative programs providing the same goods or services by creating “super” regional cooperative programs that specialize in purchasing specific goods and services.** The results of this recommendation should be the creation of cooperative programs that maximize economies of scale, provide quality goods and services, and improve customer service to school districts. The type of service and goods provided, the capacity of existing vendors under contract, geographical location, and quality standards are all factors that should be considered during the analysis to consolidate selective cooperative programs. Advisory councils should be established with representatives from the various regions and school districts to manage each regional cooperative program; quarterly activity reports that include savings should be sent to participating customers.
- Recommendation 9-3: Use a requisition purchasing system from the point of creating a requisition, issuing a purchase order to a supplier, to electronically receiving a good or service against the original purchase order.** Fully using a requisition purchasing system will ensure that there is a measurable and repeatable process in place for customers to use when submitting a request for a good or service. The systems produced by Region 20 or similar systems will have features that include a customer requisition tracking system, a warehouse and receiving system, and other features

that can assist regions with developing and maintaining best practices.

- Recommendation 9-4: Amend state purchasing laws to allow school districts the option to advertise requests for proposals that exceed \$25,000 through alternative means.** Texas law requires school districts to advertise requests for proposals in a district’s central administrative office or local newspapers when expenditures are expected to exceed \$25,000. RESC 2 spent more than \$4,700 on 20 ads for school districts over a six-month period. The cost of the advertisements varied from \$70 to \$700 and averaged \$237. If all school districts are spending the average yearly amount of \$474, annual statewide annual advertising costs for only this bid category are almost \$500,000. The State of Virginia uses an electronic procurement system called eVA that has been estimated to save school districts and other agencies over \$1 million per year in advertising costs. The *Texas Marketplace* is an Internet-based notification board where state agencies and local governments can post solicitations, requests for information (ROIs) and requests for proposals (RFPs) at no cost.
- Recommendation 8-5: Evaluate the PEIMS Coordinator’s and PEIMS Facilitator’s roles at each RESC to determine if there is a need for both positions, and if the PEIMS Coordinator should be given other assigned duties.** A determination should be made of the continued need for staff assigned full-time to PEIMS. The PEIMS Coordinator’s role can be reduced and centralized by taking advantage of existing training modules. The districts and all RESCs must have full access to the FTP server where the training modules exist. Updates to the training module

- on the FTP server must include “frequently asked questions” and important reminders to the district to streamline the current training process. Centralized district PEIMS Coordinator training update sessions could be held four times a year for those who will continue to need hands-on training. In addition, to accommodate training on demand, making the training modules available on the Internet should provide sufficient access. In addition, the RESCs could use TET-N to have one “instructor” provide the training sessions instead of requiring school district personnel to travel to a central location. This would reduce travel time and costs to school districts.
- **Recommendation 6-1: Adjust custodial staffing levels to meet the minimum industry standard ratio of one custodian per 19,000 square feet of cleaning space.** Based on individual data submitted by the RESCs, four centers (7, 10, 13, and 17) are overstaffed when the 1:19,000 minimum industry standard ratio custodian to square feet maintained ratio is applied. RESC 15 contracts for custodial operations, so the only data provided was the total square feet maintained. To adjust the number of custodians per square feet of space, each service center will have to complete a short review of their own practice. For those centers that contract custodial services, it may require the contractors to submit the number of hours worked each week so that the custodian per square foot ratio can be calculated. Once the ratios have been calculated, RESC administrators should adjust staffing accordingly. Having custodial staffing levels adjusted to industry standards will improve operational efficiency.
 - **Recommendation 6-5/6: Employ a Resource Conservation Manager (RSM), and install energy saving equipment to lower utility costs.** The RESC “system” does not have a specific position or trained individual assigned the responsibility of resource conservation manager. Although many RESCs have installed some energy savings devices in their facilities, there are many additional opportunities for significant utility savings in the almost 3.3 million square feet occupied by the RESCs. No aggressive program exists to affect the energy conservation behavior of staff in the centers. Many of the RESCs lack automated switches (including direct digital controls on HVAC equipment) and valves, which lower utility consumption. Lower utility consumption will reduce costs. Many public entities use the State Energy Conservation Office (SECO) for assistance to lower energy costs. However, SECO generally provides one-time contracted services to diagnose problems and/or implement corrective actions, without implementation or ongoing oversight for maintenance. This recommendation advocates the RESCs proactively managing their own facilities across the state, adapting as the number and location of sites may change. The RCM could choose to use SECO’s services as appropriate in the scope of fulfilling the RCM job duties.
- The RESCs could employ one RCM as a joint venture and share the RCM’s services. One center would have to be designated as the fiscal agent for the program. Alternately, the Commissioner of Education could employ an RCM to act as the resource for the RESCs and for school districts. Through this role, the Resource Conservation Manager can affect behavioral change in center staff and perhaps the staff and students in

member districts. Combined savings after hiring and investment are estimated to be about \$2 million annually, not including any potential school district savings.

- Recommendation 4-3: Prepare future annual financial reports in a manner consistent with the guidelines that would qualify the report to earn the Certificate of Achievement for Excellence in Financial Reporting.** Information regarding the preparation of a CAFR, to include copies of the checklist used to review the financial reports can be obtained from GFOA by e-mailing a request to CAFRProgram@gfoa.org. The Region 4 Regional Education Center as well as the Highland Park Independent School District, a district in Region 10, have both received a Certificate of Achievement for Excellence in Financial Reporting from GFOA and copies of these reports will provide a basis for the format to be used. The achievement of the certificate is less important than the preparation of a Comprehensive Annual Financial Report that will more effectively communicate the financial position of the center and relate the financial results with the original budget document.
- Recommendation 6-8: Install Web cameras to improve security measures in key areas of the RESC facilities.** The improvement of security measures in key areas of each facility will reduce risk. These measures might be as simple as installing inexpensive Web cameras in sensitive areas with a monitor located in the receptionist's office.

**FOR RESC MANAGEMENT AND/OR
TEA MANAGEMENT OF RESCS
ACTION**

- Recommendation 10-1: Develop policies and procedures to assess and forecast cash flow and fund balances monthly.** All RESCs need to ensure that there is sufficient cash on hand to meet fiscal obligations, and a majority of the RESCs have no process in place to assess cash flow on a regular basis. As RESCs have become more reliant on local resources, which represent a more variable flow of funding than state funds, cash flow awareness is critical. Cash flow assessment can help RESCs better manage resources by allowing them to select investment opportunities that are appropriate and maximize returns given the amount of time between receiving funds and needing them to meet expenditures.
- Recommendation 10-4: Require that all RESCs implement policies and procedures for an annual review of risk tolerance, insurance premiums, and coverage levels.** Given the recent trend for insurance premiums to rise at a rate above inflation, management of insurance coverage is a necessary business function. The RESCs and their boards should be regularly reviewing insurance premiums and coverage to ensure that coverage is adequate and rates are competitive.
- Recommendation 10-5: Develop safety and security plans that address the safety and security needs of all employees, visitors, and RESC assets.** Protecting the safety and security of employees, visitors, and assets must be a high priority for all RESCs. All staff must be aware of the requirements of the plans and processes should be implemented and

- enforced based on the policies. There are many approaches to developing plans, including forming a safety committee or assigning responsibility to the facility director or other staff person. Forming a safety committee that includes representatives from throughout the organization offers many benefits. The committee can solicit safety issues from throughout the organization and committee members can provide training and assistance to their unit. Regardless of what method is chosen to formulate safety and security plans, all RESCs that currently do not have such plans should develop plans within the next six months. Those that do have plans should evaluate them on an annual basis for completeness, relevance, and accuracy.
- **Recommendation 8-1: Evaluate all software programs and school district needs to determine if a limited number of software programs could be used to meet data collection and reporting needs.** The RESCs should analyze the different software programs presently being used, including the software offered by all of the cooperatives. This will help determine which programs may be producing the same or duplicate data. Formal meetings should be held with representatives from the RESCs to discuss and study the feasibility of all RESCs using a limited number of software programs. A determination should be made as to which programs can most effectively and efficiently be used.
 - **Recommendation 8-2: Collaborate closely with all RESCs to create products for release of next generation software systems.** RESCs, working with TEA staff and school district personnel, should establish a committee to develop a business plan that will support integrated products. The products should be designed to meet the needs of both large and small school districts. The combined goal of the RESCs should be to educate school districts on the benefits of having integrated products. If the school districts are properly educated to the advantages, benefits, functionality, compliance and cost efficiencies of scalable products, there may be no need to mandate a statewide software solution in the future, but rather allow the progression to occur naturally.
 - **Recommendation 8-3: Establish a reserve in each RESC's general fund to plan for technology improvement.** A budgeted amount for technology improvement allocated early in the budget planning process would be used to support planned updates to equipment and systems. A reserve also should provide for emergency repairs and replacement when equipment breaks down. The current decrease in state funding will make it more difficult to establish reserves, but establishing a budget for technology improvement is critical. The reserve should include new technology and product development funds to allow the RESCs to remain competitive in the market with products and services.
 - **Recommendation 8-4: Develop RESC marketing plans to advertise new products and system enhancements to school districts and other external users.** It is important for the RESCs to determine what they want to make more visible. The marketing plan would not only outline the benefits of the products/services, the quality service the RESCs deliver to the school districts, and the best practices utilized across RESCs, but also identify target audiences, timing of marketing, and media to be used. Plans should

- incorporate multiple venues for marketing. Besides product/services promotions at Texas statewide conventions, the Internet is another useful tool to market program and services and can assist in drawing potential clients. Field support specialists on staff can launch marketing plans. The field support specialists currently are responsible for interfacing with school district superintendents for day-to-day concerns. The field support specialist role should be re-evaluated to include assisting with the marketing effort of the RESCs' products/services to school districts.
- **Recommendation 7-2: Develop and implement performance assessment instruments that are aligned with job descriptions and include provisions for supervisor and employee self-evaluation.** Many of the RESCs do not have performance criteria aligned with their job descriptions. If the employee is evaluated on factors that are not identified in the job description, the RESC can be subject to legal liability and possible legal action. Performance assessment instruments aligned with job descriptions will contribute useful information for updating job descriptions and will ensure that employees fully understand the criteria that are to be used in evaluating performance, and, ultimately, for determining promotions and employment continuance.
 - **Recommendation 7-3: Develop a Web site template that expands available online human resource functions to RESC personnel and applicants for RESC and school district positions.** Human resource information on Web sites provides additional value for RESC employees and client school districts and schools.

For RESCs that currently do not have the capacity for online position application and other online services, the template will ensure that consistent information is available and will reduce time spent addressing routine questions.

As a result, human resource staff will be able to focus on other critical job functions. RESC 3, for instance, does not have a human resource department, and the sophisticated status of their Web site information has permitted them to fulfill essential human resource needs without additional staff. An existing site that is organized appropriately and reflects the needed ingredients for the suggested template approach is the site at RESC 3. Once the information is available on the Web site, an email notice should be sent to staff and clients with an instruction sheet on Web site use to obtain information, and complete and file forms.

- **Recommendation 7-4: Continue the current practice of maintaining RESC salary schedules separate from state schedules, and conduct compensation studies at least once every three years with cost-of-living-adjustment data reviewed annually.** RESC compensation schedules should be appropriately structured to reflect local conditions. The recommended compensation studies can be conducted either in-house or by an outside firm or association. The following resources are available to facilitate completion of these reviews: the *Salaries and Benefits in Texas Public Schools Administrative/Professional Report* published annually by the Texas Association of School Boards; the *National Compensation Survey for Dallas/Ft. Worth* published by the U.S. Department of Labor, Bureau of Labor Statistics; Social Security

Online, *Cost-of-Living-Adjustments*; and data from comparable positions within regions' school districts, private sector employers, and other RESCs.

- **Recommendation 7-5: Develop a master RESC recruitment plan, with emphasis on minority recruitment.** Many RESC staff compositions are very different from the ethnic mixes of the districts served. The implementation of this recommendation should result in a master recruitment plan imbedded with multiple, tested recruitment strategies. By intensifying the recruitment of qualified minority populations for job openings by RESCs, the staff composition should more accurately reflect the ethnic mix of the regions served. Because there are language differences in the communities, more bilingual staff will have better communication that likely will reduce misunderstandings and provide an environment where minority students have the best possible opportunities to succeed. A more diverse staff is more likely to have better communications skills and an improved professional image within the community. Furthermore, the master plan should be of assistance to client school districts and schools that require assistance with recruiting personnel.
- **Recommendation 7-6: Assess the statewide need for student discipline management and conflict resolution training and prepare needed programs.** An assessment of the statewide need for student discipline management and conflict resolution training should provide the state and TEA with supporting data that encourages the legislature and TEA to fund core training services for school district personnel. A detailed survey should be developed, incorporated

into other annual survey instruments and completed by school principals, teachers, and other staff who have student control and management responsibilities. Additionally, guidance counselors and social workers should be surveyed for additional information related to conflict resolution training needs. This survey should be conducted and the results analyzed by TEA in collaboration with RESC personnel. Analyzed results should be provided to all RESCs along with TEA commitments to support comprehensive training program(s) identification and/or development and subsequent deployment.

- **Recommendation 6-2: Provide a comprehensive training program for custodial and maintenance staff to improve their effectiveness and productivity.** RESC administrators should develop a training program for all facilities staff. The program should have annual goals, objectives and budget, if necessary. The administration, in conjunction with human resources, should develop a training program curriculum, schedule, and budget. After development, the training program should be submitted for board approval. Once approved by the board, the administration manager should initiate the training program and provide an annual report of progress to the executive director and board. By providing periodic custodial training sessions, the custodians and vendor employees will deliver services in a more safe and efficient manner. The risk of injury decreases when employees are highly trained in their areas of responsibility.
- **Recommendation 6-3: Conduct periodic cost comparison studies between “in-house” services and “outsourced” services.** By

conducting these studies, each RESC will be able to monitor the service market in their communities. Conducting periodic cost-comparison studies between in-house and outsourced services enables each RESC to better judge which form of service is most cost effective. This action should keep costs down by bringing market forces to bear.

- **Recommendation 6-6: Pursue outside renters of RESC space, if certain criteria are met.** Facilities use should be determined by submitting a three-part annual utilization report showing facility use and effort. Service centers should periodically determine the utilization of their facilities. If rent for space is ultimately determined to be the appropriate course of action since facilities space is underutilized, the proceeds from rent should first be used to offset the prorated utilities and secondly should be placed in a sinking fund to pay for future facility improvements.
- **Recommendation 6-7: Develop a long-range facility master plan for each RESC.** A comprehensive long-range facility master plan is an essential component to a strategic plan for any educational agency, especially one that is experiencing programmatic and enrollment growth. Each RESC should take steps to create a formal, written, long-range facility master plan to guide future facility decisions in the organization.
- **Recommendation 5-3: Develop a statewide RESC plan for the marketing of products and services.** A plan to market products, programs and services to a variety of clients should be developed. Additionally, the process involved in establishing a statewide plan should include identifying other potential

markets such as private schools, business applications (particularly with technology applications that have been developed by RESCs), and other targeted audiences. One option for implementing this recommendation should involve approaching private sector marketing development companies with an offer to form a joint venture. This joint venture could be developed with the understanding that earned revenues could be shared as a means of underwriting the venture. A second option could involve developing a collaborative alliance with one of the major university schools of business that has a marketing department.

- **Recommendation 5-4: Establish an RESC systemwide best practices database maintained by the RESC Core Group and other appropriate stakeholders.** A database of best practices could be utilized by RESCs and school districts for the improvement of instruction and related services. MGT consultants would recommend the establishment and maintenance of the database at TEA in a collaborative effort; however, we recognize that among the RESCs there is the capability to establish and maintain such a base. The final determination should be based on an assessment of TEA's capacity, an assessment that is beyond the scope of this review.
- **Recommendation 5-6: Create a statewide plan for RESCs' assistance to low performing schools and consider creating a statewide school improvement plan template.** Ensuring quality technical assistance to low performing schools is a critical RESC role, as is assistance in quality school improvement planning. The implementation of this recommendation should result in standardization of the formats for

- reporting school improvement needs and related improvement initiatives. This action should facilitate collecting and organizing defined improvement needs on a statewide basis. This process should create an information base that could contribute to assessing the needs for various core services. The template should be developed by TEA with assistance from the RESCs and can be accomplished by collecting and reviewing various existing templates used by school systems in and out of Texas. Once a preferred template is identified and approved, it can be sent electronically to all RESCs and school districts for implementation. All information should be transmitted using existing technologies.
- **Recommendation 5-8: Revise the current RESC accountability system for assigned decentralized special education services functions to districts and schools and ensure that all participating RESCs provide the data necessary to create a results-based system of accountability.** The implementation of this recommendation should result in the refinement of an accountability plan that provides specific direction to RESCs in the delivery of the decentralized special education services and obtaining data to ensure that the evaluation of programs is results-driven. TEA and RESCs should be afforded the opportunity to deliberately and collaboratively develop roles, expectations, and an overall structure for operating and working together.
 - **Recommendation 5-9: Improve coordination among special education and general education and develop a systemwide RESC student assistance team training program and strategic plan designed to reduce any potential over-identification of special education students.** The implementation of this recommendation should enable all RESCs to provide consistent prevention training aligned with a state strategic plan to reduce the potential for mis-identifying a remedial education student with a special education student.
 - **Recommendation 5-10: Evaluate the feasibility of locating large federal programs like Head Start, early childhood intervention, and other similar programs at service centers to enhance revenue.** Evaluation of the feasibility of locating large federal programs, early childhood intervention, and similar programs at service centers should be completed. RESCs such as RESC 19 have successfully and economically assumed this function, and it may well mean that other opportunities exist in Texas. The implementation of this recommendation should involve the Commissioner and RESC executive directors appointing a task group that includes representatives from TEA and the centers. This group should be charged with identifying potential programs and possible cost and/or operational efficiencies. Once having accomplished this, the group should proceed to identify the optimal locations. Once the plan is fully developed, reviewed and approved by the Commissioner and RESC executives, plans for final implementation should be formulated and carried out.
 - **Recommendation 4-1: Develop budget documents in each center that are consistent with the recommended practices of the NACSLB.** RESCs should prepare budget documents which include the following information, at a minimum: long-term perspective, linkages to

broad organizational goals, focus on results and outcomes, involvement and effective communication with stakeholders, and incentives to management and employees.

The GFOA Web site contains a section entitled *Best Practices in Public Budgeting*. This Web site, <http://www.gfoa.org/services/nacslb>, contains extensive information on the best practices in governmental budgeting and provides access to numerous examples of how these best practices have been used by other governmental entities. Most examples are for cities or counties, thus, some may not be relevant to the RESCs; however, the key is to understand the concept of how public budgeting should be presented and then to adapt the concept to the needs of each center.

TEA also provides extensive information on budgeting practices to include descriptions of different types of budgets. This information can be located by accessing <http://www.tea.state.tx.us/school.finan/ce/audit/resguide10/budget/>.

- **Recommendation 4-4: Re-assess the accuracy of the indirect cost ratios after conducting workshops for RESC business managers.** By conducting workshops that review the processes involved in the calculations of indirect cost ratios, the center business managers will have a better understanding of how variances occur. In addition, they may identify incorrect processes they use in their own calculations. Once completed, TEA should publish the updated indirect cost ratios. With updated training and new calculations, the confidence in the updated indirect cost ratios will improve. The workshop training should be done in conjunction with other regularly scheduled TEA

finance training. This training might well be done over the compressed video system linking the centers.

- **Recommendation 4-5: Develop common *Funding and Account Codes* to be used in RESC Financial Reports.** The committee appointed to complete a survey to determine the different *Funding and Account Codes* that are being used by each of the service centers should proceed. Data that may have been accumulated in past studies should be utilized as well as any additional needed data. Representatives from each RESC and TEA should be involved in the study. Information for review should be exchanged electronically to minimize expenses.

A common set of *Funding and Account Codes* should be developed for each RESC in the state to use when making financial reports. All the RESCs in the state should use the agreed upon *Funding and Account Codes*. Implementation of this recommendation should result in a more efficient and effective data collection and financial reporting program.

- **Recommendation 4-6: Develop a Request for Proposals (RFP) process for audit services upon completion of the audit of the August 2004 financial records.** Many of the RESCs have used the same audit firm for more than 5 years, and did not issue a Request for Proposals (RFP) in obtaining the services. Using a RFP to obtain audit services helps to ensure that the lowest price and highest quality services are purchased. In addition, changing audit firms every five years helps to maintain the integrity of the external audit function. Price for the audit services should not be the primary consideration in the selection

of the audit firm, and the process should be structured so that the principal factor in the selection process will be to select the firm deemed to be capable of providing the highest quality audit services. The selection process should be completed by February 2005 to provide adequate time for firm selected to become familiar with the activities of the RESC.

- **Recommendation 3-1: Involve boards of directors in the development of individual RESC and statewide RESC strategic plans, and establish procedures for periodic review of the implementation of the region’s plan.**

All boards of directors should be involved in the RESC strategic planning processes and be prepared to share this information with other stakeholders. Additionally, involvement in the planning process should ensure that the RESC executive staff has secured a broad range of input in the plan’s development. As this recommendation is implemented, the board of directors in each RESC should adopt policy and related procedures (in the absence of such provisions) that ensure continued involvement. Additionally, a portion of each regular meeting agenda should address the status of the plan and related implementation processes. The process of updating the current boards of directors should begin with the annual budget development and approval processes. Using the budget development, review, and approval processes as a vehicle for achieving this goal provides board members with an understanding of the relationship between the two documents.

- **Recommendation 3-2: Establish standing committee structures for each RESC board of directors.** Standing board committees involve board members in activity designed to promote the work of the RESC and support important planning activities. The implementation of this recommendation can lay the groundwork for developing infrastructure so the boards of directors can deal with issues related to the perception that important education stakeholders do not adequately understand the nature and purpose of the RESC organization and related programs and services provided to the school districts of Texas. This perception was gained in the initial briefing of consultants and further confirmed in interviews with various RESC personnel. Because the Texas Legislature prohibits education-related personnel from lobbying for legislative support and funding, RESC board members can assume this responsibility.
- **Recommendation 3-3: Establish an RESC policy and procedure for ensuring better public understanding of RESC functions.** Establishment of policies and procedures should be accompanied by simultaneous development of the RESC Texas System of Education Centers 2004-2007 Strategic Plan. The executive summary of the strategic plan reports five essential goals that, as they are reviewed, should be considered for modification/addition. One option should include the establishment of an objective related to Goal Four that references more effective public relations and improved fiscal support for the RESC system.
- **Recommendation 3-4: Continue the use of the field service agent position to support school districts,**

school boards, and superintendents.

School district superintendents and executive RESC personnel have stated that field service agents are vital to provide important services to school districts. The rationale used by CCG in its January 2004 report to eliminate the field service agent position was based on an incomplete analysis of field service agent positions. RESCs effectively use field service agents and capitalize on part-time personnel. Such employment eliminates the cost of the fringe benefits normally paid full-time employees. Additionally, records show that many of the part-time personnel actually provide services beyond the time scope of their employment.

- **Recommendation 3-5: Develop and approve written contracts for legal services with the attorney or law firm representing an RESC and its board of directors.** The executive director should negotiate with the attorney or law firm and establish the services to be performed and compensation to be paid. A contract containing the services to be performed and compensation to be paid should be taken to the board of directors for approval. An approved, written contract with the attorney or law firm representing the board should be maintained and updated annually.
- **Recommendation 3-10: Create a means for holding an RESC's board of directors accountable for the organization's performance and the meeting of the board's statutory obligations.** A task force assembled by the Commissioner of Education and composed of representatives of RESC executive directors, boards of directors, client superintendents, and TEA should be formed. Membership should be weighted towards RESC representatives. The task force should work with the assistance of a trained

professional facilitator(s) experienced in dealing with politically sensitive issues.

- The implementation of this recommendation should result in more respect for serving on the RESC board since board member responsibilities would take on a new meaning. By accomplishing this while remaining with the current board member selection system, the board system should be strengthened. This strengthening should contribute to building a more effective means for securing adequate financial support in the long term.
- **Recommendation 3-11: Maintain the current legislated governance structure of the RESCs and their system of operation.** MGT consultants were unable to identify any major flaws in the governance structure of the Texas RESCs. A number of organizational and governance related matters have been discussed and recommended but in the main, the current system is effective and the preponderance of data and testimony supports the contention that Texas RESCs are appropriately organized, responsibly managed, and positioned to meet the needs of their client school districts and schools, providing the necessary resources are made available.
- **Recommendation 3-12: Involve TEA as an active participant in the continuing development of the Texas System of Education Centers 2004-2007 Strategic Plan and related updating activity.** Full involvement of TEA with RESC representatives in the continuing development and updating of the *Texas System of Education Centers 2004-2007 Strategic Plan* is critical. This involvement should serve four primary purposes: providing RESCs a

- formalized medium for gaining information related to TEA planned initiatives, therefore serving as an “institutionalized” heads up; establishing a forum for clarifying for TEA the potential impact, politically and fiscally, of considered initiatives; ensuring that important TEA initiatives are incorporated into the strategic processes that are being established to continue to develop the RESC system; and improving the efficiency of the overall RESC system strategic planning processes. TEA should be officially represented in the process inasmuch as the statewide RESC strategic plan should reflect state (TEA) goals. It is clearly the Legislature’s intent that RESCs play a key role in TEA’s support of local school districts and charter schools.
- **Recommendation 2–5: Maintain separate budget information for satellite centers and evaluate continued operation of a satellite at least once every two years.** Each RESC that has a satellite center or centers should be required to maintain a separate budget on the costs of running each satellite center. Revenue

and expenditure information then will be available to complete cost/benefit analyses of the continued need for the satellite.

- **Recommendation 9-1: Encourage school districts to participate in a cooperative program by developing a statewide campaign to advertise the benefits of cooperatives.** School districts participating in cooperative programs spend less than nonparticipating districts due to the negotiated buying power that comes with larger purchase guarantees. Implementing this recommendation will require the RESCs to develop materials to send to districts and charter schools not participating in existing cooperatives. The materials should illustrate the economies of scale to be derived from the group purchase of goods, services, food, and food processing.

MGT EVALUATION OF CCG RECOMMENDATIONS

Exhibit 2 summarizes MGT’s concurrence or disagreement with the 12 recommendations presented in the CCG report.

**Exhibit 2
MGT Evaluation of CCG Recommendations**

CCG Recommendation	MGT Concurrence/ Disagreement	Reason/ Discussion Found in Volume II**
1. Eliminate field service agents and DEC program.	Disagree	Recommendation 3-4
2. Outsource IT support services.	Disagree	Chapter 10
3. Devise records management system	Concur	Recommendations 5-8 and 5-9
4. Investigate outsourcing HR	Partially concur	Recommendation 8-3
5. Study outsourcing professional development.	Concur	Recommendation 5-5
6. Eliminate adult basic education courses.	Disagree*	Chapter 5, Rec. 5-5
7. Discontinue TCSHN services.	Disagree*	Chapter 5, Rec. 5-5
8. Outsource bus driver certification training	Disagree*	Chapter 5, Rec. 5-5
9. Outsource child nutrition services.	Disagree*	Chapter 5, Rec. 5-5
10. Outsource personnel services.	Disagree*	Recommendation 8-5
11. Outsource Speech Language Pathology.	Disagree	TWU outsources to RESC 11.
12. Reduce salaries	Disagree	Recommendation 6-4

Source: MGT of America analysis.

Note: Items marked “Disagree” means that MGT disagrees with CCG’s recommendation to immediately outsource the referenced service. Instead, the service should be reviewed to determine if it is effective as offered, should be eliminated, or should be outsourced.*

***Note: References are available but not included in this summary document.*

**SUMMARY NOTES TO DRAFT
FISCAL CHART**

Exhibit 3, the fiscal chart, reports costs and savings to the RESCs only. However, while Global Chapter 4-7 and 4-9 recommendations show a gain to the RESCs, they cause a cost to

higher education institutions (4-7) and the state (4-9), respectively. The cost associated with 4-9 assumes no change in the current definition of core services and current number of service centers

**Exhibit 3
Global Summary of Savings and (Costs) to RESCs by Recommendation**

Description	2004-05	2005-06	2006-07	2007-08	2008-09	Five Year Total	One-Time Cost
Global Chapter 1 Introduction and Background							
<i>none</i>							
Global Chapter 1 Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Global Chapter 2 Number, Geographic Distribution and Institutional Structure							
2-6: Add RESCs to the list of agencies eligible to receive NCLB funding.	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$9,000,000	
Global Chapter 2 Total	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$9,000,000	\$0
Global Chapter 3 Governance and Management							
<i>none</i>							
Global Chapter 3 Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Global Chapter 4 Financial Condition/Funding Adequacy							
4-3: Seek the certificate of achievement for excellence in financial reporting for all RESCs.	\$0	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$40,000)	
4-7: Correct violations of TEC Sections 8.123 and 8.124 by allocating competitive grant funds intended only for RESCs to RESCs, instead of universities.	\$0	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$80,000,000	
4-9: Allocate an adequate amount of funding for core services.	\$0	\$35,164,400	\$35,164,400	\$35,164,400	\$35,164,400	\$140,657,600	
Global Chapter 4 Total	\$0	\$55,154,400	\$55,154,400	\$55,154,400	\$55,154,400	\$220,617,600	\$0
Global Chapter 5 Programs/Academic Delivery							
5-1: Require TEA to contract for a detailed assessment of the TAKS reading results.	\$0	\$0	\$0	\$0	\$0	\$0	(\$100,000)
Global Chapter 5 Total	\$0	\$0	\$0	\$0	\$0	\$0	(\$100,000)
Global Chapter 6 Facilities							
6-1: Adjust custodial staffing ratios to meet minimum industry standards.	\$0	\$92,120	\$92,120	\$92,120	\$92,120	\$368,480	
6-5/6: Employ a Resource Conservation Manager and install energy and utility saving devices.	\$0	\$2,223,379	\$2,223,379	\$2,223,379	\$2,223,379	\$8,893,516	(\$7,319,695)
6-8: Install Web cameras.	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,000)
Global Chapter 6 Total	\$0	\$2,315,499	\$2,315,499	\$2,315,499	\$2,315,499	\$9,261,996	(\$7,323,695)
Global Chapter 7 Human Resources							
<i>none</i>							
Global Chapter 7 Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Global Chapter 8 MIS							
8-5: Consolidate PEIMS positions.	\$0	\$437,500	\$437,500	\$437,500	\$437,500	\$1,750,000	
Global Chapter 8 Total	\$0	\$437,500	\$437,500	\$437,500	\$437,500	\$1,750,000	\$0
Global Chapter 9 Purchasing							
9-2: Consolidate cooperatives.	\$0	\$691,200	\$691,200	\$691,200	\$691,200	\$2,764,800	
9-3: Use automated purchasing/requisitioning.	\$0	\$400,000	\$400,000	\$400,000	\$400,000	\$1,600,000	
9-4: Use Web-based advertising.	\$0	\$246,945	\$246,945	\$246,945	\$246,945	\$987,780	
Global Chapter 9 Total	\$0	\$1,338,145	\$1,338,145	\$1,338,145	\$1,338,145	\$5,352,580	\$0
Global Chapter 10 Asset and Risk Management							
<i>none</i>							
Global Chapter 10 Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Global Savings	\$1,000,000	\$61,255,544	\$61,255,544	\$61,255,544	\$61,255,544	\$246,022,176	
Total Global Costs	\$0	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$40,000)	(\$7,423,695)
Net Global Savings/(Costs)	\$1,000,000	\$61,245,544	\$61,245,544	\$61,245,544	\$61,245,544	\$245,982,176	(\$7,427,695)

ATTACHMENT

Recommendation 4-9 Explanation

The recommendation is to adequately fund RESC required core services. There are choices involved with several key factors: whether to redefine the required core services, whether to change the base funding allocation mix, and whether the number of service centers should be reduced.

Several tools are included here to help with the decision options.

Information is provided showing the 2002-03 and 2003-04 actual RESC base funding, by center (**Exhibit 4**). **Exhibit 5** contains the definition of core services and describes the relationship between core services and state base funding.

Exhibit 6 presents the actual RESC base cost to provide the legislatively required core services. The cost elements presented in **Exhibit 6** tie directly to required core services offerings. The base cost in **Exhibit 6** includes the minimum personnel to operate an RESC with required staff to meet the current core services directive, and applies the average actual salary for each staff position, and average actual operating costs based on 2003-04 operating data.

Providing these tools allows the user to be aware of what the base cost is to provide the core services as currently defined and required, and gives the flexibility of being able to see the base cost impact associated with expanding or reducing a particular requirement, or reducing the number of service centers.

**Exhibit 4
RESC Annual Base Funding
2002-03 and 2003-04**

RESC	2002-03 Base	2003-04 Base	Difference	Percent Difference	Amount Per Student
1	\$2,062,889	\$887,854	(\$1,175,035)	(57.0%)	\$2.69
2	1,209,412	992,861	(216,551)	(17.9%)	9.25
3	1,014,648	1,091,832	77,184	7.6%	19.78
4	4,690,339	993,189	(3,697,150)	(78.8%)	1.07
5	1,072,962	895,449	(177,513)	(16.5%)	10.48
6	1,331,256	1,002,687	(328,569)	(24.7%)	7.00
7	1,454,297	1,114,900	(339,397)	(23.3%)	6.96
8	968,351	1,020,950	52,599	5.4%	18.21
9	977,507	1,187,009	209,502	21.4%	29.13
10	3,449,302	1,014,509	(2,434,793)	(70.6%)	1.59
11	2,615,710	966,278	(1,649,432)	(63.1%)	2.16
12	1,344,190	1,124,278	(219,912)	(16.4%)	8.06
13	1,982,409	958,987	(1,023,422)	(51.6%)	3.31
14	1,013,631	1,206,774	193,143	19.1%	26.27
15	1,173,485	1,482,225	308,740	26.3%	29.50
16	1,200,405	1,356,250	155,845	13.0%	17.44
17	1,161,846	1,241,818	79,972	6.9%	15.71
18	1,274,446	1,411,276	136,830	10.7%	18.43
19	1,373,714	820,011	(553,703)	(40.3%)	5.01
20	2,203,567	980,863	(1,222,704)	(55.5%)	2.84
State Total	\$33,574,366	\$21,750,000	(\$11,824,366)	(35.2%)	\$5.11

Source: TEA Department of RESC/Higher Education Services.

Exhibit 5
RESC Definition of Core Services and
Relationship between Core Services and State Base Funding

<p>Use of RESC State Base Funding</p>	<p>State Base funding as determined by the combination of the Base Amount in addition to the Geographic Funding will be used by each RESC to provide core services to the extent that funding allows. Several options and or combination of options exist as to how the base State Base Funding can be used to support core services. A base level of support for each area of core services would be established at each RESC, but would be identical from one RESC to the next, due to variances in funding levels, demographics and regional needs:</p> <ul style="list-style-type: none"> • RESCs establish a set of common funding codes in order to provide an audit trail that accurately tracks the expenditure of State Base funding in support of the identified core services. • On an annual basis, each RESC determines a percentage or percentage range of State Base funding that will be allocated and expended in support of the various categories of core services subject to the approval of TEA.
<p>Definition of Core Services</p>	<p>Student Achievement—Provide training and updates related to TEKS, TAKS, and AEIS. Offer call-in and walk-in technical assistance to district and campus personnel related to TEKS, TAKS, and AEIS indicators and reports. Support for low-performance and accountability may include, but is not limited to, the following activities:</p> <ul style="list-style-type: none"> • overviews of Texas Essential Knowledge and Skills (TEKS) objectives for various grade levels and subject areas; • facilitating the sharing of information between districts and schools through administrator, subject area, and grade level update and information sharing sessions; • pre-administration training on Texas Assessment of Knowledge and Skills (TAKS); • training related to the interpretation of Academic Excellence indicator System (AEIS) criteria and reports; and • call-in and walk-in assistance related to TEKS, TAKS, and AEIS. <p>Technical Assistance Related to Changes in TEC, TAC, and other State and Federal Guidelines—Provide the training and overview sessions as well as call-in and walk-in assistance related to orienting district staff to changes in the Texas Education Code, Texas Administrative Code, as well as other pertinent state and federal regulations including Texas Open Meetings Act, Texas Open Records Act, and No Child Left Behind (NCLB). Support for changes in TEC, TAC, and other state and federal rules and guidelines may include but is not limited to the following activities:</p> <ul style="list-style-type: none"> • law and rule update sessions targeted toward appropriate school personnel as determined by the nature of the changes; • call-in and walk-in assistance with clarification of TEC, TAC, and other state and federal guidelines to the extent of RESC expertise; • field services support; and • hosting and facilitation of regional meetings for various administrator and teacher groups. <p>Assistance to Districts/Campuses Designated as Low Performing and Assistance with State and Federal Accountability Systems—Provide ongoing support and assistance for campuses and districts designated as low performing according to either state or federal accountability systems. Support for low-performance and accountability may include but is not limited to the following activities:</p> <ul style="list-style-type: none"> • assistance interpreting agency reports; • assistance with intervention planning; • on-site assistance preparing for agency visits related to low performing status; • overviews in training related to state and federal accountability systems and changes in accountability systems; • overviews and assistance related to site-based decisionmaking and planning; • call-in/walk-in technical assistance related to accountability system(s); and • on-site assistance in preparation for agency accountability visits. <p>Public Education Information Management System (PEIMS) and State Emergency Notification System (SENS). Support for PEIMS and SENS—may include but is not limited to the following sample activities:</p> <ul style="list-style-type: none"> • training on data standards; • update overviews on data standards; • call-in and walk-in assistance with interpretation of data standards; and • technical assistance in preparation for agency accountability visits.
<p>Center Operations</p>	<p>1. Use of base funding to assist with the payment of “necessary administrative and operational expenses of the center related to the provision and core services (T.E.C.§8.121).” Individual RESCS may use no more than thirty-percent (RESC self-imposed limitation after the base funding cut in 2003-04) of total base funding (base amount plus geographic adjustment plus small school adjustment) in support of center operations.</p>

Source: Texas RESC’s 2004–07 Draft Strategic Plan.

Exhibit 6
RESC Base Cost to Provide Core Services

Cost Element	Cost		
	Salary	Fringes	Total
Personnel:			
Executive Director	\$125,000	\$25,000	\$150,000
Assistant Director for Business	\$90,000	\$18,000	\$108,000
Assistant Director for Services	\$90,000	\$18,000	\$108,000
Administrative Assistant	\$30,000	\$6,000	\$36,000
Business Clerk	\$22,000	\$4,400	\$26,400
Human Resources Clerk	\$30,000	\$6,000	\$36,000
PEIMS Coordinator	\$35,000	\$7,000	\$42,000
Custodian	\$20,000	\$4,000	\$24,000
Reading Specialist	\$50,000	\$10,000	\$60,000
Field Service Agent	\$50,000	\$10,000	\$60,000
Language Arts Specialist	\$50,000	\$10,000	\$60,000
Mathematics Specialist	\$50,000	\$10,000	\$60,000
Science Specialist	\$50,000	\$10,000	\$60,000
Social Studies Specialist	\$50,000	\$10,000	\$60,000
Writing Specialist	\$50,000	\$10,000	\$60,000
Special Education Specialist/Dyslexia	\$50,000	\$10,000	\$60,000
ESL/LEP Specialist	\$50,000	\$10,000	\$60,000
School Finance Specialist (1/2 time)	\$37,000	\$7,400	\$44,400
Child Nutrition Specialist	\$50,000	\$10,000	\$60,000
Migrant Specialist	\$50,000	\$10,000	\$60,000
Trainer	\$40,000	\$8,000	\$48,000
Trainer	\$40,000	\$8,000	\$48,000
Instructional Technology Specialist	\$60,000	\$12,000	\$72,000
Accountant	\$45,000	\$9,000	\$54,000
Local Area Network Administrator	\$50,000	\$10,000	\$60,000
Receptionist/Scheduler	\$25,000	\$5,000	\$30,000
Secretary	\$30,000	\$6,000	\$36,000
Subtotal, Personnel	\$1,319,000	\$263,800	\$1,582,800
Contracted Services			\$100,000
Operating Costs:			
Supplies and materials			\$79,140
Utilities, Inc. Phone			\$158,280
Travel			\$92,500
Equipment			\$78,000
Equipment Maintenance			\$10,000
Rent or Debt Service			\$250,000
Information Technology			\$200,000
Postage and Shipping			\$15,000
Insurance			\$150,000
Security			\$24,000
Membership/Dues			\$13,000
Advertising			\$45,000
Photocopying			\$48,000
Subtotal, Operating Costs			\$1,162,920
Total			\$2,845,720

Source: MGT and RESC 2003-04 operating data.

CHAPTER 1:
INTRODUCTION AND
BACKGROUND

CHAPTER 1

INTRODUCTION AND BACKGROUND

This chapter provides an introduction to this study, background information on the Regional Education Service Centers (RESCs), and a summary of the findings of the State Council on Competitive Government (CCG) related to the RESCs.

Introduction

The Legislative Budget Board (LBB) engaged MGT of America, Inc. to conduct a Management and Performance Review of RESCs, a study required by Senate Bill (SB) 929 of the 78th Legislature. The CCG was engaged to determine the cost and amount being charged for each service, and to evaluate whether any services provided could be provided at a lower cost by an alternative service provider, as determined by a survey of potential alternative service providers. The CCG study and its findings will be discussed in the final section of this chapter.

The goal for the RESC management and performance review conducted by MGT is to improve the quality of primary and secondary education service delivery in Texas by ensuring that the state’s education infrastructure is as efficient and effective as possible. As such, the specific project objectives of this RESC review are to:

- examine how the current organization and delivery system fulfills the legislative purpose for RESCs outlined in Texas Education Code (TEC) Section §8.002, including all of the following:
 - assisting school districts in improving student performance in each region of the system;
 - enabling school districts to operate more efficiently and economically; and

- implementing initiatives assigned by the Legislature or the Commissioner.
- determine the continued need for all or part of the services provided by RESCs, as part of the Sunset review process;
- analyze the current organization and management of Regional Education Service Centers in Texas and make recommendations for improvements;
- ensure that RESCs’ customers receive the support and resources needed to succeed at the lowest possible cost to taxpayers;
- analyze the law, rules, policies, and funding agreements to determine what services provided by RESCs are considered core services by the various stakeholders, including the Legislature, the school districts, RESCs, and the Texas Education Agency;
- using the activity-based cost data compiled by the Council on Competitive Government (CCG) for all services provided by the RESCs, assess the efficiency and effectiveness of continuing to offer all services in the same manner and at the same price that they are currently being delivered;
- determine the financial condition of each service center and the adequacy of funding from the state for core services;
- ensure that center activities are performed efficiently, without unnecessary duplication, and in a manner that effectively supports and encourages success of schools in educating children;
- develop strategies for ensuring continual assessment and improvement of processes and programs;
- evaluate any state and federal laws, rules, regulations, requirements, guidelines, policies, or procedures that unduly impede the delivery of

efficient and effective educational or operational services to students; and

- highlight exemplary and innovative practices, both internal and external to service centers, that can be replicated and/or expanded statewide.

The purpose of this review was to develop findings, commendations, and recommendations to include, but are not necessarily be limited to, the following:

- an analysis of the governance structures of regional education service centers;
- a review of the financial condition of regional education service centers and their current funding sources to determine the adequacy of state appropriations to regional education service centers and whether those appropriations should continue to be made;
- a review of the number and geographic distribution of regional education service centers;
- a review of the institutional structure of regional education service centers, with consideration of whether a separate system of Texas Education Agency field offices would be appropriate or whether any regional education service center functions should be transferred to Texas Education Agency facilities; and
- an analysis of the support functions of regional education service centers to determine whether support requirements could be decreased through business processes or application redesigns.

Additionally, the information gathered and presented in this final report are to be presented to the Sunset Advisory Commission.

Background

RESCs are intermediate educational units that provide training, technical assistance, administrative support, and an array of other

services as determined by the Legislature, the Commissioner of Education, and the needs of local school districts and charter schools. The RESCs are called “intermediate” units because they serve between and as intermediaries for the Texas Education Agency (TEA) and local school districts. RESCs have a long history of providing assistance to all Texas school districts, including rural, small, metropolitan, and large suburban districts, and to charter schools.

The RESCs began in 1965 as federally-funded media centers as the result of Title III of the Elementary and Secondary Education Act which provided limited funding for instruction-related training and services. In 1967, by action of the Texas Legislature, the original 20 media centers were incorporated into ESEA, Title III funded service centers, designated “Regional Education Service Centers,” and given a \$1.00 per student in average daily attendance (ADA) funding allowance. At this point in their history, four of the centers were designated as “super centers” to have lead or expanded roles in providing services. RESCs 1, 4, 19, and 20 were given the role of super centers. By legislative intent, it was determined that RESCs would not be regulatory in nature (Chapter 8.054), but rather serve as service extensions of the TEA.

As the role and scope of the centers expanded, coordination of educational planning was added to their responsibilities. In 1969, a statewide computer services system was added to the centers’ responsibilities, and funding of an additional \$1.00 per student in ADA was added. In 1971, the RESCs began to receive basic state support for regional services to schools, coordination of planning, and for related administrative costs. In 1977, the State of Texas began audits of centers, and those audits have expanded to be part of a multi-phased review of the centers and the quality and effectiveness of their services. Both student achievement and client satisfaction are measured in the multifaceted audits.

In 1984, H.B. 72 expanded the working relationship between the RESCs and TEA in two areas: to raise the quality of school programs and to bring uniformity and continuity to school district operations. The RESCs assumed a new role in the area of decentralized services and assumed a technical assistance function in the implementation of the Public Education Information Management System (PEIMS). In addition, the RESCs took the lead in training local school boards. In 1986, the State Board of Education adopted the *State Plan for Regional Education Service Centers* that defined the roles of the centers and their relationship to TEA. The Commissioner was authorized in 1989 to enter into performance contracts with the RESCs for technical assistance and other services related to accreditation, training, and curriculum, as well as continued implementation of PEIMS.

The role of the centers was further defined in 1992 when the State Board of Education revised its rules to provide greater authority to the Commissioner in three areas of center operations: selection of center executive director, center budget approval, and the annual performance evaluation of the executive director. Following a legislative mandate, TEA began decentralization of its functions to the RESCs, including transfer of certification officers and child nutrition program specialists. TEA also established Field Service Agent and Partnership Schools Initiative programs and transferred over 100 staff members to the centers.

In 1995, Section 8 of Senate Bill 1 restructured the RESCs, identifying core services and a market-driven structure. Rider 44 to Article III of the General Appropriations Act of 1995 directed decentralization of several TEA functions that expanded RESC roles in providing technical assistance to school districts in accreditation monitoring. The next year, the Commissioner conducted the *ESC 2000 Study* in preparation for the sunset review of the centers by the 75th Texas Legislature.

In 1997, the 75th Texas Legislature re-authorized the RESCs and adopted a

clarification of the RESC role and function in improving student performance. Subchapter C of the legislation affirmed the role of the Commissioner in establishing a process of evaluation and accountability for the RESCs; directed the Commissioner to develop a uniform system of reporting for the centers that included information on client satisfaction; provided for an annual evaluation of each executive director and RESC; and provided the Commissioner with the power to sanction failing RESCs. However, no definition of a “failing” RESC was included in the legislation. Additionally, the legislation required the provision of Core Services to school districts within each region.

The following year, the Commissioner entered into a contract with the Texas Center for Educational Research to develop a third-party client satisfaction survey for each of the RESCs. The survey was piloted in 1998 and was fully implemented in 2000. During this time, the 76th Texas Legislature authorized the Student Success Initiative, better known as the Texas Reading Initiative, with intensive reading training for all kindergarten, first, and second grade teachers scheduled for the summers of 1999, 2000, and 2001. The RESCs functioned as the primary administrators and providers of this training, and this service was expanded in 2001 to include the third and fourth grades.

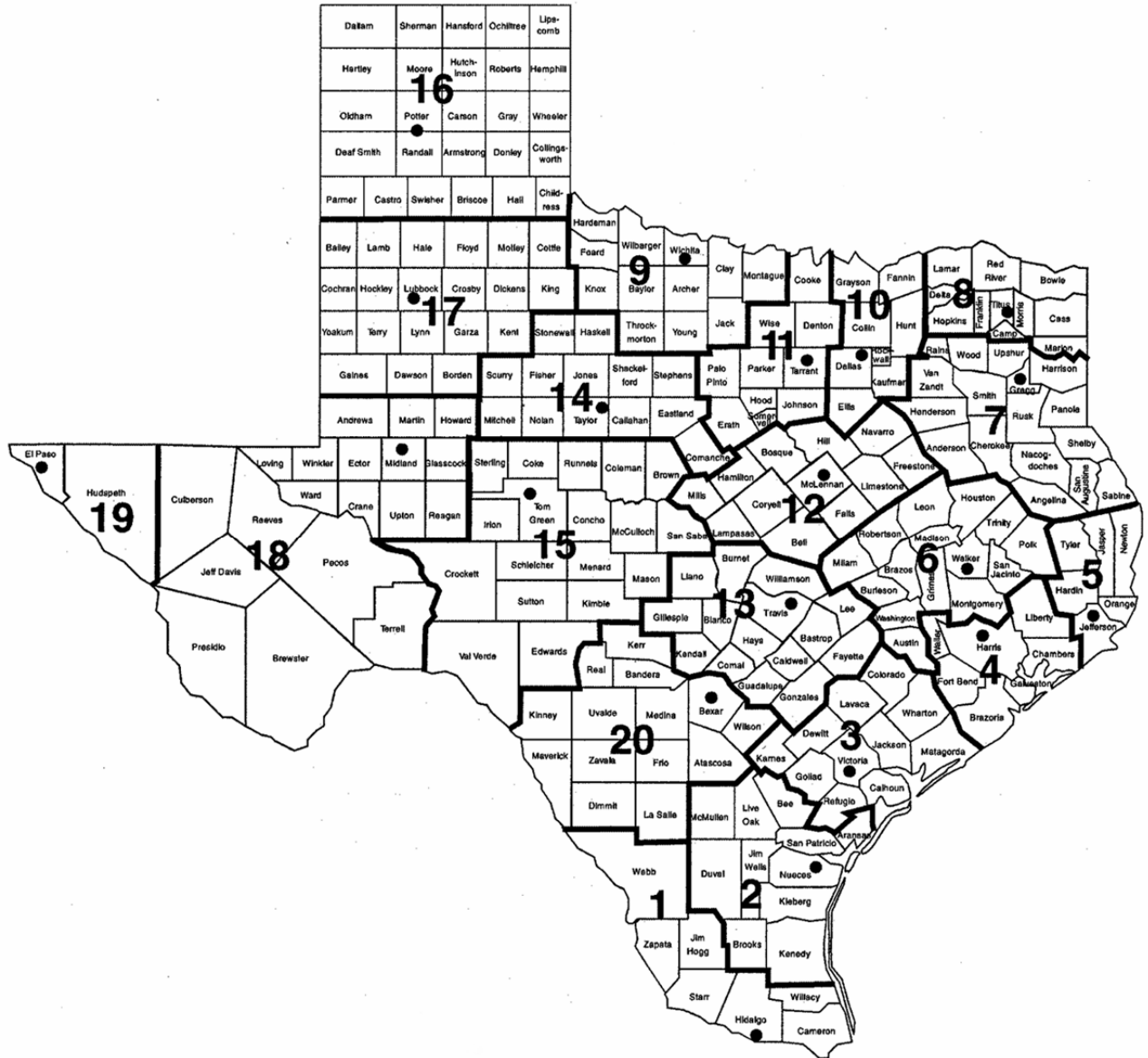
The map of the Regional Education Service Centers, displayed as **Exhibit 1-1** shows the location of the 20 centers. RESCs are assigned responsibility for providing core services to each school district, campus, and charter school within their respective regional boundaries. Texas school districts may elect to receive services from any service center in the state, and as a result, some RESCs are held accountable for the performance of school districts to which services are not provided. The State Board of Education defined the regions in 1967 as a geographic area of counties and the encompassed school districts. As can be seen from the map, there is considerable variation in the geographic areas for which each RESC is “responsible.”

Exhibit 1-2 displays the number of students in average daily attendance (ADA) in 2002-03 and the number of campuses in school districts within each of the RESCs. The data in **Exhibit 1-2** are the most recent data available at the time of the study. Again, there are considerable size differences among the RESCs, which vary from Region 9 serving school districts with 122 campuses and 40,289 students in ADA to Region 4 serving 1,175 campuses and 924,052 students in ADA. In terms of the number of students, Region 4 is almost 23 times as big as Region 9. The next largest RESC, Region 10, serves districts enrolling 635,621 students. Nine of the 20 RESCs serve districts enrolling less than 100,000 students in ADA. **Exhibit 1-3** displays the same information for school year 2000-01.

Comparison of the data for the two years shows the following:

- The total student membership population has grown from 4,059,619 to 4,239,911 or by 180,292 in three years, a 4 percent increase.
- African American and “other” student populations have remained essentially static on a statewide basis (14.4% to 14.3% for African American and 3.0% to 3.2% for Other) while Hispanic has risen from 40.6 percent to 42.7 percent and White has declined from 42 percent to 39.8 percent.
- The percent of economically disadvantaged students has risen from 49.3 percent to 51.9 percent, while Limited English Proficiency (LEP) student population has remained relatively constant (a 0.8 percent increase).
- In 2000–01, RESC 4 was the largest in student membership and was nearly one-third larger than the student membership of the next in size - RESC 10. In 2002–03 RESC 4 remained largest and both RESC 4 and 10 had the largest number of students in growth (RESC 4 - 47,151 students, and RESC 10 38,461), totaling over 50 percent of the state's growth.
- In 2000–01, eight RESCs had more than 50 percent of their students listed as economically disadvantaged, while by 2002–03 the number increased to 12 RESCs with more than 50 percent of students economically disadvantaged, even though the state average increased by only 0.8 percentage points.
- The distribution of Hispanic and African American populations remained essentially unchanged.
- The distribution of the White student population remained essentially unchanged.
- Five of the 20 RESCs, (3, 8, 9, 14, and 15) continue to have fewer than 56,000 students and combined (approximately 250,000) represent less than seven percent of the state's total student enrollment.
- Eight RESCs have more than 50 percent of their students listed as economically disadvantaged, all RESCs include districts whose student enrollment is more than 30 percent economically disadvantaged.
- Six RESCs have an African American population in excess of 20 percent while 11 RESCs have populations less than 10 percent; the state average at 14.4 percent.
- Five RESCs have an Hispanic population in excess of 50 percent with two in excess of 85 percent (RESCs 1 and 19); the state average is 40.6 percent;
- Ten RESCs have more than 50 percent of the student population listed as White; the state average is 42 percent.
- LEP student make up 14.1 percent of the state student membership with 15 of 20 RESCs serving districts whose student population is less than the state average percent and two (RESCs 1 and 19) serve districts whose student population of LEP is in excess of 30 percent.

**Exhibit 1-1
Location Of Regional Education Service Centers**



Region	Headquarters	Region	Headquarters
1.	Edinburg	11.	Fort Worth
2.	Corpus Christi	12.	Waco
3.	Victoria	13.	Austin
4.	Houston	14.	Abilene
5.	Beaumont	15.	San Angelo
6.	Huntsville	16.	Amarillo
7.	Kilgore	17.	Lubbock
8.	Mount Pleasant	18.	Midland
9.	Wichita Falls	19.	El Paso
10.	Richardson	20.	San Antonio

**Exhibit 1-2
Student Composition of Each RESC
2002–03 School Year**

RES C	Regional ADA	Number Campuses	Percent African American	Percent Hispanic	Percent White	Percent Other	Percent Economically Disadvantaged
1	328,518	461	0.2	96.1	3.3	0.4	84.5
2	106,986	248	3.7	67.6	27.4	1.4	58.6
3	54,982	156	10.8	44.0	43.8	1.3	51.6
4	924,052	1,175	21.5	39.3	33.7	5.6	50.2
5	84,875	176	31.2	8.4	57.6	2.7	49.2
6	142,153	271	13.9	19.4	64.9	1.8	42.1
7	159,855	410	21.2	15.7	62.2	0.9	50.0
8	55,911	155	23.0	10.9	65.1	1.1	51.7
9	40,289	122	9.1	16.9	71.7	2.3	44.7
10	635,621	971	20.8	33.1	41.1	5.0	45.4
11	446,247	723	13.4	24.2	58.3	4.2	36.0
12	138,152	347	23.2	21.9	52.7	2.2	49.6
13	288,335	487	9.6	36.3	51.0	3.1	39.2
14	45,834	158	6.7	27.5	64.7	1.0	49.7
15	49,286	209	3.6	49.4	46.2	0.7	56.4
16	77,449	220	5.5	36.6	56.1	1.7	51.5
17	78,236	243	8.2	48.9	41.9	1.0	55.8
18	76,139	181	5.6	54.4	39.0	1.0	54.9
19	163,170	213	2.7	87.2	9.1	1.0	74.7
20	343,821	593	7.0	64.9	26.6	1.5	61.6
State Total	4,239,911	7,519	14.3	42.7	39.8	3.2	51.9

Source: TEA 2003–04 AEIS RESC reports.

**Exhibit 1-3
Student Composition of Each RESC
2000–01 School Year**

RES C	Regional Student Membership	Percent African American	Percent Hispanic	Percent White	Percent Other	Percent Economically Disadvantaged	Percent LEP
1	302,528	0.2	95.6	3.8	0.3	82.7	38.1
2	107,634	3.7	66.3	28.7	1.3	56.1	6.0
3	55,629	11.1	42.5	45.1	1.3	50.1	5.1
4	876,901	21.9	36.8	36.0	5.3	47.4	16.2
5	85,644	31.1	7.4	58.8	2.7	46.3	3.8
6	135,913	14.4	17.4	66.8	1.2	40.9	6.4
7	157,696	21.6	13.5	64.1	0.8	46.5	6.5
8	55,223	23.6	9.3	66.3	0.9	47.6	4.9
9	40,745	8.4	15.4	74.1	2.2	42.0	2.8
10	597,160	21.2	30.3	43.8	4.7	42.6	16.1
11	416,544	13.1	21.4	61.7	3.9	31.9	10.3
12	134,507	23.1	20.2	54.7	2.0	47.1	4.9
13	273,492	9.6	34.0	53.5	2.5	35.7	9.2
14	47,518	6.5	26.0	66.5	1.0	48.1	2.6
15	50,399	3.7	47.7	48.0	0.7	53.8	7.3
16	78,250	5.5	34.3	58.4	1.7	47.5	8.3
17	79,121	8.3	47.9	43.0	0.8	54.0	5.5
18	77,553	5.5	52.4	41.1	0.9	53.3	11.0
19	157,337	2.9	85.8	10.4	1.0	71.7	31.0
20	329,825	6.9	63.6	28.2	1.4	61.6	10.4
State Total	4,059,619	14.4	40.6	42.0	3.0	49.3	14.1

Source: TEA 2000–01 AEIS RESC reports.

Exhibit 1-4 displays comparative information on educational service centers in nine comparison states. Texas has fewer service centers than Michigan, New York, and Ohio, but serves districts with more students than the other states, 188,583 per service center compared to 111,393 in Washington and 4,900 in New Mexico.

Service area size varies from 4,900 square miles for the smallest Texas RESC to 37,553 for the largest. In contrast, service area size in the comparison states varies from 184 square miles to 3,339 square miles in New York, and from 1,592 square miles to 15,282 square miles in New Mexico. Not only do Texas RESCs serve more students, but the RESCs also serve more square miles than do service centers in the comparison states.

Size of staff at service centers varied from a total of 4,270 statewide for Texas RESCs to 12 assigned Department of Education personnel in Kentucky, to 204 staff in Iowa, and to 1,282 staff in Washington. Information on staff size was not available from three comparison states.

All states except Kentucky have some form of elected board of control for each service center. Boards have the power and authority to set policy, select an executive officer, and provide final decision-making authority.

The board size varies substantially, from a low of five in Iowa to 15 members in Minnesota, but typically there are five to seven members on a service center board. Board members serve from three- to six-year terms.

The Texas Legislature has clearly defined the purpose of the Regional Education Service Centers:

- assist school districts in improving student performance in each region of the system;

- enable school districts to operate more efficiently and economically; and
- implement initiatives assigned by the Legislature or the Commissioner of Education.

An eight-member board of directors governs each center. Seven of those directors have voting power and are elected by the boards of trustees of school districts within the region. The eighth member is appointed by the Commissioner of Education to represent charter schools within the region and is a non-voting member. Each RESC board establishes policies that govern the operation of the Center. In addition to its board of directors, each center has several key advisory committees composed of stakeholders in the various service areas, including teachers, campus and central administrators, and superintendents and directors of charter schools. These committees provide input to the executive director regarding programs and services.

It is the responsibility of each RESC executive director, operating under the policies of the center, to employ necessary personnel to carry out the functions of the center. **Exhibit 1-5** provides information about the gender, ethnicity, and funding patterns for RESC personnel (excluding contract and/or temporary employees). As of September 1, 2002, the centers employed a total of 4,270 full and part-time employees, the majority of whom were White.¹ Funding for RESC personnel comes primarily from federal funds, although local funds provide the largest share of funding for professional staff, as shown in **Exhibit 1-5**. Of these employees, 91 percent are in direct or support services to schools and school personnel, while the other nine percent are administrators.

¹ This total includes 1,074 employees (professional and support) in the Head Start Programs operated by Regions 7, 9, 10, 14, 16, 19, and 20.

**Exhibit 1-4
Comparison of Texas RESCs with Other Service Centers in the United States**

Comparison Factors	Texas RESC	Iowa AEA	Kentucky RSC	Michigan ISDS	Minnesota Service Coops & Solution Centers	New Mexico REC	New York BOCES	Ohio OREDS	Washington ESDS
Number of Centers	20	15	8	57	9 & 4	9	38	60 ESEs & a total of 143 different service centers	9
Average Number of Students in Region	188,583	30,439	Not available	29,443	64,618	4,900	42,938	94,375	111,393
Service Area Size / Variation in Size	37, 553 / 4,900 /	6,594 / 1,604	Not available	4,000 / 294	13,000 / 1,000	15,282 / 1,592	3,339 / 184	Not available	13,996 for largest area
Selection of Executive Director	By Board w/ State Comm. Approval	Elected by Board w/ number of votes determined by AEA size	DOE Employees	Supt. Hired by Board	By Board	No information	District Supt is CEO of respective BOCES w/ Comm. of Ed. approval	Elected chair by Council & must be Supt.	Supt. Appointed by Board
Board/Council Sets Policy	Yes	Yes	Not available	Yes w/ action of districts	Yes	Yes	Yes	Yes	May delegate to local school districts
Size of Staff: Average & Range	4,270 (statewide)	204 (statewide)	12	Not available	40 & 8 to 220	88 (statewide) Plus various ancillary	Not available	Not available	1,482 statewide average
			Not available						
Board Structure	Board of Directors	Board of Directors	No board	Board of Directors	Board of Directors	Regional Education Coordinating Council w/ Exec. Dir.	Board of Education: reps from component districts	Supt form each region & rep from comm.. schs.	Regional Board of Directors
Size of Board	7 elected; 1 appointed charter school rep (if charter in RESC)	5 and 9	n/a	One per district w/ 6 yr. term	6 & 15	Varies by number of school districts represented	Varies by number of school districts represented	Varies by number of Supt. & Comm. Schs.	Not available
Membership Determined By	Elected by local boards w/ 3 yr. Terms	Elected by school boards w/ 3 yr. terms	State DOE Employees	Elected by reps of participating school boards	Elected by local boards w/ 3 yr. terms	Composed of supt., CEO of school district or state supported ed institution	Elected by component board members	Elected by district boards	Elected by local boards w/ 4 yr. terms
Final Decision-making Authority	Board of Directors	Board	No decision authority	Board in accord w/ MI Compiled Law	Board of Directors in accord w/ state law	Council	Board	Regional Council	Board

Source: MGT of America, June 2004

**Exhibit 1-5
Gender and Ethnicity of RESC Employees
and Funding Sources**

Male	965	22.59%	
Female	3,305	77.41%	
Total	4,270		
White	2,465	57.74%	
Hispanic	1,517	35.53%	
African American	252	5.91%	
Asian American	25	0.58%	
Native American	11	0.24%	
Funding Sources			
<u>Professional Staff</u>		<u>Support Staff</u>	
State	22.26%	State	11.79%
Federal	38.23%	Federal	52.19%
Local	39.51%	Local	36.02%

Regional Education Service Centers have access to a combination of financial resources from state, federal, and local sources to provide services within each region. **Exhibit 1-6** provides information on the programs funded by state, federal, and/or local sources. Some programs are funded by all three major sources of revenue while others receive funding from only one of the major sources.

For the 2002-03 school year, the centers budgeted revenues that totaled more than \$470 million. Federal revenues are the largest element of RESC revenues representing nearly 45 percent of total projected revenues for 2002-03. **Exhibit 1- 7** provides information on the sources of revenue for 2002–03.

The total revenues available to each of the RESCs varied from \$5.3 million in Region 15 located in San Angelo to over \$67.3 million budgeted in Region 10 in Richardson. Regions 4, 10, and 11 have the largest number of students that comprised 46.5 percent of total students in the state, but received only 29.8 percent of total revenue. Similarly, the three smallest regions (9, 14, and 15) have only 3.5 percent of the State’s total students but received over seven percent of total revenues. Seven centers received the greatest portion of revenues from federal sources, eleven from fees paid by local school districts, and two centers received the greatest portion from state sources. For 14 centers, state revenues are the smallest source of funding.

**Exhibit 1-6
Funding Sources for Programs/Services Offered by the RESCs**

Program	Federal	State	Local
Accreditation Assistance		X	
Administrator Training/Leadership Academies			X
Adult Education	X	X	
Adult Workforce Development			X
Alternative Certification			X
Advanced Academic Services		X	
Bilingual/ESL Consortia			X
Bus Driver Training			X
Career & Technology Education	X		
*Certification Assistance		X	
Charter School Evaluation	X		
Child Nutrition	X		
Community, Higher Education, School Partnership	X		
Cooperatives	X		X
Core Services and Center Operations		X	
Criminal Background Checks			X
Curriculum and Instructional Support		X	X
District Effectiveness/Compliance Assistance		X	
Distance Learning			X
Driver Education			X
Early Childhood Intervention	X		
ESEA Title I, School Support	X		
ESEA Title I, Migrant	X		
ESEA Title II, Eisenhower Math/Science	X		
ESEA Title IV, Safe & Drug Free Schools	X		
ESEA Title VI, Texas Reading Initiative	X		
ESEA Title VII, Bilingual Education/English as a Second Language	X		
ESEA Title XX, TANF	X		
*Field Service Agents		X	
GEAR-UP	X		
Governor's Reading Initiative		X	
Head Start	X		
IDEA-B Preschool Programs	X		
IDEA-B Special Education Programs	X		
Information Services			X
Information/Data Services			X
Instructional Leadership Development			X
Instructional Services			X
Learn and Serve America	X		
McKinney-Vento Education of Homeless Children and Youth	X		
Media Services		X	
New Teacher Mentoring (TXBESS)		X	
PEIMS Support		X	
Principal Assessment			X
Professional Staff Development		X	X
Regional Day School for Deaf		X	
*School Business Operations		X	
School Improvement Initiatives	X	X	
School Board Training			X
School Counseling Services			X

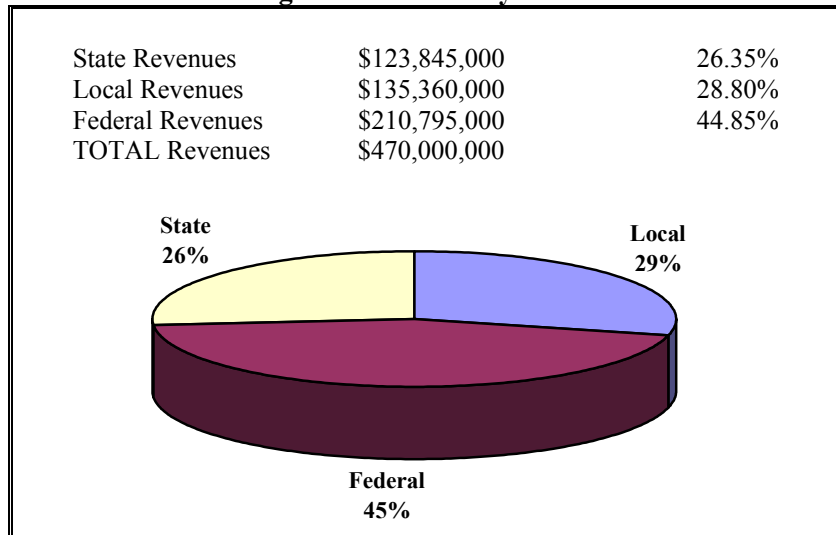
Exhibit 1-6 (continued)
Funding Sources for Programs/Services Offered by the RESCs

Program	Federal	State	Local
School Library Cooperatives			X
School Nurses Cooperative			X
Special Education		X	X
Teacher Reading Academies		X	
*Teacher Recruitment & Retention		X	
Technology Preview Centers		X	
*Technology Services	X	X	
Texas Library Connection		X	
*Texas Pathfinders (formerly Mentor Schools)		X	
Visually Impaired Services		X	

Source: TEA Web site, 2004.

*As of September 1, 2003, these areas were no longer funded.

Exhibit 1-7
RESC Budgeted Revenues By Source 2002–03



Source: FY 2003 ESC Annual Data Collection by TEA.

As is shown in **Exhibits 1-8 and 1-9**, state revenues were the smallest source of funds during 2003–04 for all RESCs. There was a significant reduction in the total amount of state funds between 2002–03 and 2003-04, dropping from \$123.8 million, or 26.4 percent of RESC budgets, to \$60.9 million or 13.3 percent of RESC budgets. Reductions in funding occurred in both base funding and in discretionary or grant funding to the RESCs.

In addition, there were significant shifts among RESCs in the base funding for core services between 2002–03 and 2003–04, as is shown in **Exhibit 1-10**. Total base state funds

were reduced from \$33.6 million to \$21.8 million, and funds were shifted from large service centers to small centers. Funds per student varied from a low of \$1.59 per student in Region 10 to a high of \$29.50 per student in Region 15; the state average was \$5.11 per student. Economies of scale do not explain this significant difference in funding per student. The shift in state base funding was caused by a change in TEA’s interpretation of the legislative intent in §8.121 on base funding. This shift in funding required the RESCs to modify the services that were provided to school districts.

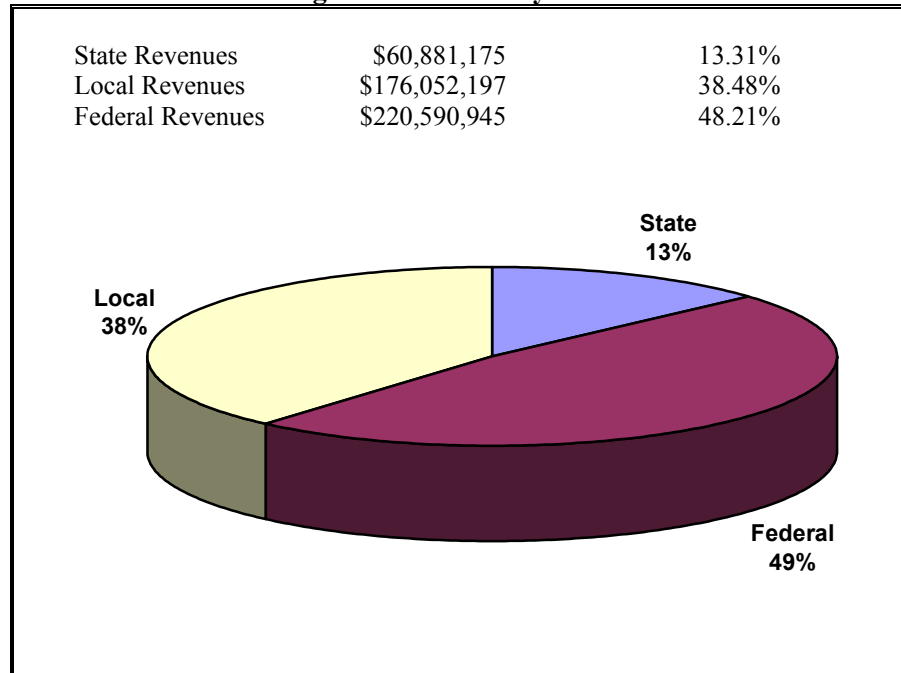
**Exhibit 1-8
RESC Revenues and Expenditures by Source
Budgeted 2003–04**

RESC	Federal Revenue	State Revenue	Local Revenue	Total Revenue	Total Expenditures	Flow Through Dollars*
1	\$10,211,957	\$4,208,724	\$16,161,338	\$30,582,019	\$30,783,369	\$5,446,873
2	5,984,478	1,463,037	6,092,567	13,540,082	14,923,141	859,506
3	3,791,949	2,027,104	2,651,919	8,470,972	8,549,450	46,853
4	9,305,870	4,040,836	29,522,337	42,869,043	43,895,227	2,078,055
5	2,849,812	1,712,605	6,468,136	11,030,553	11,261,199	129,473
6	6,364,048	2,431,509	7,043,108	15,838,665	15,791,082	1,494,758
7	15,972,473	2,220,067	6,005,722	24,198,262	24,198,262	4,432,231
8	5,948,865	4,400,664	6,987,332	17,336,861	18,695,479	791,356
9	6,604,269	1,895,194	2,185,322	10,684,785	10,684,785	3,240,772
10	32,179,117	2,721,281	26,386,364	61,286,762	62,983,249	15,855,950
11	7,069,781	2,924,914	10,276,775	20,271,470	20,224,366	1,101,130
12	4,331,669	1,319,343	7,080,699	12,731,711	6,801,116	492,306
13	7,957,594	7,696,230	13,276,146	28,929,970	31,005,801	3,192,292
14	13,445,417	3,723,884	3,846,743	21,016,044	20,680,345	4,910,633
15	4,595,006	3,389,990	3,772,194	11,757,190	12,242,696	370,539
16	14,488,720	2,405,815	4,496,809	21,391,344	21,183,788	4,233,851
17	3,258,186	2,068,673	5,086,852	10,413,711	10,651,457	168,086
18	4,026,366	2,010,021	4,554,941	10,591,328	11,185,931	223,111
19	40,386,671	3,418,625	4,215,724	48,021,020	48,021,020	576,694
20	21,818,697	4,802,659	9,941,169	36,562,525	40,274,697	3,692,163
System	\$220,590,945	\$60,881,175	\$176,052,197	\$457,524,317	\$464,036,460	\$53,336,632

Source: Chief Financial Officer or Business Manager – Regional Education Service Centers, April 2004.

* Flow Through Dollars are funds made available to local education agencies or Regional Education Service Centers from federal or other external sources through the Texas Education Agency.

**Exhibit 1-9
RESC Budgeted Revenues By Source 2003–04**



Source: Chief Financial Officer or Business Manager – Regional Education Service Centers, April 2004.

Exhibit 1-10
RESC Annual Base Funding
2002–03 and 2003–04

RESC	2002–03 Base	2003–04 Base	Difference	Percent Difference	Amount Per Student
1	\$2,062,889	\$887,854	(\$1,175,035)	(57.0%)	\$2.69
2	1,209,412	992,861	(216,551)	(17.9%)	9.25
3	1,014,648	1,091,832	77,184	7.6%	19.78
4	4,690,339	993,189	(3,697,150)	(78.8%)	1.07
5	1,072,962	895,449	(177,513)	(16.5%)	10.48
6	1,331,256	1,002,687	(328,569)	(24.7%)	7.00
7	1,454,297	1,114,900	(339,397)	(23.3%)	6.96
8	968,351	1,020,950	52,599	5.4%	18.21
9	977,507	1,187,009	209,502	21.4%	29.13
10	3,449,302	1,014,509	(2,434,793)	(70.6%)	1.59
11	2,615,710	966,278	(1,649,432)	(63.1%)	2.16
12	1,344,190	1,124,278	(219,912)	(16.4%)	8.06
13	1,982,409	958,987	(1,023,422)	(51.6%)	3.31
14	1,013,631	1,206,774	193,143	19.1%	26.27
15	1,173,485	1,482,225	308,740	26.3%	29.50
16	1,200,405	1,356,250	155,845	13.0%	17.44
17	1,161,846	1,241,818	79,972	6.9%	15.71
18	1,274,446	1,411,276	136,830	10.7%	18.43
19	1,373,714	820,011	(553,703)	(40.3%)	5.01
20	2,203,567	980,863	(1,222,704)	(55.5%)	2.84
State Total	\$33,574,366	\$21,750,000	(\$11,824,366)	(35.2%)	\$5.11

Source: TEA Department of RESC/Higher Education Services.

The RESCs receive state revenues from several different means for three types of services: core services and center operations, legislative initiatives, and Commissioner initiatives. Funds for core services and center operations are appropriated by the Legislature under its funding method. Other legislative appropriations are those for the Texas Reading Initiative's Reading Teacher Academies; State Visually Impaired Program; Technology and Preview Center Programs; and the Pregnancy, Education, and Parenting Program.

Commissioner initiatives include the Centers for Educator Development, Instructional Leadership Development, Student Success Initiative, and the Texas Assessment of Knowledge and Skills (TAKS) Preparatory Academy.

Federal revenues received by the RESCs represent federal discretionary and formula

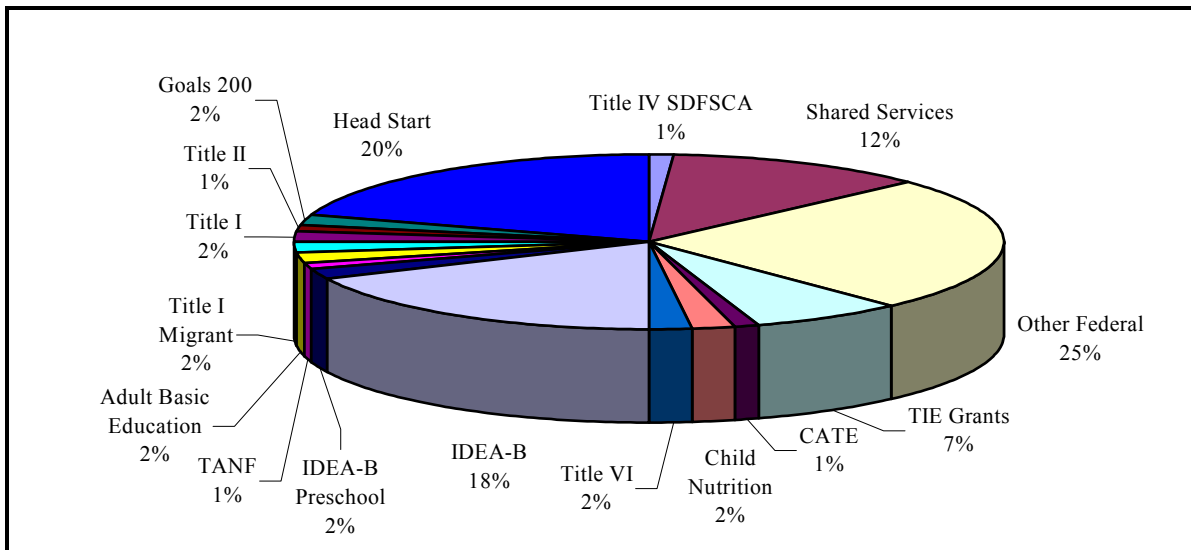
categorical funds, which flow through TEA to the RESCs either through an earned or competitive process. Although classified as discretionary funds, federal revenues (such as Individuals with Disabilities Education Act (IDEA) and Elementary and Secondary Education Act (ESEA) funds) also flow on a formula basis. Federal revenues also include direct federal grants (e.g., Head Start) and categorical funding that flows from other state agencies (e.g., Early Childhood Intervention). In addition to federal education funds, RESCs have been increasingly called upon by entities such as the Texas Workforce Commission to manage funds for its regional workforce boards and related projects.

For 2002–03, the projected amount of budgeted federal revenues was approximately \$210.8 million, comprising 44.9 percent of total revenues. In comparison, FY 2001

audited federal revenues provided \$193.5 million or 43.9 percent of total FY 2001 revenues for the RESCs. Among the categories of federal revenues is “other federal revenues,” which comprises 25 percent of total federal revenues. Among the many funds comprising that designation are the

McKinney-Vento Education for Homeless Children and Youth; Learn and Serve America; ESEA Title I Even Start; ESEA Title VII Bilingual/ESL; and the Child Care Development Block Grant. The FY 2001 actual federal revenues for the RESCs are shown in **Exhibit 1-11**.

Exhibit 1-11
Federal Revenues Received by the RESCs
2000-01



Source: 2000-01 RESC Annual Financial Audits by TEA.

Among the many services that the RESCs operate from federal funds are Head Start programs. RESCs in Regions 7, 9, 10, 14, 16, 19, and 20 serve as the prime sponsors for federal Head Start projects, and received more than \$43 million during the 2001-02 school

year. **Exhibit 1-12** displays information on the total Head Start funding that the RESCs managed. These funds are included in the total revenues displayed above, and comprised 20 percent of total federal revenues during FY 2001.

Exhibit 1-12
Head Start Revenues Received By the RESCs
2001-02

RESC	Headquarters	Head Start Funding Level	Number of Counties Served	Number of Students Served
7	Kilgore	\$8.8 million	12	2,000
9	Wichita Falls	\$1.2 million	4	610
10	Richardson	\$3.6 million	5	698
14	Abilene	\$0.7 million	5	144
16	Amarillo	\$6.8 million	14	1,429
19	El Paso	\$20.2 million	2	3,994
20	San Antonio	\$1.7 million	3	380

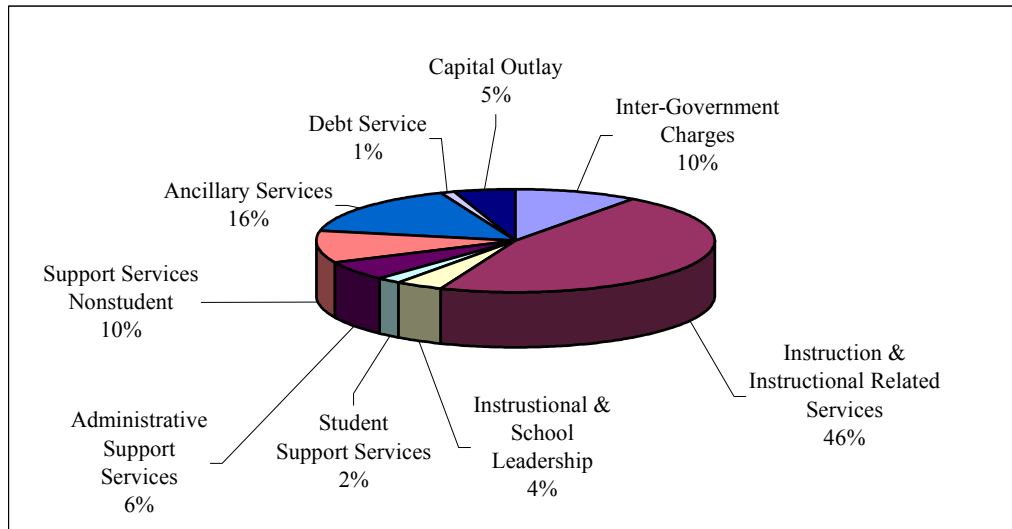
Source: 2001 RESC Annual Financial Audits and FY 2003 RESC Annual Data Collection.

The RESCs have no taxing authority. Participation by school districts in center programs is strictly voluntary. As a result, RESCs must customize and market their services to school districts, charter schools, and private schools as well as outside individuals and entities to generate additional or local revenue. Local revenues are generated in three ways: fees-for-service, fees generated from sources such as the sale of products, and revenues from other local sources, including the internal service fund and from other public and private entities. For 2002–03, the projected amount of budgeted local revenue was \$211.2 million (44.8 percent of total revenue).

The RESC budget and account for funds within the accounting system delineated in the

Texas Education Agency's *Financial Accountability System Resource Guide*. The agency's accounting system uses multilevel accounting, including accounting by fund, function, and expenditure code. Because the RESCs are organized to accomplish a service mission that is different from school districts, the costs associated with various functions vary from that of school districts. In the area of shared services arrangements, the RESCs frequently serve as fiscal agents for a large number of school districts to increase the buying power of certain school districts. For example, all RESCs operate and/or subscribe to various types of purchasing cooperatives. These purchasing cooperatives guarantee member districts greater purchasing power through the economies of scale. Expenditures by function are shown in **Exhibit 1-13**.

Exhibit 1-13
2000–01 RESC Expenditures by Function



Source: 2000–01 RESC Annual Financial Audits, by TEA.

Fund balances of 20 percent of the prior year's expenditures in the general fund represent approximately 2.5 months of operating expenses. Centers with greater than 2.5 months of reserves are subject to reduction in core services and center operations funding.²

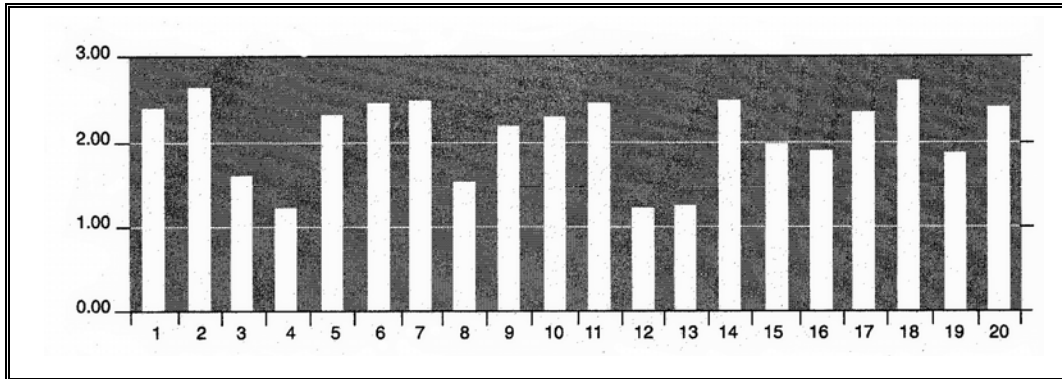
² Unlike school districts, ESCs have no local taxing authority. To provide for a physical plant, plant operation, maintenance, renovation, self-insurance, and the like, ESCs must maintain fund balances.

In 1998-99, the Texas Education Agency and the RESCs began a reconsideration of the method used to calculate fund balances. At that time, the approved method of determining the unreserved, undesignated fund balance in the general fund was to subtract all obligations and reserves from total expenditures in **all** funds and compare the result to the balance in the general fund. If those general fund balances were less than 20 percent of the total

expenditures for a given year, then the RESC was found to be in compliance. That method of calculation has been modified to compare only expenditures less obligations and reserves in the general fund, **not all funds**. The result

has been an across the board reduction in the undesignated, unreserved fund balance at each of the RESCs. **Exhibit 1-14** displays the average months of undesignated fund balances for each RESC in 2000–01.

Exhibit 1-14
Months of Undesignated Fund Balances for each RESC
2000-01



Source: 2000–01 RESC Annual Financial Audits, by TEA.

There are six major types of services provided by the Regional Education Service Centers to school districts, schools, charter schools, and other entities:

- core services identified in statute;
- decentralized agency functions;
- administrative support for schools;
- instructional support for schools;
- direct student instruction; and
- other locally-determined services.

The main purposes of these services are to assist in the improvement of student performance, to assist schools to operate more efficiently and effectively, and to carryout the initiatives of the Texas Legislature and the Commissioner of Education, as was mentioned earlier.

Among the responsibilities that the centers recently assumed are the provision of teacher reading and math academies and the hiring of school finance specialists. In addition, the

service centers have trained reading teachers, dyslexia campus contacts, and district dyslexia coordinators in appropriate identification methodology and teaching strategies for students with dyslexia.

The RESCs have taken the lead in providing reading academies beginning with kindergarten teachers in 1998-99. During 2001-02, RESCs provided teacher reading academies for third grade teachers, as well as additional and make-up sessions for teachers in kindergarten through grade 2. Likewise, during the 2001-02 school year, RESCs provided academies for math teachers in grades 5 and 6 and trained one first grade teacher and one special education teacher from every Texas elementary campus in appropriate dyslexia identification and teaching strategies. In prior years, teachers received dyslexia training in various formats offered by individual centers. **Exhibit 1-15** provides a summary of the numbers of teachers trained by RESCs between the 1998–1999 and 2001–02 school years.

**Exhibit 1-15
Teachers Trained by RESCs
1998-99 Through 2001-02**

School Year	Reading Academics				Math Academics	Dyslexia
	Kindergarten	1 st Grade	2 nd Grade	3 rd Grade	5 th – 6 th Grades	
1998-99	14,377					74,029
1999-2000	3,048	20,950				73,469
2000-01	1,830	2,600	15,672			76,560
2001-02	709	4,471	5,234	15,698	10,884	42,455
TOTAL	19,964	28,021	20,906	15,698	10,884	266,513

Source: FY 1999, 2000, 2001, and 2002 RESC Quarterly Performance Reports, as reported by TEA.

RESCs also serve Texas public schools as a major source of certified teachers. RESC-operated alternative teacher and administrator certification programs have assisted school districts in addressing the teacher-shortage issue. Between 1998 and 2001, over 7,400 prospective teachers have taken the exam for certification (ExCET) after attending sessions

at one of the 14 RESCs that provide alternative certification programs (ACPs). The average passing rate for all groups exceeded 95 percent for each year, as is shown in **Exhibit 1-16**. The passing rate for each subgroup, with one exception, exceeded 92 percent for each of those years.

**Exhibit 1-16
ExCET Passage Rate for Teachers Enrolled in
RESC Alternative Certification Programs
1997-2001**

School Year	Number of RESC Interns	ExCET Pass Rate
1997-98	1,817	96.5%
1998-99	1,787	96.6%
1999-2000	1,735	96.8%
2000-01	2,101	95.6%

Source: State Board for Educator Certification, 2002.

In the area of school finance, the 77th Legislature directed the Commissioner of Education to provide assistance to the RESCs to provide financial management or planning assistance to school districts and open-enrollment charter schools. As a result, the Commissioner funded one full-time finance specialist coordinator and an assistant coordinator at RESC Regions 13 and 17, respectively, and provided almost \$1.2 million to the centers to employ at least a half-time specialist in each center.

Exhibit 1-17 displays a list of services provided by the RESCs to districts, campuses, and charter schools in 2001-02.³ Services were provided related to what are called the “core services” of each RESC, as well as special services that were provided by one or more RESCs.

³ As of September 1, 2002, Texas has 1,225 school districts. Of that number, 185 are charter schools.

**Exhibit 1-17
Services Provided by the RESCs
during 2001–02**

Service	RESC Providing The Service
CORE SERVICES:	
Training and technical assistance in: Teaching reading, mathematics, writing, English, social studies, science special education, compensatory education, bilingual education, gifted, and talented education. Special assistance for school districts or campuses rated unacceptable	All regions
SPECIAL EDUCATION SERVICES:	
<u>State Leadership Function</u>	
Assessment	Region 12
Assistive Technology	Region 4
Behavior & Discipline Management	Region 4
Comprehensive System of Professional Development Leadership Council	Region 6
High School Programs & Transition	Region 11
Least Restrictive Environment/inclusion	Region 20
Low-Incidence Disabilities	Region 3
Multicultural & Diverse Learners	Region 1
Parent Involvement	Region 9
Regional Offices - Services for the Deaf	Regions 4, 10, 11, 20
State Sample Forms for Child-Centered Process	Region 18
University Forum	Region 6
<u>Statewide Special Projects</u>	
Autism	Region 2
Effectiveness Study	Region 11
Technical Assistance and Training Functions for Visually-Impaired Programs	Region 11
<u>Other Special Education Functions</u>	
Child Find	All Regions
Non-Educational Community-Based Support Services	All Regions
Speech-Language Pathologist Training	16 Regions
Visually Impaired Preparation Program	50 Students
<u>Regional Technical Assistance</u>	
IDEA-B Formula Programs	All Regions
IDEA-B Preschool Programs	All Regions
Visually Impaired Programs	All Regions
GENERAL EDUCATION/SPECIAL POPULATIONS PROGRAMS	
<u>State Leadership Functions</u>	
Advanced Placement/international Baccalaureate	Region 14
Bilingual/ESL Center for Educator Development	Region 4
ESC Client Satisfaction Survey	Region 18
Dyslexia	Region 10
Fine Arts Center for Educator Development	Region 20
Health & Physical Education Center for Educator Development	Region 12
Human Immuno-Virus Education	Region 10
Languages other than English Center for Educator Development	Region 2
Learn and Serve America	Region 14
Math Teacher Academy Leadership	Region 10

**Exhibit 1-17 (continued)
Services Provided by the RESCs
during 2001–02**

Service	RESC Providing The Service
McKinney-Vento Education of Homeless Children and Youth	Region 10
Minority Teacher Recruitment	Region 1
Pregnancy, Education, and Parenting	Region 20
Reading Teacher Academy Leadership	Region 13
Social Studies Center for Educator Development	Region 6
Techlinx	Region 5
Texas Pathfinders (formerly Mentor Schools)	Region 13
Title I, Migrant MSRTS Training	Region 1
Title IV, Safe and Drug Free Schools Curriculum	Region 4
Title IV, Safe and Drug Free Schools	Region 2
Troops to Teachers/Texas Military Initiative	Region 13
<u>Regional Technical Assistance</u>	
Career and Technology Education	19 Regions
Child Nutrition Program	All Regions
Teacher Certification	All Regions
Title I, School Support	All Regions
Title I, Migrant Programs	All Regions
Title IV, Safe and Drug Free Schools	All Regions
Title VI, Texas Reading Initiative Programs	All Regions
Title VII, Bilingual/ESL	All Regions
<u>ADMINISTRATIVE SUPPORT FOR SCHOOLS⁴</u>	
Administrator Training	All Regions
Cooperative Purchasing	1,425 Districts ⁵
District Effectiveness and Compliance Technical Assistance	500 Districts
Field Service Agents	56 Agents
School Finance Specialists	32 Specialists
General Administrative Support	All Districts, All Regions
Local Liaison to Community Resource Coordination Groups	All Regions
Mainframe Data Processing Services	
Student Record	51 Districts
Financial Accounting	64 Districts
Personnel	62 Districts
Microcomputer Data Processing Services	
Student Records	635 Districts
Financial Accounting	617 Districts
Personnel	542 Districts
Personnel Services	465 Districts
School Board Member Training	All Regions
School Bus Driver Training	
Initial Course	7,810 Drivers
Refresher Course	10,959 Drivers
School Nurse and Librarian Cooperatives	8 Regions
Teacher Certification Emergency Permits Issued	14,381 Certificates

⁴ This list is not intended to be exhaustive of the administrative support services provided by service centers. It is intended to capture the range of services provided and the extent of districts served. Also, this list is for information purposes only; services have been changed since this TEA list was published.

⁵ School districts are sometimes involved in more than one type of purchasing cooperative.

**Exhibit 1-17 (continued)
Services Provided by the RESCs
during 2001–02**

Service	RESC Providing The Service
<u>INSTRUCTIONAL SUPPORT FOR SCHOOLS⁶</u> <u>Fiscal Agent for Federal Programs Shared Services Arrangements</u> Career & Technology Consortia Title I, Migrant Education Title II, Mathematics & Science Title IV, Safe and Drug Free Schools Title VI, Education Programs	239 Districts 490 Districts 714 Districts 727 Districts 340 Districts
<u>Professional Development in the areas of</u> Advanced Academic Services Bilingual Education/ESL Curriculum Development Instructional Technology Media Services Special Education TAAS Preparation/Remediation Technology Preview Services	All Regions All Regions All Regions All Regions All Regions All Regions All Regions All Regions
<u>Direct Student Instruction</u> Adult Education Programs Distance Learning Early Childhood Intervention (ECI) Head Start Instruction for Visually Impaired Juvenile Justice Alternative Education Programs Orientation/Mobility Instruction Regional Day School for the Deaf <u>Other Locally Determined Services</u> Alternative Certification Programs Driver Education	16,302 Students 5,000 Students 2,538 Clients 9,255 Students 700 Students 27 Districts 468 Students in Regions 13, 15 2,502 Certificates 9,844 Students

Source: TEA Annual Report.

⁶ This is not intended to be exhaustive of the instructional support services provided by service centers. It is intended to capture the range of services provided and the extent of districts served.

Regional Education Service Centers also provide a full range of services to all 185 currently operating charter schools in the state. Services are available to school districts and campuses as well as charter schools, and include professional development, instructional and instructionally-related services, and financial and administrative support. Charter schools may choose the regional education service center(s) from which they receive services. In addition to school districts and charter schools, RESCs provide services to private schools in each region.

The current accountability system for service centers includes the following:

- An annual independent audit of the fiscal affairs of each center by a Certified Public Accountant is conducted. An audit report is issued to the board of directors of the respective center.
- An annual desk audit that reviews each center's financial audit, services provided, client appraisal of the effectiveness of those services, funds available, and performance of students within the region is performed by the agency. A report is issued to the board of directors of each center.
- An on-site Management and Services Audit of each center is conducted on a five-year cycle. A report is issued to the board of directors of each center. Follow-up on-site audits are performed as warranted.

- An on-site review of compliance with applicable federal and state statutes and regulations of each center is performed on a five-year cycle.
- An annual performance review of each executive director by the Commissioner of Education is followed by recommendations to each respective center's board of directors concerning the rehiring of the executive director.

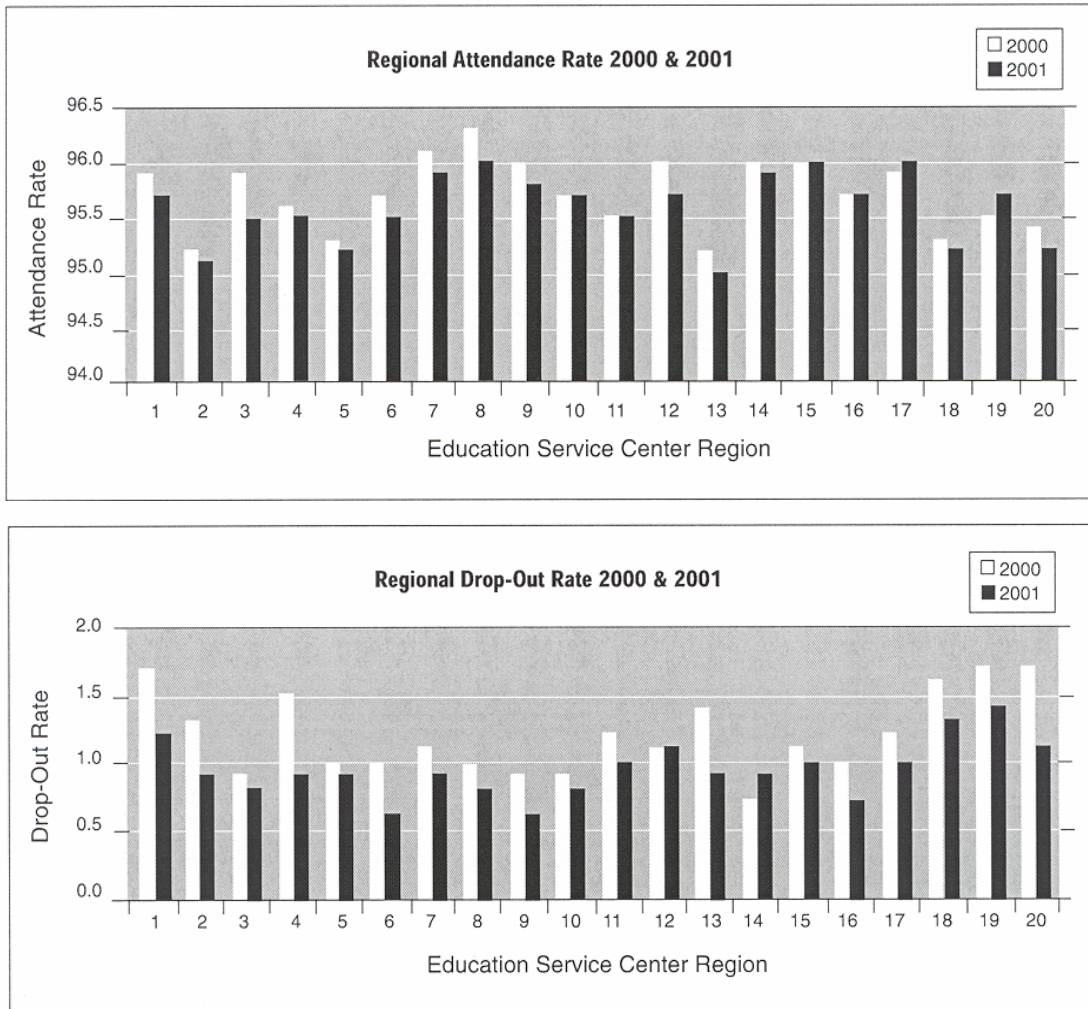
Two measures of the effectiveness of RESCs are provided: student achievement and client satisfaction appraisal. The Texas Education Agency's accountability system uses three basic measures of student performance:

- the percent of students passing the TAAS or TAKS;
- the student dropout rate; and
- the student attendance rate.

These same measures also are applied to the Regional Education Service Centers. Additionally, it is important to understand that the regions echo the diversity of school-district student population, as was shown in **Exhibit 1-2**.

Exhibit 1-18 displays data on regional attendance and dropout rates for the 2000 and 2001 school years, the last years for which data are available from TEA. As can be seen, there is considerable variation among the regions in attendance and dropout rates, as well as in number of students served and number of campuses.

Exhibit 1-18
Attendance and Dropout Rate
2001 and 2002 (Most updated data available from TEA)



Source: 2001-02 Attendance and Dropout Tables, TEA.

State Council On Competitive Government Report on the RESCs

In response to S.B. 929 of the 78th Legislature, the State Council on Competitive Government was retained to conduct a detailed analysis of services provided by the RESCs. The study identified for each service provided by RESCs the percentage of school districts receiving the service, the costs, the charges assessed school districts for the service, and the difference between the cost and the charges. In addition, the CCG was asked to evaluate whether any services provided by RESCs could be provided at lower cost by an alternative

service provider, as determined based on a survey of potential alternative service providers.

There is no evidence that the CCG completed site visits to any of the 20 RESCs, although CCG did collect extensive data on the costs and revenues of the service centers. However, the report does not indicate what percentage of school districts is receiving which services.

The CCG report includes an estimate of total RESC FY2004 funding by source. According to CCG, total RESC funding is estimated to be \$391,965,908, with 40 percent of that funding

derived from local sources, 12 percent from the State, and 48 percent from the federal government. MGT found that total FY2004 revenues from all sources were estimated to be \$457,524,317, with 38.5 percent of funding from local sources, 13.3 percent from the State, and 48.2 percent from the federal government. MGT’s funding numbers were 16.7 percent higher than CCG’s, which may be a function of when the estimates were made.

CCG made a number of recommendations that are summarized in **Exhibit 1-19**. The majority of the recommendations relate to outsourcing specific services or activities. The last item included in the Exhibit, bringing RESC salaries closer to the state average, was not a recommendation but rather a “viable opportunity” in the report.

**Exhibit 1-19
CCG Findings and Recommendations for RESCs**

1. Dissolve district effectiveness and compliance (DEC) program and the field service agent program.
2. Outsource IT support services.
3. Devise a comprehensive records management system that increases operational efficiency through decreased paper flow.
4. Investigate outsourcing human resource functions.
5. Study outsourcing RESCs Professional Development and Training programs.
6. Eliminate Regions 1, 4, 6, and 20 Adult Basic Education (ABE) services.
7. Discontinue the Texas Comprehensive School Health Network (TCSHN) program with Texas Department of Health (TDH).
8. Outsource Bus Driver Certification training.
9. Outsource Child Nutrition services.
10. Outsource personnel services.
11. Outsource Speech/Language Pathology services in Region 11 to TWU.
12. Bring RESC salaries closer to the state average and pass the savings on to customers.

As a system, the RESCs responded to the CCG report, and found that the report contains several useful recommendations. The RESCs agreed with the CCG recommendation to conduct “a comprehensive study of the effects of service consolidation prior to most decisions regarding outsourcing,” because part of the RESCs’ strategic planning effort is a major focus on service consolidation and coordination. However, the RESCs found that there were several inaccuracies and invalid assumptions made by CCG that affect both conclusions and recommendations in the report.

The main points of RESC disagreement were the following:

- CCG did not recognize that RESCs are outsourcing vendors for school districts, and the analysis did not

determine whether school districts could obtain services at a lower cost than that of the RESC.

- TWU outsourced Speech Language Pathology to Region 11, not the other way around.
- Some services and contracts are managed by RESCs at the direction of TEA and the RESCs do not have authority to outsource these contracts.
- CCG identified some services as outsourced when the RESC did not outsource the service, or when only a small part of the service was outsourced.
- The report contains factual errors.
- Recommendations for outsourcing were made without any research as to the feasibility of outsourcing certain services.

MGT reviewed the CCG recommendations, concurring in several recommendations and disagreeing with others. A summary of MGT’s concurrence or disagreement is shown in **Exhibit 1-20**. Discussion of these items can be found in the chapters as indicated in the Exhibit. For those items marked “Disagree*”

MGT disagrees that the service should be outsourced immediately; rather, as indicated in Recommendation 5-5, the service or program should be studied to determine if it is effective, should be eliminated, or should be outsourced.

Exhibit 1-20
MGT Evaluation of CCG Recommendations

CCG Recommendation	MGT Concurrence/ Disagreement	Reason/ Discussion Found in Volume II
1. Eliminate field service agents and DEC program.	Disagree	Recommendation 3-4
2. Outsource IT support services.	Disagree	Chapter 10
3. Devise records management system	Concur	Recommendations 5-8 and 5-9
4. Investigate outsourcing HR	Partially concur	Recommendation 8-3
5. Study outsourcing professional development.	Concur	Recommendation 5-5
6. Eliminate adult basic education courses.	Disagree*	Chapter 5, Rec. 5-5
7. Discontinue TCSHN services.	Disagree*	Chapter 5, Rec. 5-5
8. Outsource bus driver certification training	Disagree*	Chapter 5, Rec. 5-5
9. Outsource child nutrition services.	Disagree*	Chapter 5, Rec. 5-5
10. Outsource personnel services.	Disagree*	Recommendation 8-5
11. Outsource Speech Language Pathology.	Disagree	TWU outsources to RESC 11.
12. Reduce salaries	Disagree	Recommendation 6-4

Source: MGT, Inc. Summary, 2004.

CHAPTER 2:
NUMBER, GEOGRAPHIC
DISTRIBUTION, AND
INSTITUTIONAL STRUCTURE

CHAPTER 2

NUMBER, GEOGRAPHIC DISTRIBUTION, AND INSTITUTIONAL STRUCTURE

This chapter presents findings and recommendations for the number, geographic distribution, and institutional structure for the regional education service centers (RESCs). S.B. 929 and H.B. 3459 of the 78th Legislature require a review of the institutional structure of the RESCs, with consideration of whether a separate system of Texas Education Agency (TEA) field offices would be appropriate, or whether any RESC functions should be transferred to TEA.

This chapter includes information on the size and demographics of the RESCs, the impact of location and technology on delivery of services, the services used by in-region and out-of-region school districts, and service centers in other states. Emphasis in the section on institutional structure is placed on how the structure of the RESCs supports the purpose and mission of the RESCs in the state. The chapter examines the roles and responsibilities of the Commissioner of Education, the executive directors, and the management teams of the RESCs in accomplishing the mission and purpose of the RESCs.

Chapter 5 will address services to the Windham School District.

Number and Geographic Distribution

Chapter 8, §8.001 of the Texas Education Code (TEC) states that the Commissioner of Education shall provide for the establishment and operation of not more than 20 regional education service centers. RESCs are to be located throughout the state so that each school district has the opportunity to be served by and participate on a voluntary basis in a center that meets the accountability standards established by the Commissioner. The Commissioner may decide any matter concerning the operation or administration of the RESCs including the number and location

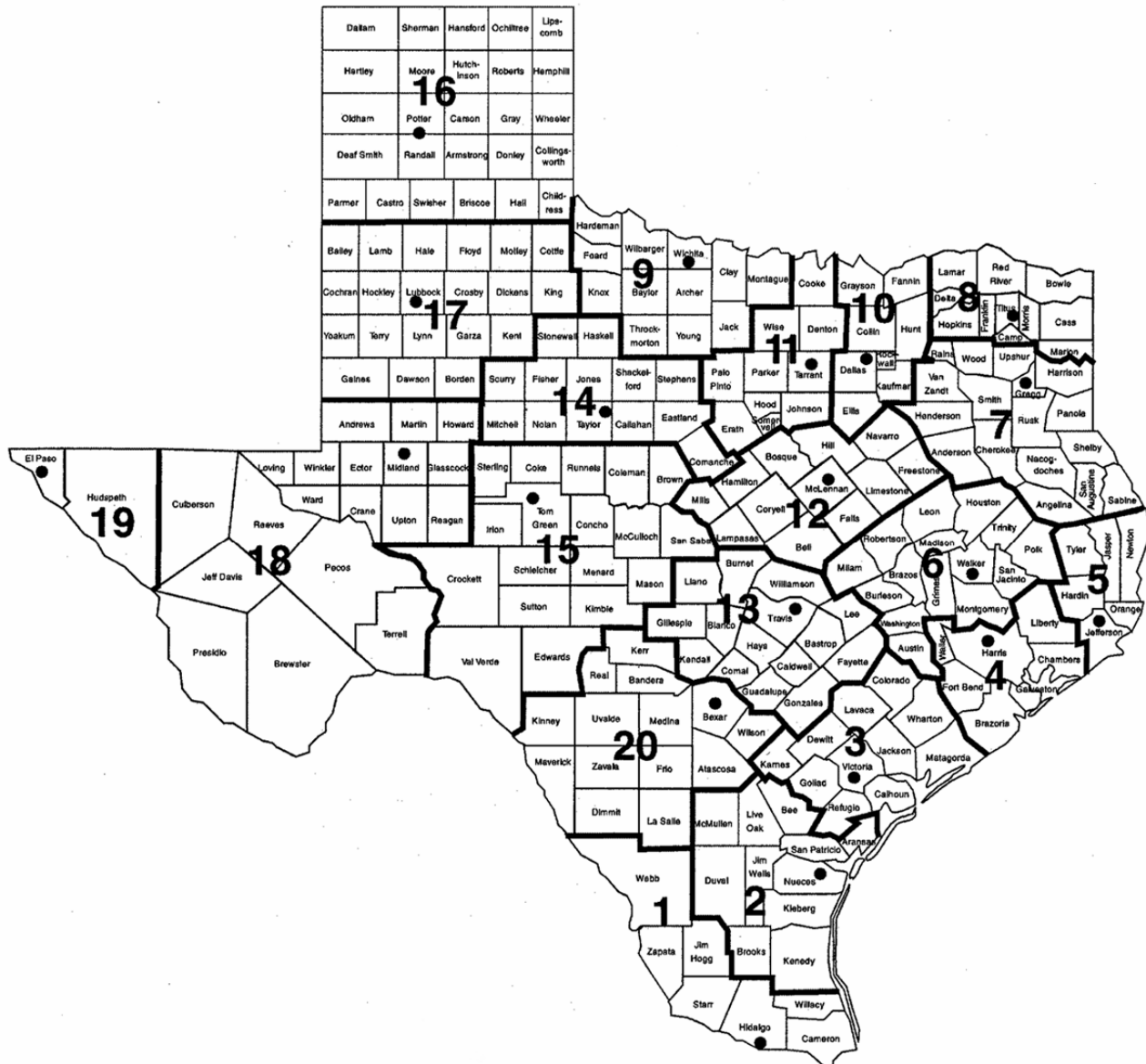
of centers and the regional boundaries of centers. However, the TEC does not limit a school district's freedom to purchase services from any RESC nor require a school district to purchase services from a RESC.

The map of the Regional Education Service Centers, displayed as **Exhibit 2-1** shows the location of each of the 20 centers. RESCs are assigned responsibility for providing core services to each school district, campus, and charter school within their respective regional boundaries. Districts may elect to receive services from any service center in the state. The State Board of Education defined the regions in 1967, as a geographic area of counties and the encompassed school districts. As can be seen from the map, there is considerable variation in the geographic areas for which each RESC is "responsible." The area included in each service center's region varies from 4,900 square miles to 37,553 square miles.

Exhibit 2-2 displays the number of students in average daily attendance (ADA) and number of campuses in school districts within each of the RESCs. Again, there are considerable size differences among the RESCs, which vary from Region 9 serving school districts with 122 campuses and 40,289 students in ADA to Region 4 serving 1,175 campuses and 924,052 students in ADA. In terms of the number of students, Region 4 is almost 23 times as big as Region 9. The next largest RESC, Region 10, serves districts enrolling 635,621 students. Nine of the 20 RESCs serve districts enrolling less than 100,000 students in ADA.

Exhibit 2-3 lists the number of school districts in each region. The total does not add to the number of Texas school districts, 1,032 districts, because some regions also include charter schools as "school districts" being served. The number of districts varied from a low of 12 in Region 19 to a high of 104 in Region 7. The average number of districts in a region is 53.

Exhibit 2-1
Location of Regional Education Service Centers



Region Headquarters

- 1. Edinburg
- 2. Corpus Christi
- 3. Victoria
- 4. Houston
- 5. Beaumont
- 6. Huntsville
- 7. Kilgore
- 8. Mount Pleasant
- 9. Wichita Falls
- 10. Richardson

Region Headquarters

- 11. Fort Worth
- 12. Waco
- 13. Austin
- 14. Abilene
- 15. San Angelo
- 16. Amarillo
- 17. Lubbock
- 18. Midland
- 19. El Paso
- 20. San Antonio

Exhibit 2-2
Student Composition of Each RESC, 2002–03 School Year

RESC	Regional ADA	Number Campuses	Percent African American	Percent Hispanic	Percent White	Percent Other	Percent Economically Disadvantaged
1	328,518	461	0.2	96.1	3.3	0.4	84.5
2	106,986	248	3.7	67.6	27.4	1.4	58.6
3	54,982	156	10.8	44.0	43.8	1.3	51.6
4	924,052	1,175	21.5	39.3	33.7	5.6	50.2
5	84,875	176	31.2	8.4	57.6	2.7	49.2
6	142,153	271	13.9	19.4	64.9	1.8	42.1
7	159,855	410	21.2	15.7	62.2	0.9	50.0
8	55,911	155	23.0	10.9	65.1	1.1	51.7
9	40,289	122	9.1	16.9	71.7	2.3	44.7
10	635,621	971	20.8	33.1	41.1	5.0	45.4
11	446,247	723	13.4	24.2	58.3	4.2	36.0
12	138,152	347	23.2	21.9	52.7	2.2	49.6
13	288,335	487	9.6	36.3	51.0	3.1	39.2
14	45,834	158	6.7	27.5	64.7	1.0	49.7
15	49,286	209	3.6	49.4	46.2	0.7	56.4
16	77,449	220	5.5	36.6	56.1	1.7	51.5
17	78,236	243	8.2	48.9	41.9	1.0	55.8
18	76,139	181	5.6	54.4	39.0	1.0	54.9
19	163,170	213	2.7	87.2	9.1	1.0	74.7
20	343,821	593	7.0	64.9	26.6	1.5	61.6
State Total	4,239,911	7,519	14.3	42.7	39.8	3.2	51.9

Source: TEA 2003–04 AEIS RESC reports.

**Exhibit 2-3
School Districts in Each Region**

RESC	Number of School Districts
1	38
2	49
3	40
4	54
5	30
6	56
7	104
8	48
9	40
10	81
11	78
12	78
13	59
14	43
15	43
16	63
17	58
18	38
19	12
20	50
Total	1,062
Average	53
High	104
Low	12

Source: Each RESC Executive Director.

Exhibit 1-3 in Chapter 1 displayed comparative information on educational service centers in nine comparison states. Texas has fewer service centers than Michigan, New York, or Ohio but serves districts with more students than the other states, 188,583 per service center compared to 111,393 in Washington and 4,900 in New Mexico. Service area size varies from 4,900 square miles for the smallest Texas RESC to 37,553 square miles for the largest. In contrast, service area size in the comparison states varies from 184 square miles to 3,339 square miles in New York and from 1,592 square miles to 15,282 square miles in New Mexico. Not only do Texas RESCs serve more students, but the RESCs also serve more

square miles than do service centers in the comparison states

Institutional Structure

Chapter 8, §8.002 of TEC, states that the purpose of the RESCs is threefold:

- assisting school districts in improving student performance in each region of the system;
- enabling school districts to operate more efficiently and economically; and
- implementing initiatives assigned by the Legislature or the Commissioner.

Chapter 8, §8.004 provides that subject to the approval of the Commissioner, the RESC board of directors employs and dismisses the executive director, who in turn employs personnel to carry out the center's functions.

Section 8.051 defines the core services and services to improve performance that each RESC should provide. Services are to be provided to campuses identified as low-performing based on specific indicators; the lowest-performing campuses in the region; and other campuses with the goal of operating more efficiently and economically. Core services include:

- training and assistance in teaching areas assessed under TEKS, and in areas that receive categorical funding;
- assistance specifically designed for a school district or campus rated academically unacceptable;
- training for teachers, administrators, boards of trustees, and members of site-based decision-making committees; and
- assistance in complying with state laws and rules.

RESCs may offer any service requested or purchased by a school district or campus, and contract with an entity to provide continuing education courses and programs. If the center is deficient in performing its duties, the Commissioner may take corrective action up to and including closing the center.

RESCs are specifically restricted from performing any regulatory function related to a school district. This prohibition does not exclude offering training related to state or federal laws, rules, or regulations. However, it does prohibit RESCs from performing many of the functions that field service officers of TEA could be called upon to perform, such as completing a financial or performance audit of a district.

In addition to Section 8 of the Texas Education Code (TEC), the Commissioner has issued a set of rules applicable to the service

centers. Title 19, Part 2, Chapter 53, Subchapter AA, Rules §53.1001 and 1002 pertain to the boards of directors of RESCs and charter school representation on the board of directors. No other references to RESCs are found in the Texas Administrative Code.

Article 3 of the General Appropriations Act for the 2004-05 Biennium has specific legislative language on allocations and expenditures of RESCs. The Commissioner shall not contract with RESCs to administer all or part of general revenue-funded programs or services without prior approval from the Governor and the Legislative Budget Board (LBB). The Commissioner is required to submit to the Governor and the LBB a summary of programs and services transferred to RESCs. In addition to this requirement, the General Appropriations Act requires each RESC to establish a coordinator position for dyslexia and related disorders services to be funded from Teaching Excellence and Support funds.

ACCOMPLISHMENTS

- All RESCs are providing services to school districts outside their region as part of statewide or other initiatives.
- RESCs provide quality services that meet the needs of school districts.
- The RESC system is responsive to client needs and is an effective and efficient organizational mechanism to deliver certain services to schools and school districts.

FINDINGS

- The geographic service areas for the RESCs have not changed since 1967, although there have been significant changes in the number of students enrolled in the public schools, in the number of charter schools, in the responsibilities of the centers, and in the capacity of technology to deliver services. No ratios or student population counts were used to set up the original boundaries of RESCs, although county lines were used as

demarcation points. There are no minimum established criteria than can be applied for periodic review to determine when a RESC does not have sufficient student enrollment or client base to justify continued existence as stand-alone center. Further, there are no there are no defined criteria to apply to decide whether a center with declining student enrollment or client base should be dissolved or designated as a satellite to another RESC.

- There is ambiguity in the interpretation of TEC §8.004, which provides that, subject to the approval of the Commissioner of Education, the RESC board of directors employs and dismisses the executive director. In practice, the Commissioner of Education granted approval of a short list of candidates for a RESC executive director position and revoked the approval just after the RESC board of directors filled the position, instead selecting a different interim director for the RESC. RESC boards of directors are unclear at what point in the approval process e Commissioner of Education action is needed .
- Although RESCs are specifically restricted from performing any regulatory function related to a school district, the General Appropriations Act for the 2004-05 (and some previous) bienniums' requires each RESC to establish a coordinator position for dyslexia and related disorders services to be funded from Teaching Excellence and Support funds, positions that previously were housed under TEA and included both regulatory and non-regulatory responsibilities. The transfer of these functions without clear delineation of the regulatory functions has created an apparent conflict between the statute and appropriations language on the intent of the Legislature.

- Current statutes and Texas Administrative Code Commissioner's rules do not address the conditions under which a satellite center could be created, or who should approve the creation of a satellite center. Neither TEA nor the RESC have any criteria in place to determine under what conditions a satellite center can be created by an RESC, and the Commissioner has not issued any rules related to satellite centers. In fact, the state has no definition for a satellite center.
- Neither the state nor the RESCs could provide separate budget information for satellite centers.
- RESCs are not included on the list of local education agencies that are eligible recipients for receipt of funds under the federal *No Child Left Behind* (NCLB) legislation.

RECOMMENDATIONS

- **Recommendation 2-1: The Legislature should require the Commissioner of Education to establish criteria to determine if an RESC should continue to exist, or should become a satellite of another RESC.** The Commissioner of Education should present recommendations to the Legislature on consolidation once criteria are defined and applied. Maintain the current geographical distribution and number of Texas RESCs until the criteria are established and applied.
- **Recommendation 2-2: The Legislature should clarify the legislative intent regarding role of the Commissioner of Education in hiring and dismissing RESC executive directors.** . Legislative clarification of TEC §8.004 on the role of the Commissioner of Education in hiring and dismissing executive directors will improve

- relationship between each centers' board of directors and TEA.
- **Recommendation 2-3: The Legislature should clarify the legislative intent on regulatory responsibilities of RESCs and require that the Commissioner of Education ensure that no regulatory responsibilities are transferred to the RESCs while complying with the General Appropriations Act. Texas Education Code §8.121 precludes assignment of any regulatory responsibility to the RESCs.**
 - **Recommendation 2-4: Issue a Commissioner of Education rule that defines a satellite center and the conditions under which a satellite center should be created or removed by an RESC. Neither the Texas Education Agency nor the RESCs have any criteria in place for determining when a satellite center is needed or can be created, or removed. TEA and RESC satellite counts differ for many of the centers.** The RESC executive directors, in collaboration with TEA staff, should recommend to the Commissioner the criteria under which a satellite should be created or removed.

Criteria to be considered include geography, availability of space, client needs, costs, special purpose to be served, level of staffing, as well as other considerations. A cost/benefit analysis should be included in the criteria, where the costs to school districts to obtain services are one component of the analysis. The Commissioner then should issue a rule on satellite creation that states the conditions under which a satellite office would be established, considering the cost/benefit analyses

- for both school districts and for the RESC.
- **Recommendation 2-5: Maintain separate budget information for satellite centers and evaluate continued operation of a satellite at least once every two years.** Each RESC that has a satellite center or centers should be required to maintain a separate budget on the operating costs of each satellite center. Revenue and expenditure information then will be available to complete cost/benefit analyses of the continued need for the satellite.
 - **Recommendation 2-6: The Legislature should direct the Commissioner of Education to amend the list of agencies eligible to receive funding under *No Child Left Behind* to include the RESCs.** As a result of inclusion on the list, the RESCs will become eligible to apply for competitive grant funding. If successful, additional resources would be available to the successful RESC(s) to use for the specific purposes of the grant. Since NCLB relates directly to the core services of RESCs to assist low-performing schools and school districts, these funds would provide additional and important services to schools and districts.

DETAILED ACCOMPLISHMENTS

SERVICES OUTSIDE REGION

All RESCs provide services to districts out of their region or out-of-state, through statewide initiatives, or other statewide projects. **Exhibit 2-4** displays the statewide initiatives, statewide projects, and services provided by the 20 RESCs. As can be seen, each RESC provides at least one service to districts outside its region, and all RESCs operate or participate in cooperatives with districts outside their regions.

**Exhibit 2-4
Services Provided by the RESCs to Districts Out-of-Area or Out-of-State**

Service	RESC Providing the Service
<u>SPECIAL EDUCATION SERVICES:</u> Assessment Assistive Technology Behavior & Discipline Management Braille Charter Schools Comprehensive System of Professional Development Leadership Council High School Programs & Transition Least Restrictive Environment/inclusion Low-Incidence Disabilities Multicultural & Diverse Learners Parent Involvement Regional Offices - Services for the Deaf	Region 12, 20 Region 4 Region 4 Region 4, 20 Regions 4, 13 Region 6 Region 11 Region 20 Region 3 Region 1 Region 9 Regions 4,10,11,13,15, 20
<u>STATEWIDE SPECIAL PROJECTS</u> Autism Effectiveness Study NAEP Technical Assistance and Training Functions for Visually-Impaired Programs Texas E-Rate and Technical Planning Statewide Center	Region 2 Region 11 Region 12 Region 11 Region 12
<u>GENERAL EDUCATION/SPECIAL POPULATIONS PROGRAMS</u> Advanced Placement/international Baccalaureate Bilingual/ESL Center for Educator Development Board Development Campus Improvement Dyslexia Fine Arts Center for Educator Development Gear Up Health & Physical Education Center for Educator Development High Schools That Work Human Immuno-Virus Education Languages other than English Center for Educator Development Learn and Serve America Legal Assistance Math Teacher Academy Leadership McKinney-Vento Education of Homeless Children and Youth Minority Teacher Recruitment Ninth Grade Grant Support Performance Standards Pregnancy, Education, and Parenting Project Integrate Reading Teacher Academy Leadership School Improvement Resource Center School Finance Statewide Business Initiatives Statewide Professional Development State Technology Social Studies Center for Educator Development Target Grant Techlinx Texas Pathfinders (formerly Mentor Schools) Texas Telecommunications Network Title I, Migrant MSRTS Training Title IV, Safe and Drug Free Schools Curriculum Title IV, Safe and Drug Free Schools Troops to Teachers/Texas Military Initiative	Regions 14, 13, 2 Region 4 Regions 1,4,7,10,19 Region 6 Region 10 Region 20 Region 13 Region 12 Region 5 Region 10 Region 2 Region 14 Regions 7, 17, 18 Region 10 Region 10 Region 1 Region 20 Region 13 Region 20 Region 12 Region 13 Region 13 Region 13 Regions 12, 13 Region 5 Region 20 Region 6 Region 16 Region 5 Region 13 Region 13 Region 1 Region 4 Region 2 Region 13

Source: State Council on Competitive Government, Appendices to Regional Education Service Center Review, January 2004 and each RESC.

Accomplishment: All RESCs are providing services to school districts outside their region as part of a statewide or other initiatives.

QUALITY SERVICES

School districts superintendents, classroom teachers, district professional, and district paraprofessional staff are satisfied with the services provided by the RESCs. **Exhibit 2-5** displays the general perceptions of superintendents related to services provided by the RESCs. Almost all respondents indicated that their school district frequently used the services of the RESC, and perceived that the services offered were critical to the success of many districts. Ninety-five (95) percent of superintendents indicated that the service center provided high quality services that meet the needs of the school district.

Texas School Performance Review conducted surveys of teachers, school board members, district professional staff, and paraprofessional staff in Fall 2003. On those surveys, teachers and other professional and paraprofessional staff reported that they used the staff development programs of RESCs frequently. Less than 5 percent expressed any dissatisfaction with any of the services received from RESCs.

Accomplishment: RESCs provide quality services that meet the needs of school districts.

EFFECTIVE ORGANIZATIONAL MECHANISM

The current structure of RESCs as separate agencies related to TEA that deliver services to districts is effective. There was no justification found for changing the structure to make RESCs field service offices of TEA, or separate independent agencies.

Exhibit 2-6 displays the results of the MGT survey of superintendents related to organizational structure and funding. In states where there is a regulatory function in regional service centers, such as in New York, school district personnel have reported that the regulatory functions of the service center impede the ability of the center to provide training and other assistance to school districts. School district personnel in states where service centers have regulatory functions report that their concerns include the fear that the need for additional training displays weaknesses in staffing or other problems within the school district for which service center staff with regulatory functions will then penalize the district. MGT did not observe any reluctance on the part of Texas school districts in using the services of the centers because there was no “co-mingling” of functions.

As can be seen in **Exhibit 2-6**, over 80 percent of superintendents agreed or strongly agreed that the RESCs should be the structure through which TEA delivered services to districts, and that RESCs should continue to be funded by the state to deliver services to school districts. Further evaluations of the effectiveness of the RESCs to deliver services can be found in Chapters 3 and 5. Specific assessments of the role and effectiveness of the executive directors and their cabinets, the size of management staff, salaries and other funds for administrative staff, and comparisons to other states may be found in subsequent chapters.

When the State created RESCs in 1967, it was apparent that the State believed that the most effective way of delivering certain services to school districts was through regional centers that were associated with TEA but were not a part of TEA. Creation of separate entities that were not “state agencies” did not increase the size of government.

**Exhibit 2-5
Survey of School District Superintendents’
Perceptions about Services Provided by RESCs**

Statement	Percentage (SA+A)/(D+SD)
1. Our district frequently utilizes services provided by our RESC.	98/1
2. The services provided by our RESC are critical to the success of our district's programs and operations.	94/2
3. Many of the current RESC services to districts could be more efficiently and/or effectively provided by TEA.	8/83
4. Many of the current RESC services could be more efficiently and/or effectively provided by other sources such as universities or private vendors.	5/88
5. Many of the current RESC services could be more efficiently and/or effectively provided by allocating the dollars to districts and allowing them to purchase services from the most appropriate sources.	11/78
6. Many of the current RESC services to districts duplicate services provided by TEA.	5/89
7. Many of the services offered by RESCs around the state are critical to the success of many districts.	96/1
8. The RESC in our region is highly efficient and effective.	93/3
9. The RESC role in providing services to districts should be expanded.	69/8
10. The RESC in our region is highly responsive to the service needs of our district.	93/4
11. The RESC in our region provides quality services.	95/2
12. There are adequate channels of communication with the RESC in our region.	94/3
13. The RESC in our region is responsive to complaints.	90/3
14. The RESC in our region is responsive to requests for services.	94/2
15. The RESC in our region listens and tries to meet the needs of the school district.	95/2

Source: MGT of America, July 2004.

**Exhibit 2-6
Superintendent Responses to Statewide Organizational Structure**

Part E: Statewide Organizational Structure	Percentage (SA+A)/(D+SD)
1. In order to effectively execute its responsibilities, the TEA needs regional offices.	50/38
2. The RESCs should be the regional structure used by TEA to provide services to districts.	84/10
3. The RESCs should become more directly linked with TEA and subject to TEA regulations.	31/37
4. The RESCs should be totally independent of TEA.	18/58
5. The RESCs should be the regional structure used by TEA to enforce TEA rules and regulations.	31/53
6. The current number of RESC Board members should be expanded to include representatives from more districts.	20/44
7. The current number of 20 RESCs should be:	
• expanded	16/55
• left as is	82/3
• reduced	5/71
8. The current policy of having RESC directors appointed by local boards subject to approval by the Commissioner of Education is highly effective.	68/10
9. All RESCs should be abolished.	2/95
Part F: Governance And Funding	
1. The current method of funding the RESCs to provide services to districts and allowing each RESC to charge the districts for other services is highly effective in meeting the needs of the districts.	67/21
2. All funds for services to districts should be allocated to the districts and allow each district to purchase those services it needs from TEA, a RESC, or other sources.	33/48
3. We understand the governance and oversight structure of the RESC in our region.	82/6
4. There are appropriate levels of oversight for the RESC in our region.	78/5
5. The RESC in our region is adequately funded.	15/60
6. RESCs should continue to be funded by the state.	92/2
7. The amount charged to our district by the RESCs is appropriate for the quality and amount of services provided.	78/13
8. Our district has the funding to purchase the services it needs from a RESC.	40/50

Source: *MGT of America, 2004*

In addition, by creating an educational service center, the State created a mechanism through which there would be efficiencies from inter-local contracting for services. It was, and continues to be in the State’s interest for school districts to purchase and receive services through inter-local contracts. If the service centers were not in existence, there would be no organizing mechanism for providing cooperative services since school districts would be unlikely to band together on their own to obtain certain services. Therefore, the creation of the service centers could be interpreted to be efficient.

The current system of operation, with the Commissioner maintaining authority over the operation of RESCs but with RESCs separate from TEA and not field service offices of TEA, is effective in meeting the needs of school districts.

Accomplishment: The RESC system is responsive to client needs and is an effective and efficient organizational mechanism to deliver certain services to schools and school districts.

DETAILED FINDINGS

GEOGRAPHIC SERVICE AREAS

The geographic service areas for the RESCs have not changed since 1967, although there have been significant changes in the number of students enrolled in the public schools, in the number of charter schools (there were none in 1967), in the responsibilities of the centers, and in the capacity of technology to deliver services. No ratios or student population counts were used to set up the original boundaries of RESCs, although county lines were used as demarcation points. The RESCs and school districts now have teleconferencing capability provided through TET-N, which permits the offering of training and other services at a distance.

This was not the case in 1965 when the RESCs began their responsibilities for serving school districts. Since that time, student enrollment in some regions has remained relatively stable, and in others enrollment has increased dramatically. Needs of school districts also have changed dramatically in the last 40 years, as have performance requirements, mandatory courses, and assessment of the quality of the schools.

During this period the services provided by the RESCs also have changed dramatically. Some service centers provide many more services than do others. Certain service centers serve school districts primarily by going to the school district and in effect providing specific consulting services, while other centers provide more generic services. These differences in the methods of serving schools and schools districts appear to be related to differences in the needs of the districts. Small districts have needs for certain services such as assistance with accounting, payroll, and other business functions that large districts can staff with their own personnel. Small districts rely on RESCs for staff training to a much greater extent than do large districts which can support in-house staff development specialists.

As shown in **Exhibit 2-7**, in MGT’s survey of school district superintendents, 82 percent of the superintendents agreed or strongly agreed that the number of RESCs should be unchanged, while 55 percent disagreed or strongly disagreed with an expansion of the number of RESCs. In interviews with the Commissioner and other TEA staff, the general opinion was that the number of RESCs should remain unchanged.

Exhibit 2-7

Survey of School District Superintendents Part E: Statewide Organizational Structure

Statement	Percentage (SA+A)/(D+SD)
7. The current number of 20 RESCs should be:	16/55
• Expanded	82/3
• Left as is	5/71
• Reduced	

Source: MGT of America, Inc.

In the past five years, the number of satellite offices of service centers has increased from four to at least 20 sites away from the main service center office. In most of these cases, the remote or satellite sites were deemed necessary to serve distant school districts. For example, Region 1 is headquartered in Edinburg, with a satellite office in Laredo, which is three hours drive away. The satellite

office permits RESC staff to provide school district personnel training and other services without driving several hours. In comments to MGT’s survey of school district personnel, school district staff indicated that they would not attend training or other sessions at an RESC if they had to drive more than one hour. This is an especially difficult criterion to meet for those service centers that serve an area that

is greater than 10,000 square miles, unless the RESC uses teleconferencing equipment, Web sites, or the internet.

RESCs serve a total number of districts that, on average, enroll significantly more students than do service centers in comparison states. However, nine RESCs serve school districts that enroll less than 100,000 students in total.

In 2002-03, there were 730 Texas school districts that enrolled less than 1,000 students, and another 129 districts that enrolled fewer than 1,600 students. As shown in **Exhibit 2-5**, a total of 887 districts received no small school or sparsity/rural adjustment in the Texas school finance system. This means that 887 districts enrolled less than 2,000 students or were located in rural areas. Only 86 Texas school districts enrolled more than 10,000 students during school year 2002-03. Every RESC provides services to at least one small

and/or rural school district, and the average among the 20 RESCs was 44 small/rural districts. Region 19, with only 12 districts total in the region, 8 of which are small or rural districts, serves significantly fewer than the average, while Region 7 with 90 small/rural districts, serves significantly more than the average.

MGT conducted surveys of school district superintendents and other school district personnel to determine their satisfaction with the services offered by RESCs. As shown in **Exhibit 2-8**, school district superintendents were very satisfied with the services provided by the RESCs. Over 90 percent responded “strongly agree” or “agree” to the statements “The RESC in our region is highly efficient and effective,” “The RESC in our region provides quality services,” and “The services provided by our RESC are critical to the success of our district's programs and operations.”

**Exhibit 2-8
Number of Small/Rural Districts in Each Region**

RESC	Number of Students	Number of Districts*	Number of Small/Rural Districts
1	328,518	38	20
2	106,986	49	40
3	54,982	40	38
4	924,052	54	24
5	84,875	30	26
6	142,153	56	50
7	159,855	104	90
8	55,911	48	48
9	40,289	40	39
10	635,621	81	63
11	446,247	78	60
12	138,152	78	72
13	288,335	59	40
14	45,834	43	42
15	49,286	43	41
16	77,449	63	62
17	78,236	58	56
18	76,139	38	29
19	163,170	12	8
20	343,821	50	39
State Total	4,239,911	1,062	887

Source: TEA 2002-03 PEIMS Actual Financial Database.

Although there were many discussions about changing the boundaries of the RESCs to make the square miles encompassed by each RESC more equal or to make the number of districts, number of small or rural districts served, or the number of students enrolled more evenly distributed, the methods of changing were arbitrary, and one geographical re-distribution did not have any more merit than any other. The geography of Texas is such that it is not possible to balance number of students served, number of districts, and square miles encompassed.

Based on site visits to each RESC, interviews with RESC and TEA personnel, surveys of school district personnel and school board members, comparisons to RESCs in other states, and best practices, MGT determined that there are no minimum established criteria that can be applied for periodic review to decide when a RESC does not have sufficient student enrollment or client base to justify continued existence as a stand-alone center. In addition, there are no defined criteria to apply to decide whether a center with declining enrollment or client base should be dissolved or designated as a satellite to another RESC.

On the growth side, there are no defined criteria to determine when a center should be expanded. Between 2000-01 and 2002-03, Regions 2, 3, 5, 9, 14, 15, 16, 17, and 18 had decreases in enrollment, while all the other RESCs' regional populations increased.

RESCs should maintain the current geographical distribution and number of centers until criteria are established, applied, and the Commissioner of Education has presented recommendations to the Legislature. There is no basis available for changing the number or the geographic distribution at this time.

LEGISLATIVE INTENT

There is ambiguity in the interpretation of TEC §8.004 which provides that, subject to the approval of the Commissioner, the RESC board of directors employs and dismisses the executive director. RESC boards of directors

are unclear at what point the approval of the Commissioner is needed. Prior to 2004, only on one other occasion in the past 30 years has a Commissioner intervened in the selection of a center director; but, when vacancies have occurred, the Commissioner has approved the pool of individuals being considered for center director. The current Commissioner has intervened by rejecting a pool of individuals after approval had been received from the person serving in the role of deputy Commissioner. This action has led to confusion on the roles of the board of directors and the Commissioner. The Commissioner has issued no rules on the appointment of executive directors that would clarify the issue.

The Legislature should clarify the legislative intent regarding the language in §8.004. Legislative clarification on the role of the Commissioner in hiring and dismissing executive directors will improve relationships between centers' boards of directors and TEA.

RESC REGULATORY RESPONSIBILITIES

Although RESCs are specifically restricted from performing any regulatory function related to a school district, the General Appropriations Act for the 2004-05 and several previous bienniums' requires each RESC to establish a coordinator position for dyslexia and related disorders services to be funded from Teaching Excellence and Support funds, positions that previously were housed under TEA's regulatory responsibilities. According to various school district and RESC staff, the regulatory functions were not completely separated and retained prior to position transfers, while TEA staff said that the regulatory functions were separated prior to transfer to the RESCs. Although TEA maintains one position at the agency with the regulatory functions, the transfer of the coordinator positions has created an apparent conflict between the statute and the appropriations language on the intent of the Legislature.

The Legislature should clarify the legislative intent on regulatory responsibilities of RESCs and require the Commissioner of Education ensure that no regulatory responsibilities are transferred to RESCs since TEC §8.121 precludes assignment of any regulatory responsibility to the RESCs.

ESTABLISHING SATELLITE CENTERS

Current statutes and Commissioner’s Rules do not address the conditions under which a satellite center could be created, or who

should approve the creation of a satellite center. Neither TEA nor the RESC have any criteria in place to determine under what conditions a satellite center can be created or removed by an RESC, and the Commissioner has not issued any rules related to satellite centers. In fact, the state has no definition for a satellite center.

The number of RESC satellite offices has increased from four to about 18 in the last five years. **Exhibit 2-9** lists the satellite RESC offices as recognized by TEA.

**Exhibit 2-9
RESC Satellite Offices**

ESC	Location	Number of Satellites	Location of Satellites
1	Edinburg	6	Laredo, San Benito, Brownsville, Pharr, Rio Grande City, Weslaco
2	Corpus Christi	0	
3	Victoria	1	Wharton
4	Houston	0	
5	Beaumont	0	
6	Huntsville	0	
7	Kilgore	0	
8	Mt. Pleasant	0	
9	Wichita Falls	0	
10	Richardson	1	Richland College (Richardson)
11	Ft. Worth	0	
12	Waco	6	Killeen, Copperas Cove, Goldthwaite, Hillsboro, Corsicana, Taeague/Fairfield
13	Austin	0	
14	Abilene	2	Comanche, Austin (Texas Center for Service Learning)
15	San Angelo	1	Del Rio
16	Amarillo	0	
17	Lubbock	0	
18	Midland	1	Alpine
19	El Paso	0	
20	San Antonio	0	
Total		18	

Source: TEA, Office of Regional Education Service Centers, 2004.

During on-site visits, MGT found discrepancies between the TEA database for satellites and what RESCs consider satellites. For example, RESC 1 recognizes a satellite in Laredo and special purpose centers in Pharr, Rio Grande City, and Brownsville for a total of four. According to center administrators, they do not have satellites in Weslaco or San Benito. TEA states that RESC 12 has six centers while the RESC says it has five

because the site in Killeen is not considered a satellite center. RESC 6 has a small satellite center in Huntsville (with four rooms) that is not recognized by TEA.

In addition, the apparent proliferation of satellites makes a common definition and criteria for their creation imperative.

The Commissioner of Education should issue a rule that defines the conditions under which

a satellite center should be created by an RESC. The RESC executive directors, in collaboration with TEA staff, should recommend to the Commissioner the criteria under which a satellite should be created. Criteria to be considered include geography, availability of space, client needs, costs, special purpose to be served, level of staffing, as well as other considerations. A cost/benefit analysis should be included in the criteria, where the costs to school districts to obtain services are one component of the analysis. The Commissioner then should issue a rule on satellite creation that states the conditions under which a satellite office would be established, considering the cost/benefit analyses for both school districts and for the RESC.

As long as meetings to develop recommendations to the Commissioner are held in conjunction with meetings called for other purposes, or are held via teleconferencing, there should be no additional cost for implementation of this recommendation.

BUDGETS FOR SATELLITE CENTERS

Neither the state nor the RESCs could provide separate budget information for satellite centers. While a satellite office permits RESC staff and school districts to reduce driving distance, there is no information that indicates whether this expenditure of scarce resources has a positive cost/benefit ratio. Benefits include but are not limited to the reduction in driving time for both RESC and district staff and availability of RESC staff for quick response. Costs include not only the expenditures for the satellite office but also travel costs that may be foregone.

RESC should maintain separate budget information for satellite centers and evaluate continued operation of a satellite at least once every two years.

Each RESC that has a satellite center or centers should be required to maintain a separate budget on the costs of running each satellite center. Revenue and expenditure

information then will be available to complete cost/benefit analyses of the continued need for the satellite.

The costs of maintaining separate revenue and expenditure information for a satellite should be negligible within existing RESC accounting systems. However, in the long-term, evaluation of continued operation based on data and cost/benefit analyses will result in more efficient and effective operation, as well as dollar savings. Since data on the current costs of operation of satellites are not available, it is not possible to document what savings might result from closure of unneeded satellites.

NCLB FUNDING FOR RESCs

The Commissioner did not list RESCs as “local education agencies” that were eligible recipients for receipt of funds under the federal *No Child Left Behind* (NCLB) legislation. Only colleges, universities, charter schools, several state agencies, and school districts were included in the approved list submitted to the U.S. Office of Education.

Because only those “agencies” on the list may receive NCLB funding, the RESCs have been precluded from eligibility for certain NCLB grants. The transmittal letter from Secretary of Education Rod Paige clearly indicated that service centers were eligible for funding.

The Commissioner of Education should amend the list of agencies eligible to receive funding under NCLB to include the RESCs. In fiscal year 2003, Texas returned discretionary unused NCLB funds and did not apply for all that was available. As a result of inclusion on the list, the RESCs will become eligible to apply for at least an estimated \$2 million annually in federal NCLB grant funding. The first year is estimated at \$1 million due to the time of implementation of the recommendation. Since NCLB relates directly to the core services of RESCs to assist low-performing schools and districts, these funds would provide additional and important services to schools and districts.

This recommendation can be implemented with available resources.

FISCAL IMPACT

Recommendation		2004-05	2005-06	2006-07	2007-08	2008-09	5-Year (Costs) or Savings	One-Time (Costs) or Savings
2-6	Receive NCLB funding.	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$9,000,000	
	Total	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$9,000,000	\$0

CHAPTER 3:
GOVERNANCE AND MANAGEMENT

CHAPTER 3

GOVERNANCE AND MANAGEMENT

This chapter reviews the governance functions of the RESCs.

The Texas Legislature in 1967 passed legislation that established the Regional Education Service Centers. Initially, they served to provide media services to school districts through 20 regional centers. By legislative intent, it was determined that they would not be regulatory in nature (Chapter 8.054), rather a service extension of the Texas Education Agency (TEA). In 1997, Chapter 8 of the Texas Education Code was created and, subsequently, amended by the next three legislative sessions. The Code provided that the service centers should:

- assist school districts in improving student performance in each region of the system;
- enable school districts to operate more efficiently and economically; and
- implement initiatives assigned by the Legislature or the Commissioner.

Chapter 8.003, Texas Education Code, provides for the governance structure for the RESC system and includes the following:

- establishes a seven-member board of directors for each RESC;
- requires the Commissioner of Education to adopt rules to provide for the local selection, appointment, and continuity of membership of boards;
- provides that board vacancies during term of office be filled by the board of directors;
- provides for expenses to board members, but no compensation for services rendered;
- requires the board of directors to develop and adopt policies and approve programs and services consistent with the law's intent; and

- mandates that the board adopt an annual budget.

Chapter 8.004, Texas Education Code, provides for the board of directors to employ an executive director with selection and dismissal subject to the approval of the Commissioner. The executive director is authorized to employ personnel and is the designated chief executive officer.

Pursuant to Chapter 8.003(b), the Commissioner has developed and adopted rules as directed by the Legislature. These are codified in Chapter 53, Regional Education Service Centers, Subchapter AA, Commissioner's Rules. These rules provide for board of director's terms of office of three years, filling vacancy in office, election procedures, appointment of charter school representatives where warranted, and other applicable matters. These are the only Commissioner's rules related to RESCs.

The RESCs and their executive directors are evaluated annually by the Commissioner. The evaluation procedure is based on the executive director's self-assessment on criteria related to the region's student performance and the RESC performance as an organization. Likewise, the board of directors evaluates the executive director's performance on an annual basis. Each member school district also provides evaluative data and information for each of their respective RESCs, and the executive director (through the Commissioner's evaluative processes). The Commissioner may apply sanctions to RESCs found to be deficit in meeting established standards.

Data related to the individual and collective student population in each region provide guidance in assessing many of the governance and other aspects of the RESC operations. **Exhibits 1-3 and 1-4 in Chapter 1** provided information comparing RESC student populations in 2000-01 and in 2002-03.

An analysis of the exhibits’ data shows that in 2000-01:

- RESC 4 ranks as largest in student membership and is nearly one-third larger than the student membership of the next in size - RESC 10.
- Five of the 20 RESCs, (3, 8, 9, 14, and 15) have fewer than 56,000 students and combined (approximately 250,000) represent less than seven percent of the state's total.
- Eight RESCs have more than 50 percent of their students listed as economically disadvantaged, and all RESCs have student populations higher than 30 percent; the state average is 49.3 percent.
- Six RESCs have an African American population greater than 20 percent, while 11 RESCs serve districts with populations less than 10 percent; the state average is 14.4 percent.
- Five RESCs have an Hispanic population over 50 percent, and RESCs 1 and 19 serve districts with Hispanic populations greater than 85 percent; the state average is 40.6 percent.
- Ten RESCs have more than 50 percent of the population listed as White; the state average is 42 percent.
- LEP students make up 14.1 percent of the state student membership; but 15 of 20 RESCs have less than the state average percent and two (RESCs 1 and 19) serve districts with LEP student populations over 30 percent.

A comparison of the data for the two school years shows the following:

- The total student membership population has grown from 4,059,619 to 4,239,911 or by 180,292, a 4.1 percent increase.

- African American and “Other” student populations have remained essentially static on a statewide basis: 14.4 percent in 2001 to 14.3 percent in 2003 for African Americans, and 3.0 percent in 2001 and 3.2 percent in 2003 for “Other,” while Hispanic students have increased from 40.6 percent to 42.7 percent and White has declined from 42.0 to 39.8 percent.
- The percentage of economically disadvantaged students has risen from 49.3 percent to 51.9 percent, while the percentage of LEP students has remained relatively constant.
- In 2000–01, RESC 4 ranked as the largest in student membership and was nearly one-third larger than the student membership of the next in size (RESC 10), while in 2002–03 RESC 4 continued to be largest and both RESC 4 and 10 had the largest increase in the number of students, 47,151 in RESC 4 and 38,461 in RESC 10; these two regions accounted for more than 50 percent of the state's growth.
- In 2000–01, eight RESCs had more than 50 percent of their students listed as economically disadvantaged, while by 2002–03 the number increased to 12 even though the state average only increased by 0.8 percentage point.
- The distribution of the Hispanic, White, and African American populations remained essentially unchanged.

Exhibit 1-4 in Chapter 1, Comparison of Texas RESCs with Other Service Centers in the United States, provided information related to governance matters related to size and selection of boards. Texas RESCs have the largest average number of students per region while three other states with a smaller average number of students have more service centers. Size of staff varied from a total of

4,270 statewide for Texas RESCs to 12 assigned Department of Education personnel in Kentucky to 1,282 in Washington.

All states except Kentucky have some form of elected board of control for each service center. Each board has the authority to set policy, select an executive officer, and provide final decision making authority. Board size in the comparison states varies substantially from a low of five in Iowa to over 15 members in Minnesota. Typical board size is five to seven members who serve three- to six-year terms.

Effective Organizations

Considerable research has been conducted on defining effective organizations. A review of the professional literature on organizational theory and practice shows a consistent theme in defining the characteristics of effective organizations:

- sees itself as a learning organization with a common mission and values that is continually expanding its capacity to create its future;
- views itself as a whole system consisting of interactive components that includes external customers and constituents;
- empowers staff by recognizing the value and contributions of individuals and instilling ownership in the mission of the organization;
- has the capacity to be proactive in anticipating, identifying, and responding to problems and issues;
- eliminates barriers that discourage initiative and creative thinking by staff at all levels of the organization;
- establishes an effective communications process that focuses both on the needs of the internal staff as well as external shareholders;
- establishes an infrastructure that makes available resources to support people in their work;
- has a clear and consistent decision-making process that encourages decisions to be made at a level

consistent with the needs of its customers;

- establishes ongoing professional development programs to encourage the continued growth, development, and renewal of all staff; and
- structures itself in a form that can respond to the needs of its customers and broader constituencies.

W. Edwards Deming's essential elements needed to ensure effective and productive organizations have guided the actions of many leaders. Summarized, the elements include:

- Maintain a constancy of purpose
- Adopt a new philosophy
- Cease dependence on mass inspection
- Cease doing business on price tag alone
- Continue process improvement
- Train and retrain
- Improve leadership (supervision)
- Drive out fear
- Staff areas (departments) to work together
- Get rid of slogans and exhortations
- Get rid of numerical quotas
- Put self-improvement in
- Help make better people
- Do it! Get it done!

The research further supports the need for functions to be organized in such a manner as to promote a seamless pattern of activity. Such activity is characterized by maintaining essential data and information bases through highly effective internal communication patterns, sharing of information, and selective use of cross-functional teams—all driven by common purpose and a clear understanding of related tasks.

The organizational structures of education agencies often evolve based upon institutional traditions, changing state educational priorities, and the interests and priorities of the chief executive or the governing body, rather than being developed systematically. These agencies are often characterized by an

organization that continues to provide services that have traditionally been a part of the state's educational landscape, occasionally tweaking divisions, departments, or bureaus by adding or reducing staff and or services. In many instances, little organizational analysis is done, and the agency continues to resemble its historical predecessors. Many factors contribute to the inertia of these organizations. The bureaucracy of the institution is a formidable obstacle as is the inherent political nature of most state education agencies. But essentially, many agencies maintain a historical evolution model of organization because, to do otherwise, is to attempt to create significant change in an environment that is very resistant to change.

While effectively structuring an education agency is a challenging task, the end result can yield enormous benefits for the educational system(s) that it supports. As Carter McNamara said in *Basic Context for Organizational Change*, "Typically, organizations must undertake organizationwide change to evolve to a different level in their life cycle."

ACCOMPLISHMENTS

- The Texas RESC system is well organized, is responsive to client needs, and has maintained the ability to make appropriate organizational modifications as conditions warrant.
- RESC boards of directors and the administration, overall, have maintained up-to-date policy and procedures manuals at minimum cost.
- RESCs develop appropriate meeting agendas and maintain excellent records of board of directors' meeting activities.
- RESC services and programs receive high marks and strong support from clients, who report that services and programs are of a high quality, and follow-up on any problem areas is prompt and effective.
- The RESC organizational patterns and leadership represent varied but efficient and cost-effective methods

for ensuring that services and programs are provided to clients and that there is a high level of employee satisfaction.

- Internal and external communications with boards of directors, advisory groups, and interaction with member districts and schools are well organized and effective.
- RESC planning processes are effective and involve both internal personnel and external client stakeholders.
- The RESC boards of directors understand the role of an effective board.
- The 20 RESCs have developed a Texas System of Education Service Centers 2004-2007 Strategic Plan.
- RESCs have developed a Management Quality Initiative resulting in a Balanced Scorecard.

FINDINGS

- Not all boards of directors have been fully involved in development of their RESC strategic plan, related planning documents, and other initiatives except the facilities development planning functions.
- RESC boards of directors do not have standing committees, although such committees often are a means for developing appropriate board involvement in organizational policy and planning development, promoting the services or value of an organization, and other activities.
- RESCs have not effectively communicated to external publics the function and the products and services provided by RESCs to school districts, charter schools, adult learners, and others.
- The field service agent positions provide valuable services and should be continued.
- Several RESC boards of directors have no written contracts setting out the terms and conditions of legal

services provided by external law firms.

- Chapter 8.003, Texas Education Code provides the statutory requirements for boards, but does not address board accountability. As a result, RESC boards of directors do not conduct self-assessments of their performance, which results in no formal method for determining their effectiveness and no accountability for board performance.
- RESC boards of directors are not required to be involved in board development or other related forms of training although such training is required of board members in Texas school districts.
- The instruments used by RESC boards of directors and the Commissioner of Education to evaluate the RESC executive directors are inadequate.
- Job descriptions for RESC executive directors vary considerably.
- No system is in place to hold the RESC board of directors directly accountable for the RESC’s organizational performance.
- Although considerable discussion has been conducted regarding the issues relating to the status of RESCs and their relationship to TEA, there has been no discussion regarding the legal status related to regulating versus providing services.
- The statewide RESC strategic plan process does not adequately involve TEA to ensure an alignment with the Texas Commissioner and TEA initiatives that may be assigned to the RESCs.

RECOMMENDATIONS

- **Recommendation 3-1: Involve boards of directors in the development of individual RESC and statewide RESC strategic plans, and establish procedures for periodic review of the implementation of the region’s plan.** All boards of directors should be

involved in the RESC strategic planning processes and be prepared to share this information with other stakeholders. Additionally, involvement in the planning process should ensure that the RESC executive staff has secured a broad range of input in the plan’s development. As this recommendation is implemented, the board of directors in each RESC should adopt policy and related procedures (in the absence of such provisions) that ensure continued involvement. Additionally, a portion of each regular meeting agenda should address the status of the plan and related implementation processes. The process of updating the current boards of directors should begin with the annual budget development and approval processes. Using the budget development, review, and approval processes as a vehicle for achieving this goal provides board members with an understanding of the relationship between the two documents.

- **Recommendation 3-2: Establish standing committee structures for each RESC board of directors.** Standing board committees involve board members in activity designed to promote the work of the RESC and support important planning activities. The implementation of this recommendation can lay the groundwork for developing infrastructure so the boards of directors can deal with issues related to the perception that important education stakeholders do not adequately understand the nature and purpose of the RESC organization and related programs and services provided to the school districts of Texas. This perception was gained in the initial briefing of the review team and further confirmed in interviews with various RESC personnel.

Because the Texas Legislature prohibits education-related personnel from lobbying for legislative support and funding, RESC board members can assume this responsibility.

- **Recommendation 3-3: Establish an RESC policy and procedure for ensuring better public understanding of RESC functions.** Establishment of policies and procedures should be accompanied by simultaneous development of the RESC Texas System of Education Centers 2004-2007 Strategic Plan. The executive summary of the strategic plan reports five essential goals that, as they are reviewed, should be considered for modification/addition. One option should include the establishment of an objective related to Goal Four that references more effective public relations and improved fiscal support for the RESC system.
- **Recommendation 3-4: Continue the use of the field service agent position to support school districts, school boards, and superintendents.** School district superintendents and executive RESC personnel have stated that field service agents are vital to provide important services to school districts. The rationale used by CCG in its January 2004 report was based on an incomplete analysis of field service agent positions. RESCs effectively use field service agents and capitalize on part-time personnel. Such employment eliminates the cost of the fringe benefits normally paid full-time employees. Additionally, records show that many of the part-time personnel actually provide services beyond the time scope of their employment.
- **Recommendation 3-5: Develop and approve written contracts for legal services with the attorney or law**

firm representing an RESC and its board of directors. The executive director should negotiate with the attorney or law firm and establish the services to be performed and compensation to be paid. A contract containing the services to be performed and compensation to be paid should be taken to the board of directors for approval. An approved, written contract with the attorney or law firm representing the board should be maintained and updated annually.

- **Recommendation 3-6: Issue a Commissioner’s Rule that requires implementation of an annual board of directors’ self-assessment.** Providing feedback, both formally and informally, is fundamental in any improvement process. Structured feedback, in the form of an evaluation instrument can supplement honest, ongoing dialogue and discussion. Governing boards in any organization can improve their performance through a formal self-evaluation in addition to an informal feedback process. Implementing this recommendation can be a significant “first-step” toward creating board accountability and providing a medium for reporting governance activity.
- **Recommendation 3-7: Issue a Commissioner’s Rule that requires RESC board of directors training similar to school district board training.** A core curriculum that includes the Texas Code, Commissioner’s rules, updates on state and federal legislation and rules, board roles and functions, RESC statewide and regional strategic planning, education standards, budget and finance, and other contemporary issues should be developed and offered to RESC board members. Once training requirements are established, a schedule for providing

training should be adopted and implemented. Where feasible, training should occur concurrently with district school boards training and in close proximity to the RESC area.

- **Recommendation 3-8: Standardize the Commissioner’s and board evaluations of the RESC executive director and ensure that these evaluations include detailed criteria.**

A comprehensive assessment of the executive director's performance is a necessary component of accountability. These assessments should be related to defined RESC and TEA goals. Key implementation steps should include a review of other RESC evaluation instruments and those used in other states as a means to identifying important evaluation instrument dimensions that could be incorporated into the process.

- **Recommendation 3-9: Develop a standardized job description for RESC executive directors and correlate it to the performance assessment instrument criteria .**

The development of a standardized job description should contribute information useful in structuring a systematic and effective performance review instrument. Additionally, a complete job description should be helpful in providing essential information to new board of director members as a means of orienting them to the executive director’s specific and range of responsibilities. Typically, effective job descriptions contain common elements (see Chapter C, *Human Resource Management* for a sample). These best practice elements usually include:

- Job goal;
- Qualifications and educational requirements;
- Special skills desired;

- Essential job responsibilities (those for which the individual is fully prepared to fulfill competently upon assuming the position);
- Other job responsibilities;
- Physical requirements; and
- Other desired information including performance assessment, compensation, etc.

The job description should be developed by a task group of RESC executive directors with input from the Commissioner’s office and final review by representatives of the RESC boards. The entire process could be handled via existing technology without incurring travel expenses. Once developed, the job description should be provided to each RESC board of directors for their review and adoption.

- **Recommendation 3-10: Create a process for holding an RESC’s board of directors accountable for the organization’s performance and the meeting of the board’s statutory obligations.** A task force assembled by the Commissioner of Education and composed of representatives of RESC executive directors, boards of directors, client superintendents, and TEA should be formed. Membership should be weighted towards RESC representatives. The task force should work with the assistance of a trained professional facilitator(s) experienced in dealing with politically sensitive issues.

The implementation of this recommendation should result in giving more meaning to serving on the RESC board since board member responsibilities would take on a new meaning. By accomplishing this but remaining with the current board member selection system, the board system should be strengthened. This

strengthening should contribute to building a more effective means for securing adequate financial support in the long term.

- **Recommendation 3-11: Maintain the current legislated governance structure of the RESCs and their system of operation.** MGT consultants were unable to identify any major flaws in the governance structure of the Texas RESCs. A number of organizational and governance related matters have been discussed and recommended but overall the current system is effective and the preponderance of data and testimony supports the contention that Texas RESCs are appropriately organized, responsibly managed, and positioned to meet the needs of their client school districts and schools, providing the necessary resources are made available.
- **Recommendation 3-12: Involve TEA as an active participant in the continuing development of the Texas System of Education Centers 2004-2007 Strategic Plan and related updating activity.** Full involvement of TEA with RESC representatives in the continuing development and updating of the *Texas System of Education Centers 2004-2007 Strategic Plan* is critical. This involvement should serve several primary purposes, including the following:
 - providing RESCs a formalized medium for gaining information related to TEA planned initiatives, therefore serving as an “institutionalized” heads up;
 - establishing a forum for clarifying for TEA the potential impact, politically and fiscally, of considered initiatives;

- ensuring that important TEA initiatives are incorporated into the strategic processes that are being established to continue to develop the RESC system; and
- improving the efficiency of the overall RESC system strategic planning processes.

TEA should be officially represented in the process inasmuch as the statewide RESC strategic plan should reflect state (TEA) goals. It is clearly the Legislature’s intent that RESCs play a key role in TEA’s support of local school districts and charter schools.

DETAILED ACCOMPLISHMENTS

ORGANIZATION OF RESC SYSTEM

Overall, MGT’s review of the organizational patterns and the history of their evolution since the establishment of RESCs in 1967 reveals an unusually flexible system that presents clear evidence of responsiveness to assessed client needs with effective management of changing conditions. The RESC review teams reported these characteristics for most of the service centers. **Exhibit 3-1** displays a series of characteristics that were reported as organized/implemented as adaptations or in response to changing conditions for 11 of the RESCs.

Each of the RESCs is found to have demonstrated flexibility or adaptability to changing conditions in three important characteristic areas: use of technology, response to reduced funding, and ability to effectively reorganize. It is important to note that in spite of 2003-04 reduced state funding, five of the 11 RESCs were able to maintain their prior level of services. RESC 3 reported that it had increased some technical assistance and training (See RESC 3 report in Volume III).

**Exhibit 3-1
Reported Organizational Responsiveness and Adaptability:
Selected Characteristics for 11 RESCs**

RESC	Reported Characteristic				
	Planning	Use of Technology	Response to Reduced Funding	Ability to Effectively Reorganize	Maintain Level of Services
1	X	X	X	X	
2	X	X	X	X	X
3	X	X	X	X	X
4	X	X	X	X	
5	X	X	X	X	
6	X	X	X	X	X
7		X	X	X	X
8		X	X	X	
12	X	X	X	X	
13	X	X	X	X	
16	X	X	X	X	X

Source: Prepared by MGT of America from RESC reports, August 2004.

As noted in the literature discussing healthy organizations, the RESCs, overall, are organized in a manner that promotes a seamless pattern of activity as exemplified by organizations designed to facilitate communications among operating units and clients. Effective electronic and traditional internal communication tools and the systemwide survey of client satisfaction are used. Such activity is, in fact, characterized by maintaining essential data and information bases. These information bases are sophisticated and designed to support important decisions. (See commendations in the individual RESC reports in Volume III, related to use of both administrative and instructional support technology.)

One such report is representative of highly effective internal communication patterns; sharing of information through technology applications, memoranda, handbooks and procedural documents, informative Web sites, and other means; and selective use of cross-functional teams—all driven by common purpose and a clear understanding of related tasks as evidenced in the task groups and committees established to identify programs and services needed.

Additionally, **Exhibit 3-2**, superintendent survey results, provides further support for on-site findings of overall excellence in organization and services.

Accomplishment: The Texas RESC system is well organized, is responsive to client needs, and has maintained the ability to make appropriate organizational modifications/changes as conditions warrant.

RESC POLICY AND PROCEDURES MANUALS

Overall, RESC Policy and Procedures Manuals are maintained in a current and up-to-date condition.

The majority of RESCs contract with the Texas Association of School Boards (TASB) for regular updates to the policy manual. An examination of Boards of Directors’ meeting minutes shows that routinely the administration provides recommendations for updating and including new provisions based upon the TASB information. The service is typically provided to the RESC at an annual cost of \$800, a very nominal amount. Some districts in other states such as Florida pay up to \$4,000 per year for such services from

**Exhibit 3-2
Survey of School District Superintendents’
Perceptions about Services Provided by RESCs**

Statement	Percentage (SA+A)/(D+SD)
1. Our district frequently utilizes services provided by our RESC.	98/1
2. The services provided by our RESC are critical to the success of our district's programs and operations.	94/2
3. Many of the current RESC services to districts could be more efficiently and/or effectively provided by TEA.	8/83
4. Many of the current RESC services could be more efficiently and/or effectively provided by other sources such as universities or private vendors.	5/88
5. Many of the current RESC services could be more efficiently and/or effectively provided by allocating the dollars to districts and allowing them to purchase services from the most appropriate sources.	11/78
6. Many of the current RESC services to districts duplicate services provided by TEA.	5/89
7. Many of the services offered by RESCs around the state are critical to the success of many districts.	96/1
8. The RESC in our region is highly efficient and effective.	93/3
9. The RESC role in providing services to districts should be expanded.	69/8
10. The RESC in our region is highly responsive to the service needs of our district.	93/4
11. The RESC in our region provides quality services.	95/2
12. There are adequate channels of communication with the RESC in our region.	94/3
13. The RESC in our region is responsive to complaints.	90/3
14. The RESC in our region is responsive to requests for services.	94/2
15. The RESC in our region listens and tries to meet the needs of the school district.	95/2

Source: Prepared By MGT of America, July 2004.

private vendors. TASB is in the process of updating the service to include placement of policies on a Web site for access by the subscribing RESCs, again at a very nominal first year fee of \$1,800, and the regular annual fee of \$800 each year thereafter.

The Internet-based policy manual will deliver:

- Quick easy access to the individual RESC’s localized policy manual;
- Expert full text search tool that highlights the search word;
- Confidence that the manual is up-to-date;
- Freedom from cost of expensive hardcopy maintenance; and

- Easy distribution of the policies to users.

Accomplishment: RESC boards of directors and administration, overall, have maintained up-to-date policy and procedures manuals at minimum cost.

BOARD MEETING RECORDS

The board of directors’ meeting agendas and minutes are well organized and provide accurate and appropriate supporting information.

A review of reports for each of the RESCs revealed no substantive deficiencies and provided eight commendations related to the effective management of board of directors

meeting agenda, minutes, supplementary materials, and other related matters. The executive director’s executive assistant or secretary typically prepares the agenda for each meeting with input from the board, RESC staff and the executive director. MGT consultants reviewed related minutes and determined that reporting was consistent with agenda matters and other documentation of actions taken by the boards of directors. Record keeping was thorough. Minutes were typically prepared, and reviewed and approved in subsequent regular meetings.

Accomplishment: The RESCs develop appropriate meeting agendas and maintain excellent records of board of directors’ meeting activity.

QUALITY PROGRAMS AND SERVICES

Most member districts report remarkably strong support for RESC services and programs, and state that services and programs are of a high quality.

Interviews with RESC personnel and board members and MGT’s survey of superintendents reveal that the RESCs are highly responsive to client feedback and requests for services. When asked to respond to the statement, “The RESC in our region is responsive to complaints,” 90 percent of the respondents indicated that they strongly agreed/agreed; only three percent of respondents indicated that they disagreed/strongly disagreed. In addition, overall survey responses to the RESC survey and the MGT survey provided exceptional support for the RESCs.

Exhibit 3-2 about services provided by the RESCs reflects responses from 616 superintendents and provides supporting documentation. At least ninety-four (94) percent of the respondents strongly agreed/agreed with the statements “The RESC in our region is responsive to requests for services;” “The RESC in our region provides quality services;” “There are adequate channels of communication with the RESC in our region” and “The services provided by our

RESC are critical to the success of our district’s programs and operations.”

Accomplishment: RESC services and programs receive high marks and strong support from clients, who report that services and programs are of a high quality, and follow-up on any problem areas is prompt and effective.

EFFECTIVE ORGANIZATIONAL PATTERNS

The organizational models developed and employed by most RESCs represent fairly flat organization patterns with substantial spans of control by management. The patterns or arrangements were varied among the RESCs. MGT consultants found cost-effective organizational patterns, ability to increase organizational efficiency as a result of budget constraints, development of organizational alignment consistent with defined client needs, and other factors.

Such arrangements can be very effective if three primary criteria are met:

- there must be employment stability for personnel holding key positions;
- personnel in those positions must have a high degree of skill in managing personnel; and
- personnel must have a strong commitment to the organization and fully understand the mission and goals.

Interviews with personnel indicate a high level of development in each of the three essential areas for effective organizations. MGT consultants found substantial stability of personnel in key executive positions. Long-term employees in general had filled executive director and deputy director positions. Commitment to organization was further supported by the survey results obtained from RESC personnel, as shown in **Exhibit 3-3**. Responses to statements 1, 8, 9, and 10 provide support for asserting that employees have a very high level of commitment to the RESC organization. Statements 9 and 10

**Exhibit 3-3
Survey of RESC Personnel Perceptions about RESC Work Environment**

Statement	Percentage (SA+A)/(D+SD)
1. I find my RESC to be an exciting, challenging place to work.	97/2
2. RESC officials enforce high work standards.	96/2
3. RESC employees who do not meet expected work standards are disciplined.	72/7
4. I feel that I have the authority to adequately perform my job responsibilities.	97/2
5. I have an up to date and comprehensive job description.	96/2
6. I have adequate facilities in which to conduct my work.	94/4
7. I have adequate equipment and computer support to conduct my work.	97/2
8. No one knows or cares about the amount or quality of work that I perform.	4/94
9. I am very satisfied with my job.	96/2
10. I plan to continue my career in my RESC.	94/2
11. I am actively looking for a job outside of my RESC.	5/89
12. Salary levels at my RESC are competitive.	61/26
13. I feel that my work is appreciated by my supervisor(s).	94/3
14. I feel that I am an integral part of the RESC team.	94/2

Source: Prepared By MGT of America, July 2004.

support the contention that overall supervision of employees is appropriate and there is a high level of job satisfaction.

Accomplishment: RESC organizational patterns and leadership represent varied but efficient and cost-effective methods for ensuring that services and programs are provided to clients and that there is a high level of employee satisfaction.

INTERNAL AND EXTERNAL COMMUNICATIONS

Communications within RESCs, to boards of directors, with advisory groups, and interaction with member districts and schools is well organized and effective. Additionally, the RESC executive directors and other RESC personnel have active statewide networks for discussion of common issues, identification of best and effective practices, and in the case of the executive directors, the development of a statewide RESC Strategic Plan.

Examples of effective communications tools, mediums, and other forums include organized executive and staff meetings (as noted in each RESC report in Volume III), electronic newsletters, and an RESC slogan, *You call,*

We haul! MGT consultants observed effective and creative communications throughout the Texas RESC organizations.

Exhibit 3-4, Superintendent Survey Responses Regarding Communications, shows that 90 percent or more of the responding superintendents agreed with the statements. Furthermore, 95 percent agreed with the statement, “The RESC in our region listens and tries to meet the needs of the school district;” and 94 percent agreed with the statement “There are adequate channels of communication within the RESC in our region.”

Typically, an important tool used by RESC staff to gather feedback from the field is client satisfaction surveys, which are completed by superintendents, principals, and teachers. The surveys request feedback regarding satisfaction with RESC services by specific type of training, support, and other RESC assistance areas. The responses from this survey are evaluated and inform strategic planning development and other program planning and assessment efforts.

**Exhibit 3-4
Superintendent Survey Responses Regarding Communication**

Statement	Percentage (SA+A)/(D+SD)
There are adequate channels of communication within the RESC in our region.	94/3
The RESC in our region is responsive to complaints.	90/3
The RESC in our region is responsive to requests for services.	94/2
The RESC in our region listens and tries to meet the needs of the school district.	95/2

Source: MGT Survey of School District Superintendents, 2004.

Other communications mechanisms include the use of advisory groups of various configurations. An illustrative example of the many opportunities and avenues for communicating with region administrators and teachers is shown in **Exhibit 3-5**, and is but one example of RESC user groups, advisory groups, cooperative councils, and other organized groups. As can be seen, 25 groups provide input, receive information, or participate in some manner at this RESC.

Accomplishment: Internal and external communications with boards of directors, advisory groups, and interaction with member districts and schools are well organized and effective.

PLANNING PROCESSES

Overall, each RESC has implemented effective and systematic planning processes resulting in responsiveness to changing client demands and needs and fiscal conditions.

Effective planning is the centerpiece of RESC development and delivery of programs and services. Planning models employed are varied but each is based on number of common denominators including a clear focus on RESC purposes reflecting statutory requirements and client demands, identification of needs using an unusually good database, and staff understanding of the processes.

Examples include the following: for five years, RESC 12 has been using a Continuous Improvement Model based on Baldrige Quality Award Program. RESC 4 began its strategic planning in 1990 with a 141-member committee. Region 4’s planning has evolved to a pursuit of the Baldrige Quality Award as well as International Organization for Standardization (ISO) 9001:2000 certification. RESC 13 uses a process that engages clients and staff in the development of *The Plan for Improving Student Performance*, which focuses on the Texas Education Code (TEC) Chapter 8 directives. RESC 3, with an extremely strong technology base for the development and delivery of services and programs, is fully committed to a Quality Management System driven by the ISO. This has resulted in the development of a Regional ESC Scorecard and related Scorecard Strategy Map. RESC 3 administration and staff have developed a comprehensive quality manual. RESC 17 also uses the Baldrige model and RESC 20 has a collaborative planning process that includes key internal and external stakeholders.

Accomplishment: RESC planning processes are effective and involve both internal personnel and external client stakeholders.

**Exhibit 3-5
RESC 13 Advisory Groups**

Advisory Group	Participants	Frequency of Meetings
Bilingual/ESL Cluster Team	Bilingual/ESL administrators and teachers	Quarterly
Business Managers/Capital Area TASBO	District business managers	Monthly
Carl Perkins Career and Technology Consortium	Consortium district members	Quarterly
Central Texas Purchasing Cooperative Product Committees	District purchasing representatives	As needed
Cohort Administrator Certification Program Advisory Council	Superintendents, principals, teachers, business and community leaders, university representatives	Quarterly
Counselor Network	District representatives	Three times per year
Curriculum Leadership Network	District curriculum administrators	Monthly
Distance Education Alliance	District representatives	Quarterly
Dyslexia Cluster Team	501 coordinators	Two times per year
Educator Certification Program Advisory Council	Personnel directors, principals, teachers	Quarterly
Evaluation Steering Committee	District evaluation lead—Educational Diagnosticians	Quarterly
Gifted/Talented Advisory Council	GATE administrators	Two times per year
Governing Board	Superintendent representatives from each county	
Instructional Resources Users Advisory Committee	District representatives	Quarterly
Migrant Coop	District migrant program representative	
Principal's Network	School principals	Four times per year
Regional Site-Based Decision Committee	Regional teachers and administrative professional group representatives	Quarterly
Science/Mathematics Advisory Council	District representatives	Annually
Special Education Leadership Network	District special education directors	Monthly
Special Projects Advisory Council	Representatives from districts and communities	Two times per year
STMRPC Data Processing Advisory Committee	Representatives from each data services district	Quarterly
Superintendent Leadership Development Consortium	RESC 1, 2, 13, XX, TASA consortium members, and SLDP assessment center directors	Annually
Superintendent Advisory Committee	Regional superintendents	Monthly
Title I Advisory Council	Title I administrators and teachers	Two times per year
Title III Advisory Council	Title III administrators and teachers	Two times per year
Visionaries in Technology and Learning	School district technology representatives	Quarterly

Source: Region 13 Advisory Group List (www.escl3.net/advisory.html), 2004.

ROLE OF BOARDS OF DIRECTORS

RESC boards of directors generally had clear understandings of their respective roles and the distinctions between the policy and approval processes and the functions of the RESC administration.

Furthermore, where requested by the administration, board members provide essential support for the development of services to clients and the planning and funding of necessary facilities. This latter area of involvement was particularly evident. Board members were activity involved in

recent facilities planning and development; RESC 3 board members conducted a site search and RESC 2 board members are active in current downtown site acquisitions. MGT consultants observed an RESC 3 board meeting during which discussion of statewide strategic goals and the Texas accountability system took place. Questions from board members focused on policy implications and plans for implementation developed by the administration.

Board members in interviews clearly stated the distinction between board roles and administration responsibilities. Reviews of

board meetings minutes confirm these statements by board members.

Examples supporting the concept that RESC boards of directors understand their roles and provide the executive directors and staff the necessary latitude to effectively perform their assigned responsibilities were reported throughout the RESCs and are discussed in Volume III.

Accomplishment: The RESC boards of directors understand the role of an effective board.

STRATEGIC PLAN

The RESCs of Texas have developed a draft *Texas System of Education Centers 2004-2007 Strategic Plan*. The executive summary of the strategic plan reports five essential goals and related objectives. **Exhibit 3-6** displays these goals and objectives.

**Exhibit 3-6
Texas System of Education Centers 2004-2007 Strategic Plan**

Goal One: Assist the educational community in ensuring educational excellence for all students.	
Objective 1	Assist in increasing the number of districts/campuses that meet or exceed state standards for AEIS;
Objective 2	Assist in increasing the annual number of districts/campuses that meet or exceed NCLB standards;
Objective 3	Assist in increasing the annual number of districts that meet or exceed financial accountability standards; and
Objective 4	Recruit and retain highly qualified staff each year in order to meet customers’ needs.
Goal Two: Improve capacity to serve as a system to maximize ESC.	
Objective 1	Establish a consistent system for business operations beginning with standardizing funding and accounting codes, in order to maximize efficiency; and
Objective 2	Increase collaboration among centers and implement best practices systemwide.
Goal Three: Secure and allocate financial resources throughout the system in order to provide services to customers.	
Objective 1	Develop a costing methodology that accurately reflects cost recovery and considers dedicated revenues;
Objective 2	Jointly develop and market systemwide programs and services; and
Objective 3	Leverage external funding sources to enhance the system’s ability to provide quality programs and services.
Goal Four: Enhance and sustain stakeholder relationships by improving service delivery and increasing public awareness of ESCs.	
Objective 1	Develop and implement strategies to demonstrate ESC value in terms of cost-effective, high quality programs and services to customers to monitor service levels;
Objective 2	Develop and implement ways to improve the efficiency and effectiveness of our customers; and
Objective 3	Instill and maintain customer service focus among all ESC staff to ensure that ESCs strive to meet customer needs.
Goal Five: Research and proactively address needs of the educational community.	
Objective 1	Promote professional development for staff in support of new and/or improved services;
Objective 2	Develop partnerships with external entities to expand and enhance services provided to customer’s; and
Objective 3	Leverage technology to enhance services and provide customers with additional classroom tools.

Source: RESC System Strategic Plan 2004-2007, July 2004.

During the stages of the document's development, all RESC executive directors and selected staff were involved as the planning progress reports were forwarded to TEA for review and comment. The entire development process was facilitated by a consultant firm to ensure follow-up on all aspects of the plans' components.

The assessment process identified five cardinal areas or goals as listed in the exhibit. These goals reflect statewide goals as well as identify RESC issues. The objectives subsumed under each goal are to be carefully reviewed and evaluated annually to ensure that they represent the most effective and efficient manner for realization of goals. The annual review process also will provide an ongoing mechanism for updating the strategic plan.

Accomplishment: The 20 RESCs have developed a *Texas System of Education Service Centers 2004-2007 Strategic Plan*.

BALANCED SCORECARD

To continue to provide a high level of customer service and demonstrate high standards of operational accountability, the directors of the Regional Education Service Centers established a Management Quality Initiative in March 2003, with the ESC Balanced Scorecard (Management Scorecard) a key component of this initiative.

The Balanced Scorecard combines education policy and regional purpose, using strategy, performance measures, and management accountability for results to tie regional achievement of the state's public education goals to the operational effectiveness of each service center.

The decision was made by the group to appoint a steering committee for the development of this management tool. The executive director of RESC 3 was appointed chair. Also serving on the committee were executive directors from Regions 5, 10, 14, 16, and 19. The team began its meetings using a trained facilitator. Through this process the committee developed Key Performance

Indicators in the following areas: Learning & Growth; Internal Process; Customer; Stakeholder; and Attainment. Through a series of meetings of the committee, the Commissioner's Cabinet for Regional Services, and key RESC staff, the Balanced Score Card was completed. In September 2003 a computerized template was developed for the reporting process.

Currently, for each service center data on 31 core measures are transmitted via email to a central collection point. The data are compiled and reported monthly at the Commissioner's Cabinet for Regional Services meeting. The executive directors established the 2003-2004 school year as the benchmark year for this new accountability tool.

The Balanced Scorecard represents a best practice for providing data to demonstrate operational accountability for service centers. The Balanced Scorecard is an effective model for other states to use for service center accountability.

Accomplishment: RESCs have developed a Management Quality Initiative resulting in a Balanced Scorecard.

DETAILED FINDINGS

BOARD'S INVOLVEMENT IN PLANNING

Not all boards of directors have been fully involved in development of their RESC strategic plan, related planning documents, and other initiatives except the facilities development planning functions.

Typically, boards of control establish procedures for providing input and periodic review of major planning documents and related implementation processes. While many board members MGT interviewed expressed general knowledge of major planned initiatives, they did not indicate that they had been involved in the development processes. Some board members did not have knowledge of the major initiatives contained in strategic planning documents.

RESC 10’s Board of Director reviews and approves selective parts of the organization’s strategic plan, but does not review or approve the key performance indicators that support the plan. RESCs 2, 3, 6, 14, and 19 board members have reviewed and approved the plan, but indicate only general knowledge of the strategic plan. However, these board members did possess detailed information related to facilities planning and development. Some RESC 12 members, when asked about the components of the strategic plan, gave responses such as “the center’s goal is to provide quality services to rural school districts.” RESC 20 board members have reviewed their plan (called an integration plan), but do not approve it.

RESCs should involve their boards of directors in the development of individual RESC and statewide RESC strategic plans and establish procedures for the periodic review of the implementation the region’s plan.

All boards of directors should be involved in the RESC strategic planning processes and be prepared to share this information with other stakeholders. Additionally, involvement in the planning process should ensure that the RESC executive staff has secured a broad range of input in the plan’s development.

As this recommendation is implemented, the boards of directors in each RESC should adopt policy and related procedures (in the absence of such provisions) that ensure continued involvement. Additionally, a portion of each regular meeting agenda should address the status of the plan and related implementation processes.

The process of updating the current boards of directors should begin with the annual budget development and approval processes. Using the budget development, review, and approval processes as a vehicle for achieving this goal provides board members with an understanding of the relationship between the two documents.

This recommendation can be implemented with existing resources and at no additional cost to RESCs. Involvement of RESC board members in the planning processes is critical to effective planning.

BOARD STANDING COMMITTEES

RESC bards of directors do not have standing committees, although such committees often are a means for developing appropriate board involvement in organizational policy and planning development, promoting the services or value of an organization, and other activities.

Ad hoc committees are sometimes formed to involve board members in providing important input and support for major initiatives. This activity traditionally involves some type of facility expansion/acquisition/renovation. In some RESCs the board chair will appoint a board member to serve on an administratively established committee such as strategic planning or facilities development.

Each RESC board of directors meets on a regularly scheduled basis, ranging from quarterly to every other month or monthly, with other meetings called as the need arises. MGT consultants do not believe that boards need to meet more often nor do the meeting schedules need to be standardized; however, greater board involvement in planning activity, services development, and essential RESC promotion activity among each of the RESC member districts and other stakeholders may well require more individual board member involvement.

As previously noted, many boards of directors have not been actively involved in the development and approval of essential planning processes. Their role in planning and fiscal matters has been limited primarily to providing review and approval of administrative recommendations.

Many personnel interviewed expressed concern that, other than the client stakeholders and possibly TEA personnel, few other parties really understand the role and contributions of

the RESCs. This situation, interviewees' state, is partially the result of legislative prohibitions against lobbying by the education community.

The review team noted that, in many effective organizations, the involvement of the boards of directors in carefully crafted committee work or ad hoc work has contributed to overall effectiveness and been an efficient tool for overcoming external barriers to success in many areas of concern.

Each RESC should establish standing committee structures for its board of directors. Standing board committees involve board members in activity designed to promote the work of the RESC and support important planning activities.

The implementation of this recommendation can lay the groundwork for developing an infrastructure so the board of directors can deal with issues related to the perception that important education stakeholders do not adequately understand the nature and purpose of the RESC organization and related programs and services provided to the school districts of Texas. This perception was gained in the initial briefing of the review team and further confirmed in interviews with various RESC personnel. Because the Texas Legislature prohibits education-related personnel from lobbying for legislative support and funding, RESC board members can assume this responsibility.

One or more standing committees such as the following may be established:

- strategic planning;
- cooperatives' development;
- budget and finance;
- facilities; and
- external relations.

This recommendation should be implemented through the following steps:

- the executive directors should review the recommendation with their respective board of directors;

- once agreed upon, the board of directors should direct the executive director to prepare the necessary policy and procedures to guide the proposed committee(s) development and activity;
- potential committee membership should be identified with attention to involvement of member school district representation;
- the executive director should identify an RESC liaison for each established committee; and
- the chair of the board of directors should appoint a three-member committee assigned the task of implementing the recommendation—that is, preparing a plan for each established committee.

The implementation of this recommendation should contribute to establishing more effective board activity and lead to greater board accountability.

This recommendation can be implemented with existing resources and at no additional cost to the state, resulting in more effective planning and policy processes.

COMMUNICATING RESC FUNCTIONS

RESCs have not effectively communicated to external publics the function and the products and services provided by RESCs to school districts, charter schools, adult learners, and others.

While survey results show that school district staff and superintendents are generally pleased with services, little is being done on a systemwide basis in public relations to share the best practices and news of RESCs' effectiveness. Many RESCs promote center activities by writing press releases or contacting media with the "good news" from the center. Region 2 has a marketing position that accomplishes many of these objectives. Region 16 promotes excellent public relations by routinely submitting news briefs to the

Amarillo Globe News and other media forums. Topics in the Amarillo Spring 2004 news briefs included:

- training on state accountability;
- opening of a Teacher Resource Center;
- technology workshops;
- Region 16 Awards at the Texas School Public Relations Conference;
- advanced placement summer institutes;
- announcements of TEA and Region 16 Public Meetings;
- Safe and Drug Free Schools; and
- conferences on emotional/behavioral disorders and educating the challenging student.

Other RESCs depend upon field service agents and specialists to market their services and products.

However, MGT found from interviews with numerous RESC staff that many RESCs do not perceive that they should commit resources to marketing efforts or public relations initiatives that are beyond the scope of ensuring that potential clients are aware of available services and products. Staff in several RESCs indicated that they do not want the *spotlight* on the center; rather, the spotlight should be on the client.

RESC personnel and other Texas governmental officials expressed concern that the real value and functions of the RESC system are not communicated effectively to influential interests and, consequently, there are misperceptions regarding RESC value to school districts and schools.

The RESCs have developed a draft *Texas System of Education Centers 2004-2007 Strategic Plan*. The executive summary of the strategic plan reports five essential goals with Goal Four related to increasing public awareness. However, none of the objectives in the Plan address the expressed concerns for a

better public understanding of the RESCs and their functions.

Each RESC should establish a center policy and procedure for ensuring better public understanding of center functions. The establishment of policies and procedures should be accompanied by simultaneous development of the RESC *Texas System of Education Centers 2004-2007 Strategic Plan*. The executive summary of the strategic plan reports five essential goals that, as they are reviewed, should be considered for modification/addition. One option should include the establishment of an objective related to Goal Four that references more effective public relations and improved fiscal support for the RESC system.

The implementation of this recommendation can be accomplished with existing resources and at no additional cost to the RESC system. The fiscal impact of implementing procedures resulting from this recommendation cannot be estimated until the policy/procedures are agreed upon and adopted.

FIELD SERVICE AGENTS

The field service agent positions provide valuable services and should be continued.

The State Council on Competitive Government's (CCG) recommendation that RESCs should eliminate field service agents was not supported by this review. CCG's rationale in its January 2004 report was based on an incomplete analysis of how all RESCs were using field service agents and was based on the assumption that the existing agents were unneeded. Five RESCs had eliminated field service agent positions as a result of budget reduction activity. CCG stated that resources supporting field service agents could be better used in other ways.

MGT consultants' review of RESCs' historical and current assignment of responsibilities to these positions did not confirm the findings of the CCG. To the contrary, MGT consultants found that RESCs' field service agents provide a variety of valuable and needed

services to school districts and schools including:

- support in the areas of school finance, particularly for new superintendents in small school districts, districts having lost their finance directors or business agents, and districts experiencing fiscal difficulties;
- school board training that is mandated by Texas law;
- team building with boards and superintendents;
- training new superintendents via the Texas Administrator Association Academy, Leadership Academy, and other training sessions;
- services that TEA is unable to supply such as preparing for audits and other program reviews;
- professional staff development;
- facilitation of planning retreats;
- marketing services to school districts;
- liaison to various external publics as assigned by the executive directors; and
- temporary staff assistance for vacated business management positions or even superintendent positions.

Many RESCs intentionally attempt to employ veteran superintendents as field service agents because of the background they bring to the position. As former superintendents, field service agents are in an eminent position to serve as mentors and advisors to these key school district personnel. Some personnel interviewed expressed the opinion that retired superintendents were employed in these positions to simply provide additional income. MGT consultants could not verify this opinion. MGT consultants did find individuals filling positions on a part-time basis and documentation that these individuals actually performed duties in excess of their contractual responsibilities.

Some RESCs have eliminated field service positions and assigned the responsibilities to other staff. However, the majority of RESCs

have continued to maintain the field service agent position and concept as essential elements of critically important support to clients.

The use of the field service agent position represents an effective practice that provides valuable services to school boards, school districts, and schools.

RESCs should continue the use of the field service agent position to support school districts, their school boards, and superintendents. School district superintendents and executive RESC personnel have stated that field service agents are vital to provide important services to school districts. The rationale used by CCG in its January 2004 report was based on an incomplete analysis of field service agent positions. RESCs effectively use field service agents and capitalize on part-time personnel. Such employment eliminates the cost of the fringe benefits normally paid full-time employees. Additionally, records show that many of the part-time personnel actually provide services beyond the time scope of their employment.

LEGAL SERVICES

Several RESC boards of directors have no written contracts setting out the terms and conditions of legal services provided by external law firms.

Board Policy BDD in the TASB codified policy document that is used by most RESCs requires that services to be performed by a legal firm and reasonable compensation for those services that is paid by the board *shall be set forth in a contract between the board and the attorney or law firm.*

Several RESCs have no written contract with their attorneys or law firms that have been appointed to represent the board and center. Failure to have this contract represents a violation of policy and places the board and RESC in jeopardy of a major misunderstanding regarding fees for services. Further, misunderstandings could occur

regarding how expenses are to be computed and reimbursed.

Best and prudent practices for all organizations dictate that where an exchange of goods or services for money or other valuable considerations is established, such activity should be controlled by mutually agreed on and written contractual terms.

Each RESC should develop and approve a written contract for legal services with the attorney or law firm representing an RESC and its board of directors. The executive director should negotiate with the attorney or law firm and establish the services to be performed and compensation to be paid. A contract containing the services to be performed and compensation to be paid should be taken to the board of directors for approval. An approved, written contract with the attorney or law firm representing the board should be maintained and updated annually.

The contract should, minimally, contain the following provisions:

- compensation terms for attorneys, paralegals, clerks, and other firm personnel services, including the desired billing cycle;
- conditions for reimbursement for expenses with established limits where appropriate (e.g., travel and per diem);
- if a retainer is to be paid, the services to be included for the fixed fees;
- procedures to be used by the firm if outside counsel is required;
- performance assessment procedures; and
- termination terms for the contract.

BOARD SELF-ASSESSMENT

Chapter 8.003, Texas Education Code provides the statutory requirements for boards, but does not address board accountability for its activity. As a result, RESC boards of

directors do not conduct self-assessments of their performance, which results in no formal method for determining their effectiveness and no accountability for board performance.

Interviews with board members from various RESCs revealed that some board members do participate in informal feedback on effectiveness and performance. However, specific policy or procedures are not developed and adopted to govern either informal or formal self-assessment of performance as a board entity.

Establishing an effective self-assessment policy and related annual procedures constitutes a significant first step in improving a form of self-directed accountability for each board and the RESC governance structure. Effective organizational development includes a process whereby the board of control periodically evaluates its performance, usually using established goals from formal planning processes as the benchmarks.

The Commissioner of Education should issue a Commissioner’s Rule that requires implementation of an annual board of directors’ self-assessment.

Providing feedback, both formally and informally, is fundamental in any improvement process. Structured feedback, in the form of an evaluation instrument can supplement honest, ongoing dialogue and discussion. Governing boards in any organization can improve their performance through a formal self-evaluation in addition to an informal feedback process. Implementing this recommendation can be a significant “first-step” toward creating board accountability and providing a medium for reporting governance activity.

Exhibit 3-7, Sample Board Self-Assessment Instrument, provides one example of a self-assessment instrument used by some boards of control.

**Exhibit 3-7
Sample Board Self-Assessment Instrument**

Meeting Evaluation		
<i>DIRECTIONS: By evaluating our past meeting performance, we can discover ways to make future meetings shorter and more productive. Check each item "Adequate" or "Needs Improvement." If you check "Needs Improvement," include suggestions for improvement.</i>		
Adequate	Needs Improvement	
_____	_____	Our meeting was businesslike, results-oriented and we functioned like a team.
_____	_____	Our discussion was cordial and well balanced (not Dominated by just a few members).
_____	_____	We confined our discussion to agenda items only.
_____	_____	Our agenda included positive issues as well as problems.
_____	_____	We discussed policy issues rather than day-to-day management issues.
_____	_____	We followed parliamentary rules and consulted legal or professional counsel when needed.
_____	_____	The president or chairperson controlled and guided the meeting.
_____	_____	We dealt successfully with controversial items and attempted to develop solutions acceptable to all members.
_____	_____	Everyone contributed to the meeting.
_____	_____	All members were prepared to discuss material that was sent to them in advance.
_____	_____	Reports were clear, well prepared and provided adequate information for decision making.
_____	_____	Printed materials given to us were easy to understand and use.
_____	_____	Our meeting room was comfortable and conducive to discussion and decision making.
_____	_____	All members were in attendance and on-time - - and the meeting began and concluded on time.
_____	_____	For committees and ad hoc groups: There was adequate reason for us to meet.
My best suggestion for improving our next meeting is...		

Source: MGT of America, 2004.

BOARD TRAINING

RESC boards of directors are not required to be involved in board development or other related forms of training, although such training is required of school districts' school board members.

Many RESC board members do attend state meetings and other sessions that involve district school boards and executive staff from the RESCs. These meetings provide valuable information and serve to permit important networking among participants. However, in most cases these meetings are not structured training sessions.

Interviews with various RESC board members, examination of meeting minutes, and discussions with RESC staff showed that there is inconsistency among board members regarding how they might most effectively fulfill their roles. While RESC board members articulate a clear understanding of their roles, generally all updating information and matters relating to programs and services are obtained through regular meetings. No required process is in place to ensure that all board members are kept current on important education and RESC statewide issues.

The unusual nature of the responsibilities of RESC boards in promoting the support system of essential services to individual school

districts suggests that training requirements should be consistent with developing an effective understanding of the RESC system. Additionally, while many board members are elected and have a rich background in education, many are from unrelated fields and professions (e.g., funeral directors, realtors, retired business persons, housewives, managers in the private sector, private sector executives, physicians). Furthermore, some are appointed to represent charter schools and may have limited knowledge of various Texas requirements.

Texas law requires that district school board members participate in three levels of training. This training is primarily provided by RESC personnel (typically the executive directors and field service agents) but the Texas Association of School Boards also provides training.

As Recommendations 3-1 through 3-3 and 3-6 are implemented, each RESC board of directors should become more actively engaged in setting policy and other board functions. The development and implementing of training tailored to RESC board functions becomes an established need and represents a best practice for any board of control.

The Commissioner of Education should issue a Commissioner’s Rule that requires RESC board of directors training similar to school district board training.

A core curriculum that includes the Texas Code, Commissioner’s rules, updates on state and federal legislation and rules, board roles and functions, RESC statewide and regional strategic planning, education standards, budget and finance, and other contemporary issues should be developed and offered to RESC board members.

Once training requirements are established, a schedule for providing training should be adopted and implemented. Where feasible, training should occur concurrently with district school board training and in close proximity to the RESC area.

The cost of the training cannot be estimated until the content, frequency, location, and schedules are determined. However, costs would include travel expenses, materials preparation, and possible costs for personnel to conduct training sessions.

EXECUTIVE DIRECTORS’ EVALUATION

The instruments used by RESC board of directors and the Commissioner of Education to evaluate the RESC executive directors are inadequate.

Board policy BJCD from the TASB prototype policy manual provides that boards are to complete an assessment of the executive director’s performance, generally by the February meeting or meeting closest to that month. In addition, §8.103 of the TEC requires the Commissioner to conduct an annual evaluation of each executive director and RESC. The evaluation is to include an audit of the center’s finances, a review of the center’s performance on certain indicators, a review of client satisfaction with services, and a review of any other factor the Commissioner deems appropriate.

A review of various RESC board assessment instruments shows some significant variation from RESC to RESC. For example, the RESC 12 instrument lacks the detail of other RESC executive directors’ evaluation instruments. The evaluation instrument does not require any documentation and has only 15 non-specific, non-ranking statements in which the board member is instructed to “check if the executive director is meeting expectations.”

RESC 3’s instrument is divided into three domains: Managerial, Delivery of Services, and Individual and Professional Competencies. Each domain contains three criteria and indicators for each criterion. The board members “x” out those that do not apply and circle each indicator that meets expectations. Comments can be entered by each indicator and at the end of the instrument. No provision is made for “board as the whole” to report—only individual evaluations.

In contrast, RESC 2 has a much more thorough executive director instrument as shown in **Exhibit 3-8**. RESC 2's evaluation instrument includes more detail in 10 specific criteria areas.

The executive director is also assessed by the Commissioner of Education with a letter sent to the board of directors regarding employment. The assessment conducted by the Commissioner includes a review of a self-assessment report in a TEA standardized format with contents on standards provided by the executive director along with established RESC goals. The Commissioner's correspondence also provides approval for continued employment, consistent with Chapter 8.000 provisions, and guidelines for setting the executive director's compensation. MGT asked for the Commissioner's review documents and criteria, and was told that there were no formal documents.

The board processes are subjective. The TEA evaluation reflects self-assessment based on AEIS data assessment and could be called objective on this criterion. The TEA assessment, however, does not involve a detailed examination of the executive directors' leadership and executive abilities.

Generally accepted best practices in the performance review process include relating assessment to predetermined measurable goals and objectives, and a clear relationship between written and understood responsibilities (the job description) and the assessment instrument and related processes.

The Commissioner of Education should standardize the board evaluations of the RESC executive director and ensure that these evaluations include detailed criteria.

A comprehensive assessment of the executive director's performance is a necessary component of accountability. These assessments should be related to defined RESC and TEA goals. Key implementation steps should include a review of other RESC evaluation instruments and those used in other

states as a means to identifying important evaluation instrument dimensions that could be incorporated into the process.

The evaluation instrument and process should, minimally, include the following:

- establishment of specific goals and objectives for each RESC that are related to the RESC and TEA strategic plans and immediate- and long-term initiatives;
- board evaluation of performance rather than individual member's assessments;
- ongoing assessment in that they are initiated each year by establishment of annual goals and objectives and periodic attainment checks, both formative and summative;
- a relationship between the assessment required by the Commissioner of Education and that conducted by the board of directors; and
- a process for the periodic review and updating of the instrument.

EXECUTIVE DIRECTOR JOB DESCRIPTIONS

Job descriptions for RESC executive directors vary considerably.

Texas Code Chapter 8.003, Governance, provides in Section (e) that "RESC boards of directors shall adopt such policies to ensure the sound management and operation of the center consistent with law." Chapter 8.004, executive director, provides that the "board of directors shall employ the executive director." The law does not address job descriptions for executive directors nor does it assign the responsibility to the Commissioner of Education. It is general practice for boards of educational organizations to have prepared and to adopt job descriptions for each classification of employee – in effect creating a policy (Chapter C of this report, *Human Resource Management*, addresses the issue of job description status in general).

**Exhibit 3-8
RESC 2 Executive Director’s Annual Performance Evaluation**

Executive Director’s Name _____

The Executive Director of Education Service Center (ESC), Region 2 will be evaluated annually on the following items. In order to provide additional information regarding the performance being rated, a list of examples of activities is located under each item. Examples of documentation evidence are provided. On the scale to the right of each item, circle one of the four numbers to indicate your assessment of the Executive Director’s performance. Space is provided on the fourth page for additional comments and/or recommendations.

1. Works effectively with the ESC-2 Board of Directors:

- Keeps the Board informed about ongoing operations of the ESC
- Provides periodic reports regarding ESC activities
- Provides annual evaluation of ESC by regional superintendents
- Provides reports (annual audit, budget/amendments, investments etc.) to board in a timely manner
- Supports the performance of the Board in its role
- Reports to the Board on activities and accomplishments of the Center at Board meetings
- Responds to requests from Board members in a professional and timely manner
- Provides monthly highlights of executive director’s activities

Improvement Needed	Fair	Good	Excellent
1	2	3	4

(Documentation evidence: Board meeting agendas; Board briefs, email, telephone, written communications, and ESC publications)

2. Performs all duties and functions as required by the ESC-2 Board of Directors:

- Responds to directions/suggestions/recommendations
- Keeps the Board informed concerning areas where policy should be developed
- Brings policy proposals to the Board for review and approval
- Provides the Board with information about professional development opportunities

Improvement Needed	Fair	Good	Excellent
1	2	3	4

(Documentation evidence: Board meeting agendas/ minutes, Board policies, administrative procedures, email and written communications)

3. Develops and implements procedures and practices for all facets of the ESC’s operation:

- Develops, implements, and maintains an organizational design to facilitate the effective operation of the ESC
- Develops, implements, and maintains administrative structures, guidelines, and procedures to facilitate the effective and efficient operation of the ESC

Improvement Needed	Fair	Good	Excellent
1	2	3	4

(Documentation evidence: Strategic Plan (Vision 2005); Annual Regional Improvement Plan; and ESC 2 organizational chart)

4. Establishes priorities for the most efficient use of available resources:

- Operates programs/services based on the Vision 2005 Strategic Plan, the Regional Improvement Plan and resultant action plans (e.g., goals, activities, timelines etc.)
- Empowers center directors to establish goals for departmental functions
- Facilitates associate input into program practices and implementation

Improvement Needed	Fair	Good	Excellent
1	2	3	4

(Documentation evidence: Vision 2005 Strategic Plan; Regional Improvement Plan; Program Action Plans; Reporting and Planning (RAP) meeting agendas; general staff meeting agendas; Cabinet meeting minutes)

**Exhibit 3-8 (continued)
RESC 2 Executive Director’s Annual Performance Evaluation**

5. Designs and implements systems for measuring the effectiveness of the ESC and for making improvements based on acquired information:

Improvement Needed	Fair	Good	Excellent
1	2	3	4

- Plans and conducts a regionwide evaluation/needs assessment
- Conducts an ongoing evaluation of ESC programs and services
- Utilizes regional advisory committees, stakeholder and contact groups
- Utilizes external surveys and audits (e.g., annual customer satisfaction survey, TEA desk audit, program audits,

(Documentation evidence: Annual regional survey; contact groups and advisory group meetings and stakeholder meetings; external reports from the Texas Education Agency (TEA) and other sources)

6. Administers Personnel Management System according to board policy, state/federal law, and other legal requirements:

Improvement Needed	Fair	Good	Excellent
1	2	3	4

- Maintains an active recruitment process ensuring equal opportunities for employment
- Makes staff assignments to fulfill program needs and appropriately serve ESC member schools
- Attracts, retains and terminates staff which ensures an efficient and effective ESC operation in meeting district needs
- Maintains personnel files according to Board Policy

(Documentation evidence: Human Resources (HR) records, Board agenda items/minutes; advertising in newspaper and ESC-2 HR Web site; internal and external written communications)

7. Manages the financial resources of the ESC to support its programmatic goals:

Improvement Needed	Fair	Good	Excellent
1	2	3	4

- Secures funding from federal, state, and local sources
- Develops an annual budget to allocate the available financial resources
- Utilizes fund balance to meet the most critical needs of the ESC
- Conducts budget reviews/analyses with appropriate staff to determine the needs for budget amendments
- Submits applications for funds in a timely manner
- Recommends to the Board a compensation plan to maintain competitive salaries and benefits
- Maintains adequate documentation of financial records

(Documentation evidence: SAS Application to the TEA; competitive grants; annual budgets; contracted services, salary market analysis reports, investment reports, board agenda/minutes)

8. Works effectively with regional school districts:

Improvement Needed	Fair	Good	Excellent
1	2	3	4

- Keeps regional school districts informed about ESC programs and services
- Meets the instructional and non-instructional needs of the client districts/campuses
- Works with local district personnel in providing up-to-date information as appropriate

(Documentation evidence: ESC publications; email and written communications; ESC 2 Web site, regional advisory committees and contact groups, and regional meetings)

Exhibit 3-8 (continued)
RESC 2 Executive Director’s Annual Performance Evaluation

9. Works effectively with regional and state agencies:

- Participates with Texas Education Agency staff to promote the general welfare of Region 2 schools and of the ESC
•Cooperates with other ESCs to promote the interests and functions of the ESC system
•Maintains and promotes effective relationships and partnerships with local universities, school districts, charter schools, private schools, and non-education entities

Table with 4 columns: Improvement Needed, Fair, Good, Excellent. Row 1: 1, 2, 3, 4

(Documentation evidence: Agendas/minutes of regional and statewide meetings; quarterly report of executive director activities; contracted services arrangements; annual self-assessment report; Regional Improvement Plan; Strategic Plan for the System of ESCs)

10. Provides effective leadership for the ESC and local districts

- Stays abreast of federal and state laws and policies affecting education
•Serves in an advisory capacity to local school districts
•Works with the Regional Advisory Committee (RAC) of Superintendents
•Serves as a liaison between personnel of the district, region, and state

Table with 4 columns: Improvement Needed, Fair, Good, Excellent. Row 1: 1, 2, 3, 4

(Documentation evidence: Record of professional development; attendance of state/regional meetings; agendas/minutes of RAC meetings; and onsite school district visits)

Overall Evaluation (Please circle one)

Improvement Needed Fair Good Excellent

Comments: _____

Recommendations: _____

Signature _____

Date _____

Source: RESC 2 Executive Director’s office, July 2004.

In RESC 1 and other RESCs, the executive director's job description is made up of a series of bullets and provides broad direction. By comparison, the job description for RESC 8 is a full page of bulleted items that are very specific and, in some cases, would be considered as measurable outcomes. In RESC 3 and 6, job evaluations for employees (other than the executive director) are tied to the job description. It is clear to MGT consultants that, overall, executive directors have very similar job responsibilities while having the broadest of latitude in determining how to effectively carry out their responsibilities.

When job descriptions and performance evaluation criteria are not aligned, questions can arise regarding the veracity of the employee's performance appraisal. This in turn can invalidate the entire assessment process, and related personnel actions based upon the results become questionable.

Effective practices dictate that up-to-date job descriptions should be maintained and, further, support the criteria used in assessing employee performance.

RESCs should develop a standardized job description for RESC executive directors and correlate it to the performance assessment instrument criteria.

The development of a standardized job description should contribute information useful in structuring a systematic and effective performance review instrument. Additionally, a complete job description should be helpful in providing essential information to new board of director members as a means of orienting them to the executive director's specific and range of responsibilities. Typically, effective job descriptions contain common elements (see Chapter C, *Human Resource Management* for a sample).

These best practice elements usually include:

- job goal;
- qualifications and educational requirements;

- special skills desired;
- essential job responsibilities (those for which the individual is fully prepared to fulfill competently upon assuming the position);
- other job responsibilities;
- physical requirements; and
- other desired information, including performance assessment and compensation.

The job description should be developed by a task group of RESC executive directors with input from the Commissioner's office and final review by representatives of the RESC boards. The entire process could be handled via existing technology without incurring travel expenses. Once developed, the job description should be provided to each RESC board of directors for their review and adoption.

HOLDING BOARDS ACCOUNTABLE

No system is in place to hold each RESC board of directors directly accountable for the centers' organizational performance.

Nonetheless, there was no evidence that the RESCs were not meeting their organizational obligations as established by Texas law and rules, and the demands of clients. However, MGT consultants believe that the executive director really carries the weight of accountability and that there is no effective mechanism in place to create a shared responsibility with or assigned to the board of directors.

The Texas Commissioner's evaluation of the executive director, her ability to approve executive directors' continued employment, and controls over limited available fiscal resources remove responsibilities from boards.

Boards of directors for companies and other organizations are usually held responsible by those they represent for the overall good health and fiscal stability. This is the simple explanation for their existence.

RESCs should create a means for holding an RESC’s board of directors accountable for the organization’s performance and the meeting of the board’s statutory obligations.

A task force assembled by the Commissioner of Education and composed of representative of RESC executive directors, boards of directors, client superintendents, and TEA should be formed. Membership should be weighted towards RESC representatives. The task force should work with the assistance of a trained professional facilitator(s) experienced in dealing with politically sensitive issues.

The implementation of this recommendation should result in giving more meaning to serving on the RESC board since board member responsibilities would take on a new meaning. By accomplishing this but remaining with the current board member selection system, the board system should be strengthened. This strengthening should contribute to building a more effective means for securing adequate financial support in the long term.

This recommendation can be implemented at no cost to the RESCs, TEA, or the state other than for travel expenses and the possible use of professional facilitators to expedite the task force work process. MGT cannot project the amount of facilitator time that could be involved. However, competent facilitators could cost in the range of from \$900 to \$2,000 per day plus expenses. It would be reasonable to expect facilitators to charge an additional day’s stipend for each day’s work as compensation for preparations. Consequently, a client could expect to pay from \$1,800 to \$4,000 per day for services rendered plus expenses.

GOVERNANCE STRUCTURE

Although considerable discussion has been conducted regarding the issues relating to the status of RESCs and their relationship to TEA, there has been no discussion regarding the legal status related to regulating versus providing services. Chapter 8.054 of TEC, Prohibition on Regulatory Function, is clear

on the issue – RESCs may not perform a regulatory function regarding a school district. However, an issue exists as to whether an RESC is in fact an entity like a school district, or is simply an agency of state government—specifically, TEA.

In light of the statutory requirements and the realities of RESC responsibilities to clients, the model of an agency that receives TEA support is warranted.

Chapter 8.003, Governance, Section (e), assigns the powers of policy development and approval to the RESC board of directors. However, Chapter 8.004 places the selection and appointment of the executive director in the hands of the board of directors subject to the approval of the Commissioner of Education.

A careful review of survey information provided by client superintendents (see **Exhibit 3-2**) clearly indicates that they expect RESC responsiveness to member school district needs. It is this expectation that is the driving force behind the customer orientation of the centers. MGT consultants interviewed school superintendents, RESC directors and personnel in other states to determine if common denominators of center success were evident. In every instance the success of the equivalent organization (cooperatives, consortiums, etc.) was adjudged to be based on the customer or client orientation rather than the organization’s direct affiliation. In other words, the ability to act independently to respond to assessed client needs was critical to effectiveness.

RESCs should maintain the current legislated governance structure of the RESCs and their system of operation. MGT consultants were unable to identify any major flaws in the governance structure of the Texas RESCs. A number of organizational and governance related matters have been discussed and recommended but overall the current system is effective and the preponderance of data and testimony supports the contention that Texas RESCs are appropriately organized,

responsibly managed, and positioned to meet the needs of their client school districts and schools, providing the necessary resources are made available.

TEA COLLABORATION IN RESC PLANNING

The statewide RESC strategic plan process does not adequately involve TEA to ensure an alignment with Texas Commissioner and TEA initiatives that may be assigned the RESCs.

As was noted in a previous part of this chapter the RESCs of Texas have developed a draft *Texas System of Education Centers 2004-2007 Strategic Plan*. The executive summary of the strategic plan reports five essential goals and related objectives. **Exhibit 3-6** displays these goals and objectives. In the introductory section of the executive summary, specific note of the legislated Chapter 8.002 requirements is made. This does include a reference to implementation of Commissioner of Education-assigned initiatives. However, the report does not cite TEA as a participant in the strategic planning processes.

Interviews with RESC executive directors reveal that draft copies of the strategic plan at each stage of development were sent to TEA for review and feedback. One statement provided by an RESC representative indicated that the Commissioner originally appointed a deputy to work with the RESCs but that individual only attended the first planning session. In any event, no formal TEA representation was included on the primary group charged with developing the plan.

FISCAL IMPACT

N/A

RESCs should involve TEA as an active participant in the continuing development of the *Texas System of Education Centers 2004-2007 Strategic Plan* and related updating activity.

Full involvement of TEA with RESC representatives in the continuing development and updating of the *Texas System of Education Centers 2004-2007 Strategic Plan* is critical. This involvement should serve several primary purposes including the following:

- providing RESCs a formalized medium for gaining information related to TEA planned initiatives, therefore serving as an “institutionalized” heads up;
- establishing a forum for clarifying for TEA the potential impact, politically and fiscally, of considered initiatives;
- ensuring that important TEA initiatives are incorporated into the strategic processes that are being established to continue to develop the RESC system; and
- improving the efficiency of the overall RESC system strategic planning processes.

TEA should be officially represented in the process inasmuch as the statewide RESC strategic plan should reflect state (TEA) goals. It is clearly the Legislature’s intent that RESCs play a key role in TEA’s support of local school districts and charter schools.

CHAPTER 4:
FINANCIAL CONDITION AND
FUNDING ADEQUACY

CHAPTER 4**FINANCIAL CONDITION AND FUNDING ADEQUACY**

This chapter presents the finding and recommendations for the overall financial management system and for funding adequacy for the regional education service centers in the following sections:

- budgeting
- accounting
- funding adequacy

RESCs are required to manage financial operations in conformity with the regulations and requirements of the Texas Education Agency's *Financial Accountability System Resource Guide* and to report their data to the Public Education Information Management System (PEIMS). Each RESC receives state funding for the provision of core services to school districts.

By law, the Commissioner of Education distributes state and federal funds to each RESC for basic costs of providing the core services according to an annual allotment set by the Commissioner based on:

- the minimum amount of money necessary for the operation of a center;
- an additional amount of money that reflects the size and number of campuses served by the center under §8.051 of the Texas Education Code (TEC); and
- an additional amount that reflects the impact of the geographic size of a center's service area on the cost of providing services under §8.051.

RESCs can use these funds for the provision of core services or for payment of necessary administrative and operational expenses of the center related to the provision of those services. Each RESC must maintain accounting records showing how state funds are being used, and report through PEIMS.

In addition to these funds for core services, the Legislature may appropriate funds from the Foundation School Fund (FSF) to establish an incentive fund to encourage efficiency in the provision of services by the system of RESCs. Incentive funding may be appropriated if the Commissioner provides a plan to the Legislature showing that RESCs are providing the services required by law, that economies of scale are being measured, and that there is a method for documenting and computing efficiencies.

The Legislature also may appropriate funds to the RESCs for state initiatives. These funds are for specific strategies, programs, projects, and regions as determined by the Commissioner. In addition, funds may be appropriated for grants for developing and implementing innovative regional strategies or programs, or emergency grants for providing services to small and isolated school districts.

Each RESC has identified a fiscal officer who controls the collection, disbursement, and accounting for federal, state, and local funds. The executive directors for each center are closely involved in the annual budgeting process. Most centers have detailed policies and procedures, as well as internal controls to process efficiently the center's daily business transactions and to provide complete and timely information to the administration and the board of directors to facilitate decision making. All basic financial responsibilities for the regional center, with the exception of internal auditing and budget management, occur within the center's business office. The services provided by the business offices include:

- budget;
- financial accounting and reporting;
- payroll;
- accounts receivable;
- accounts payable;
- cash management; and
- fixed asset management.

Most business offices are organized by function and use the Regional Service Center Computer Cooperative (RSCCC) financial system developed by RESC 20 in San Antonio. (The RSCCC system also has a student administrative system.) This system is utilized by most of the school districts in the state and is designed to meet specific requirements mandated by the state.

The Regional Education Service Centers have access to a combination of financial resources from state, federal, and local sources to provide services within each region. **Exhibit 4-1** provides information on the programs funded by state, federal, and/or local sources. Some programs are funded by all three major sources of revenue while others receive funding from only one of the major sources.

**Exhibit 4-1
Funding Sources for Programs/Services Offered by the RESCs**

Program	Federal	State	Local
Accreditation Assistance		X	
Administrator Training/Leadership Academies			X
Adult Education	X	X	
Adult Workforce Development			X
Alternative Certification			X
Advanced Academic Services		X	
Bilingual/ESL Consortia			X
Bus Driver Training			X
Career & Technology Education	X		
Certification Assistance		X	
Charter School Evaluation	X		
Child Nutrition	X		
Community, Higher Education, School Partnership	X		
Cooperatives	X		X
Core Services and Center Operations		X	
Criminal Background Checks			X
Curriculum and Instructional Support		X	X
District Effectiveness/Compliance Assistance		X	
Distance Learning			X
Driver Education			X
Early Childhood Intervention	X		
ESEA Title I, School Support	X		
ESEA Title I, Migrant	X		
ESEA Title II, Eisenhower Math/Science	X		
ESEA Title IV, Safe & Drug Free Schools	X		
ESEA Title VI, Texas Reading Initiative	X		
ESEA Title VII, Bilingual Education/English as a Second Language	X		
ESEA Title XX, TANF	X		
Field Service Agents		X	
GEAR-UP	X		
Governor's Reading Initiative		X	
Head Start	X		
IDEA-B Preschool Programs	X		
IDEA-B Special Education Programs	X		
Information Services			X
Information/Data Services			X
Instructional Leadership Development			X
Instructional Services			X

Exhibit 4-1 (continued)
Funding Sources for Programs/Services Offered by the RESCs

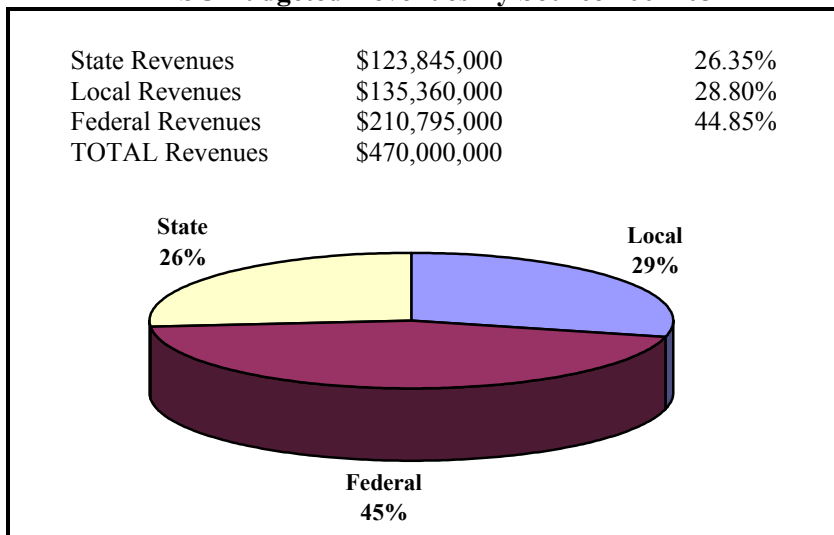
Program	Federal	State	Local
Learn and Serve America	X		
McKinney-Vento Education of Homeless Children and Youth	X		
Media Services		X	
New Teacher Mentoring (TXBESS)		X	
PEIMS Support		X	
Principal Assessment			X
Professional Staff Development		X	X
Regional Day School for Deaf		X	
School Business Operations		X	
School Improvement Initiatives	X	X	
School Board Training			X
School Counseling Services			X
School Library Cooperatives			X
School Nurses Cooperative			X
Special Education		X	X
Teacher Reading Academies		X	
Teacher Recruitment & Retention		X	
Technology Preview Centers		X	
Technology Services	X	X	
Texas Library Connection		X	
Texas Pathfinders (formerly Mentor Schools)		X	
Visually Impaired Services		X	

Source: TEA Web site, 2004.

For the 2002–03 school year, the centers budgeted revenues totaled more than \$470 million. Federal revenues are the largest element of RESC revenues representing nearly

45 percent of total projected revenues for 2002–03. **Exhibit 4-2** provides information on the sources of revenue for 2002–03.

Exhibit 4-2
RESC Budgeted Revenues By Source 2002–03



Source: FY 2003 ESC Annual Data Collection by TEA.

The total revenues available to each of the RESCs varied from \$5.3 million in Region 15 located in San Angelo to over \$67.3 million budgeted in Region 10 in Richardson. Regions 4, 10, and 11 have the largest number of students that comprised 46.5 percent of total students in the state, but received only 29.8 percent of total revenue. Similarly, the three smallest regions (9, 14, and 15) have only 3.5 percent of the state’s total students, but received over seven percent of total revenues. Seven centers received the greatest portion of revenues from federal sources, 11 from fees paid by local school districts, and two centers received the greatest portion from state sources. For 14 centers, state revenues are the smallest source of funding.

As is shown in Exhibits 4-3, 4-4, and 4-5, during 2003–04 state revenues were the smallest source of funds statewide for RESCs. There was a significant reduction in the total

amount of state funds between 2002-03 and 2003-04, dropping from \$123.8 million, or 26.4 percent of RESC budgets, to \$60.9 million or 13.3 percent of RESC budgets. Reductions in funding occurred in both base funding and in discretionary or grant funding to the RESCs. State revenues as a share of total funding varied significantly, from 28.8 percent for RESC 15 to a low of 4.4 percent for Region 10. The seven-fold difference in state funding resulted from a change to the core funding formula to place heavy emphasis on services to small/rural school districts. Similarly, local revenues as a share of total funding varied from a high of 68.9 percent for RESC 4 to a low of 8.8 percent for Region 19. Region 19 also received 84.1 percent of revenues from the federal government, because the RESC operates very large Head Start programs. In contrast, Region 4 received only 21.7 percent of total revenues from the federal government.

**Exhibit 4-3
RESC Revenues and Expenditures by Source
Budgeted 2003–04**

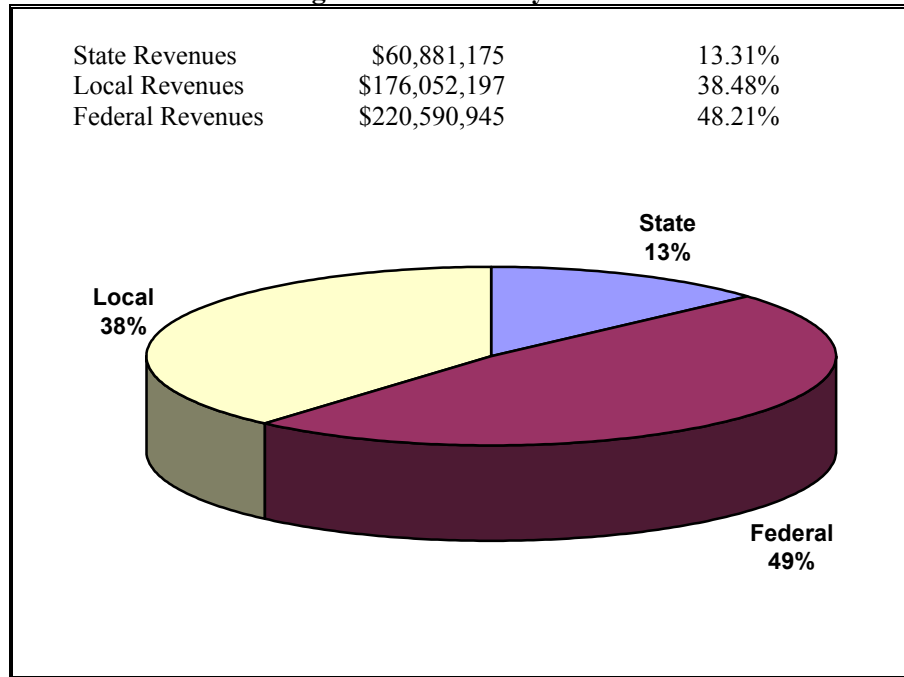
RESC	Federal Revenue	State Revenue	Local Revenue	Total Revenue	Total Expenditures	Fund Balance Used to offset deficit*	Flow Through Dollars**
1	\$10,211,957	\$4,208,724	\$16,161,338	\$30,582,019	\$30,783,369	X	\$5,446,873
2	5,984,478	1,463,037	6,092,567	13,540,082	14,923,141	X	859,506
3	3,791,949	2,027,104	2,651,919	8,470,972	8,549,450	X	46,853
4	9,305,870	4,040,836	29,522,337	42,869,043	43,895,227	X	2,078,055
5	2,849,812	1,712,605	6,468,136	11,030,553	11,261,199	X	129,473
6	6,364,048	2,431,509	7,043,108	15,838,665	15,791,082		1,494,758
7	15,972,473	2,220,067	6,005,722	24,198,262	24,198,262		4,432,231
8	5,948,865	4,400,664	6,987,332	17,336,861	18,695,479	X	791,356
9	6,604,269	1,895,194	2,185,322	10,684,785	10,684,785		3,240,772
10	32,179,117	2,721,281	26,386,364	61,286,762	62,983,249	X	15,855,950
11	7,069,781	2,924,914	10,276,775	20,271,470	20,224,366		1,101,130
12	4,331,669	1,319,343	7,080,699	12,731,711	6,801,116		492,306
13	7,957,594	7,696,230	13,276,146	28,929,970	31,005,801	X	3,192,292
14	13,445,417	3,723,884	3,846,743	21,016,044	20,680,345		4,910,633
15	4,595,006	3,389,990	3,772,194	11,757,190	12,242,696	X	370,539
16	14,488,720	2,405,815	4,496,809	21,391,344	21,183,788		4,233,851
17	3,258,186	2,068,673	5,086,852	10,413,711	10,651,457	X	168,086
18	4,026,366	2,010,021	4,554,941	10,591,328	11,185,931	X	223,111
19	40,386,671	3,418,625	4,215,724	48,021,020	48,021,020		576,694
20	21,818,697	4,802,659	9,941,169	36,562,525	40,274,697	X	3,692,163
System	\$220,590,945	\$60,881,175	\$176,052,197	\$457,524,317	\$464,036,460		\$53,336,632

Source: Chief Financial Officer or Business Manager – Regional Education Service Centers, April 2004.

*These RESCs used part or all of fund balance to offset the deficits when budgets were cut mid-year 2003-04.

**Flow through dollars are federal and other funds that flow through the centers but do not belong to them.

**Exhibit 4-4
RES C Budgeted Revenues By Source 2003–04**



Source: Chief Financial Officer or Business Manager – RESCs, April, 2004.

**Exhibit 4-5
Budgeted RES C Revenues by Source as a Percent of Total Revenues
2003-04**

RES C	Federal Revenue	State Revenue	Local Revenue
1	33.39%	13.76%	52.85%
2	44.20%	10.81%	45.00%
3	44.76%	23.93%	31.31%
4	21.71%	9.43%	68.87%
5	25.84%	15.53%	58.64%
6	40.18%	15.35%	44.47%
7	66.01%	9.17%	24.82%
8	34.31%	25.38%	40.30%
9	61.81%	17.74%	20.45%
10	52.51%	4.44%	43.05%
11	34.88%	14.43%	50.70%
12	34.02%	10.36%	55.61%
13	27.51%	26.60%	45.89%
14	63.98%	17.72%	18.30%
15	39.08%	28.83%	32.08%
16	67.73%	11.25%	21.02%
17	31.29%	19.86%	48.85%
18	38.02%	18.98%	43.01%
19	84.10%	7.12%	8.78%
20	59.68%	13.14%	27.19%
System	48.21%	13.31%	38.48%

Source: Chief Financial Officer or Business Manager – Regional Education Service Centers, April 2004.

In addition, there were significant shifts among RESCs in the base funding for core services between 2002–03 and 2003–04, as is shown in **Exhibit 4-6**. Total base state funds were reduced from \$33.6 million to \$21.8 million, and funds were shifted from large service centers to small centers. Funds per student varied from a low of \$1.59 per student in Region 10 to a high of \$29.50 per student in Region 15; the state average was \$5.11 per

student. Economies of scale do not explain this significant difference in funding per student. The shift in state base funding was caused by a change in TEA’s interpretation of the legislative intent in §8.121 on base funding to include geographic size and sparsity. This shift in funding required the RESCs to modify the services that were provided to school districts.

**Exhibit 4-6
RESC Annual Base Funding
2002–03 and 2003–04**

RESC	2002–03 Base	2003–04 Base	Difference	Percent Difference	Amount Per Student
1	\$2,062,889	\$887,854	(\$1,175,035)	(57.0%)	\$2.69
2	1,209,412	992,861	(216,551)	(17.9%)	9.25
3	1,014,648	1,091,832	77,184	7.6%	19.78
4	4,690,339	993,189	(3,697,150)	(78.8%)	1.07
5	1,072,962	895,449	(177,513)	(16.5%)	10.48
6	1,331,256	1,002,687	(328,569)	(24.7%)	7.00
7	1,454,297	1,114,900	(339,397)	(23.3%)	6.96
8	968,351	1,020,950	52,599	5.4%	18.21
9	977,507	1,187,009	209,502	21.4%	29.13
10	3,449,302	1,014,509	(2,434,793)	(70.6%)	1.59
11	2,615,710	966,278	(1,649,432)	(63.1%)	2.16
12	1,344,190	1,124,278	(219,912)	(16.4%)	8.06
13	1,982,409	958,987	(1,023,422)	(51.6%)	3.31
14	1,013,631	1,206,774	193,143	19.1%	26.27
15	1,173,485	1,482,225	308,740	26.3%	29.50
16	1,200,405	1,356,250	155,845	13.0%	17.44
17	1,161,846	1,241,818	79,972	6.9%	15.71
18	1,274,446	1,411,276	136,830	10.7%	18.43
19	1,373,714	820,011	(553,703)	(40.3%)	5.01
20	2,203,567	980,863	(1,222,704)	(55.5%)	2.84
State Total	\$33,574,366	\$21,750,000	(\$11,824,366)	(35.2%)	\$5.11

Source: TEA Department of RESC/Higher Education Services.

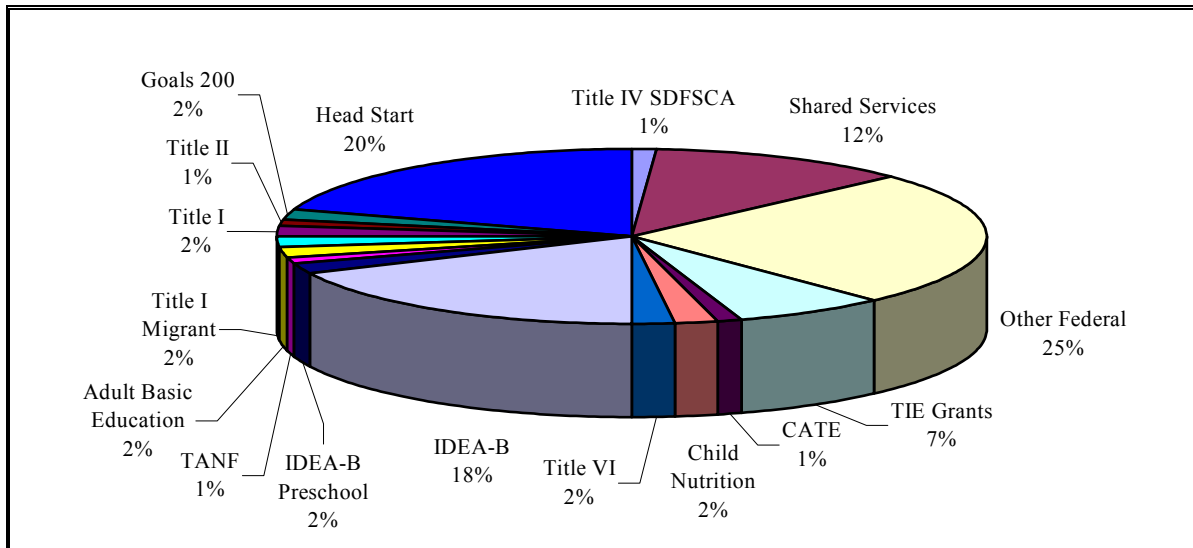
Federal revenues received by the RESCs represent federal discretionary and formula categorical funds, which flow through TEA to the RESCs either through an earned or competitive process. Although classified as discretionary funds, federal revenues (such as Individuals with Disabilities Education Act (IDEA) and Elementary and Secondary Education Act (ESEA) funds) also flow on a formula basis. Federal revenues also include

direct federal grants (e.g., Head Start) and categorical funding that flows from other state agencies (e.g., Early Childhood Intervention). In addition to federal education funds, RESCs have been increasingly called upon by entities such as the Texas Workforce Commission to manage funds for its regional workforce boards and related projects.

For 2002–03, the projected amount of budgeted federal revenues was approximately \$210.8 million, comprising 44.9 percent of total revenues. In comparison, FY 2001 audited federal revenues provided \$193.5 million or 43.9 percent of total FY 2001 revenues for the RESCs. Among the categories of federal revenues is “other federal revenues,” which comprises 25 percent of total

federal revenues. Among the many funds comprising that designation are the McKinney-Vento Education for Homeless Children and Youth; Learn and Serve America; ESEA Title I Even Start; ESEA Title VII Bilingual/ESL; and the Child Care Development Block Grant. The FY 2001 actual federal revenues for the RESCs are shown in **Exhibit 4-7**.

Exhibit 4-7
Federal Revenues Received by the RESCs
2000-01



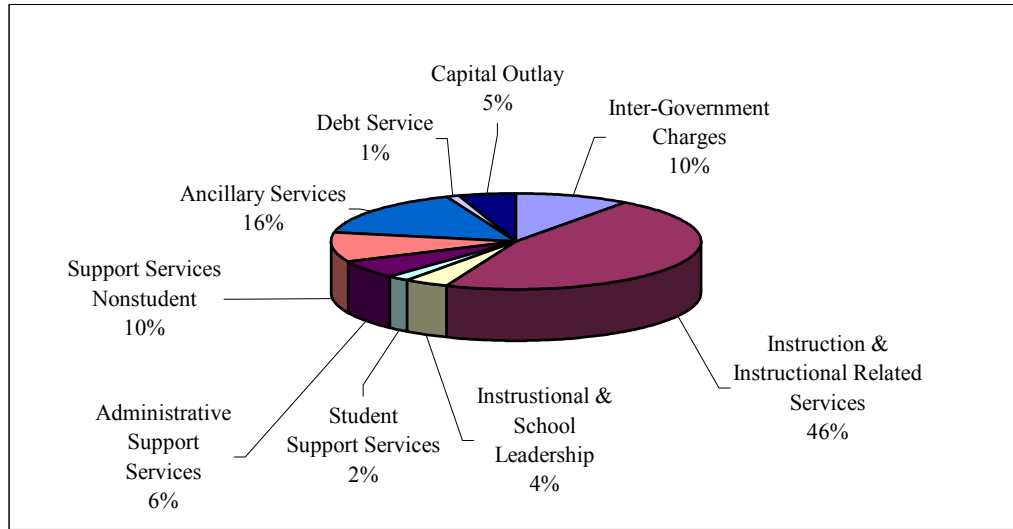
Source: 2000–01 RESC Annual Financial Audits by TEA.

The RESCs have no taxing authority. Participation by school districts in center programs is strictly voluntary. As a result, RESCs must customize and market their services to school districts, charter schools, and private schools as well as outside individuals and entities to generate additional or local revenue. Local revenues are generated in three ways: fees-for-service, fees generated from sources such as the sale of products, and revenues from other local sources, including the internal service fund and from other public and private entities. For 2003–04, the projected amount of budgeted local revenue was \$176.1 million, or 38.5 percent of total revenue.

RESCs budget and account for funds within the accounting system delineated in the Texas

Education Agency's *Financial Accountability System Resource Guide*. The agency's accounting system uses multilevel accounting, including accounting by fund, function, and expenditure code. Because the RESCs are organized to accomplish a service mission that is different from school districts, the costs associated with various functions vary from that of school districts. In the area of shared services arrangements, the RESCs frequently serve as fiscal agents for a large number of school districts to increase the buying power of certain school districts. For example, all RESCs operate and/or subscribe to various types of purchasing cooperatives. These purchasing cooperatives guarantee member districts greater purchasing power through the economies of scale. Expenditures by function are shown in **Exhibit 4-8**.

Exhibit 4-8
RESC Expenditures by Function
2000-01

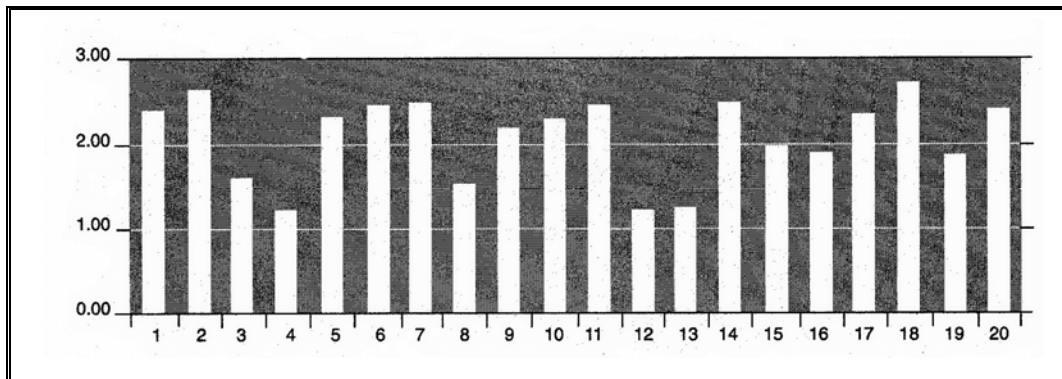


Source: 2000-01 RESC Annual Financial Audits, by TEA.

Fund balances of 20 percent of the prior year's expenditures in the general fund represent approximately 2.5 months of operating expenses. Centers with greater than 2.5 months of reserves are subject to reduction in core services and center operations funding. In 1998-99, the Texas Education Agency and the RESCs began a reconsideration of the method used to calculate fund balances. At that time, the approved method of determining the unreserved, undesignated fund balance in the general fund was to subtract all obligations and reserves from total expenditures in **all** funds and compare the result to the balance in

the general fund. If those general fund balances were less than 20 percent of the total expenditures for a given year, then the RESC was found to be in compliance. That method of calculation has been modified to compare only expenditures less obligations and reserves in the general fund, **not all funds**. The result has been an across the board reduction in the undesignated, unreserved fund balance at each of the RESCs. **Exhibit 4-9** displays the average months of undesignated fund balances for each of the RESCs in 2000-01.

Exhibit 4-9
Months of Undesignated Fund Balances for each RESC
2000-01



Source: 2000-01 RESC Annual Financial Audits, by TEA.

Each RESC has maintained a fund balance, as is prudent fiscal management. Balances in the general fund represent accumulated revenues that have exceeded expenditures. Unreserved, undesignated fund balance amounts for each year are calculated from center independent audit reports for the respective year by subtracting approved obligations and reserves from ending fund balances.

Exhibit 4-10 displays information on the funding of service centers in nine comparison states. Michigan’s service centers had the greatest revenues totaling \$1.2 billion while service centers in Kentucky had only \$4.1 million of revenues. Service centers in Kentucky and Michigan did not receive federal revenues.

Budgeting

The Government Finance Officers Association (GFOA) and seven other state and local government associations created the National Advisory Council on State and Local Budgeting (NACSLB) in 1995 and charged it with developing a set of recommended practices in the area of state and local budgeting. The Council concluded its work in December 1997.

The GFOA endorsed the work of the NACSLB, including the NACSLB’s definition, mission, and key characteristics of the budget process as follows:

- Definition of the Budget Process – The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.

- Mission of the Budget Process – To help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.
- Key characteristics of the budget process include:
 - incorporates a long-term perspective;
 - establishes linkages to broad organizational goals;
 - focuses budget decisions on results and outcomes;
 - involves and promotes effective communication with stakeholders; and
 - provides incentives to government management and employees.

The NACSLB also states:

“The key characteristics of good budgeting make it clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget process moves beyond the traditional concept of line item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.”

NACSLB states that the mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.

**Exhibit 4-10
Comparisons to RESCs in Other States**

Measure	Texas (1)	Iowa (2)	Kentucky(3)	Michigan (4)	Minnesota(5)	New Mexico(6)	New York(7)	Ohio (8)	Washington(9)
	RESCs	AEA	RSC	ISDs	Service Cooperative	Regional Educ Cooperative	BOCES	OREDs	ESDs
Number of Regional Centers	20	15	8	57	9 Service Coops; 4 Solution Ctrs	9	38	60 ESEs	9
Finance:									
How funded?	2002–03, Fed 28.8%; State 26.35%; Local 44.85% of total budget at \$470,000,000	federal, state and local property taxes; no taxing authority; total for 2003–04 budget was \$139,179,640	Prior Year budget of total RSCs \$4,118,000	2002–03 total funding was \$367,758,915 state; \$870,126,045 local (no federal mentioned)	Member fees; federal grants	2002–03 funding for all REC was \$21,901,822	They are funded with the monies that would have been provided to the school districts that they serve. 2002-2003 total sw expenditures were \$2,045,594,284	Fed, State, Local majority being Local 2003 tot exp \$206.7 million	In 2001–02, approximately 220 million in revenue was allocated to ESDs. Federal at 37%; State at 20%; Local at 5%;1 and Other Revenue at 37% Note: Most State Funding passes through Local School Districts and passed onto ESCs as fees for services
Sources of funding	Fed, State, Local	Fed, State, Local	Fed, State, Local	Fed, State, Local	District Schools; Fed Grants;	Fed 82%; State 6%; Local 12%	Fed, State (no Local)	Fed, State, Local	Fed, State, Local and Other Revenue
Own buildings?	Varies	Lease to Purchase option only for buying; else leasing	Either DOE bldgs or leased	Y	Varies - only 1 owns and the remainder Lease	Varies	Varies	Varies/ Some bldgs provided by Counties which was required until 2000 so many are leasing from the counties or bought a bldg and leasing the county space	Varies/Leases have maximum 20 year term
Grant funds?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Audit function?	Y	Y	n/a	Y	N	N	Y	Y	Y
Asset and Risk Management:									
Cash management??	Y	Y	N	Y	Y	Data Not Available	Y	Y	Y
Bond issuance for districts?	Y	Y	N	Y	N	Data Not Available	N	N	N
Insurance purchasing for districts?	Y	Y	N	Y	Y	Data Not Available	N	Y	Y

Source: MGT, June 2004.

In addition to the GFOA guidelines, the Texas Education Agency provides this budget process overview:

“The budgeting process is comprised of three major phases: planning, preparation and evaluation. The budgetary process begins with sound planning. Planning defines the goals and objectives of campuses and the school district and develops programs to attain those goals and objectives. Once these programs and plans have been established, budgetary resource allocations are made to support them. Budgetary resource allocations are the preparation phase of budgeting. The allocations cannot be made, however, until plans and programs have been established.

Finally, the budget is evaluated for its effectiveness in attaining goals and objectives. Evaluation typically involves an examination of: how funds were expended, what outcomes resulted from the expenditure of funds, and to what degree these outcomes achieved the objectives stated during the planning phase. This evaluation phase is important in determining the following year's budgetary allocations. In summary, budget preparation is not a one-time exercise to determine how a school district will allocate funds. Rather, school district budget preparation is part of a continuous cycle of planning and evaluation to achieve district goals.

Accounting

In the area of accounting, the GFOA made these guiding statements for public entities, which would include the RESCs:

“The GFOA reaffirms its strong support for governmental financial reporting based upon GAAP and annual independent

audits of financial statements. State and local government finance officials and others in the public finance community have an obligation to strive for improved governmental financial reporting based upon GAAP and improved governmental auditing based upon GAAS or GAGAS. To meet this obligation, GFOA recommends that:

1. Governmental entities maintain accounting systems that enable the preparation of financial statements presented in conformity with GAAP.
2. State governments enact legislation requiring that local government accounting systems be maintained so as to enable the preparation of financial statements presented in conformity with GAAP.
3. All governmental entities prepare and publish a comprehensive annual financial report.
4. The financial statements of governmental entities be prepared in conformity with GAAP.
5. State governments enact legislation requiring local governments to prepare financial statements in conformity with GAAP.
6. Governmental entities obtain an annual independent audit of their financial statements performed in accordance with GAAS or GAGAS.
7. State governments enact legislation requiring local governments to obtain a annual independent audit of their financial statements performed in accordance with GAAS or GAGAS.”

ACCOMPLISHMENTS

- RESCs continued to provide quality services to districts during 2003–04 despite significant reductions in state funding.

FINDINGS

- Regional Education Service Centers make program and service decisions and allocate scarce resources to programs and services via the budget process but formal budget documents fail to provide information regarding the financial impact of these decisions.
- Presently, the fiscal year for a RESC can either be from September 1 to August 30 or from July 1 to June 30. Some centers use one fiscal year while other centers use another. To complicate things further, some member school districts have different fiscal years than their center. This option creates unnecessary confusion. Differences in the fiscal years have different organizations working on budgets and annual reports at different times.
- For most RESCs, the annual financial report does not meet the standards of the Association of School Business Officials (ASBO).
- There is considerable variance in the indirect cost rates being charged by the different service centers.
- Common funding and account codes are not used by all RESCs when compiling their Financial Reports.
- Many RESCs have been using the same audit firm for multiple years without seeking proposals. Although the current audit firms are qualified to perform the audit, it is considered a good management practice to seek proposals from audit firms on a periodic basis.
- Funds appropriated for the purposes of competitive grants to RESCs under §8.124 of the TEC are being awarded to institutions of higher education instead of RESCs. During 2003–04,

the total discretionary grant awards made to RESCs was \$31.0 million, \$41.3 million or 57 percent less than was awarded during 2002–03.

- The formula funding for core services results in an inequitable distribution to RESCs.
- The 2003-04 base funding for the RESCs was not adequate to provide funding for core services and services to improve performance, as directed under §8.051 of the TEC.

RECOMMENDATIONS

- **Recommendation 4-1: Develop budget documents in each center that are consistent with the recommended practices of the National Advisory Council on State and Local Budgeting (NACSLB).** RESCs should prepare budget documents which include the following information, at a minimum:
 - long-term perspective;
 - linkages to broad organizational goals;
 - focus on results and outcomes;
 - involvement and effective communication with stakeholders; and
 - incentives to management and employees.

The GFOA Web site contains a section entitled *Best Practices in Public Budgeting*. This Web site, <http://www.gfoa.org/services/nacslb>, contains extensive information on the best practices in governmental budgeting and provides access to numerous examples of how these best practices have been used by other governmental entities. Most examples are for cities or counties, thus, some may not be relevant to the RESCs; however, the key is to understand the concept of how public budgeting should be presented and then to adapt the concept to the needs of each center.

TEA also provides extensive information on budgeting practices to include descriptions of different types of budgets. This information can be located by accessing <http://www.tea.state.tx.us/school.finance/audit/resguide10/budget/>.

- **Recommendation 4-2: The Legislature should amend Texas Education Code §44.0011 so all RESCs and their member districts have the same fiscal year. As of September 2004, 89 school districts have a fiscal year beginning July 1.** Having each RESC and their member districts using the same fiscal year will simplify the timing of fiscal reporting and make comparative analysis easier. Because of legislative and TEA functions, a September 1 – August 31 fiscal year would be easier to implement and maintain.
- **Recommendation 4-3: Prepare future annual financial reports in a manner consistent with the guidelines that would qualify the report to earn the Certificate of Achievement for Excellence in Financial Reporting.** Information regarding the preparation of a CAFR, to include copies of the checklist used to review the financial reports can be obtained from GFOA by e-mailing a request to CAFRProgram@gfoa.org. The Region 4 Regional Education Center as well as the Highland Park Independent School District, a district in Region 16, have both received a Certificate of Achievement for Excellence in Financial Reporting from GFOA and copies of these reports will provide a basis for the format to be used.

The achievement of the certificate is less important than the preparation of a Comprehensive Annual Financial Report that will more effectively communicate the financial position of

the center and relate the financial results with the original budget document.

- **Recommendation 4-4: Re-assess the accuracy of the indirect cost ratios after conducting workshops for RESC business managers.** By conducting workshops that review the processes involved in the calculations of indirect cost ratios, the center business managers will have a better understanding of how variances occur. In addition, they may identify incorrect processes they use in their own calculations. Once completed, TEA should publish the updated indirect cost ratios. With updated training and new calculations, the confidence in the updated indirect cost ratios will improve.

The workshop training should be held in conjunction with other regularly scheduled TEA finance training. This training could probably utilize the compressed video system linking the centers.

- **Recommendation 4-5: Develop common *Funding and Account Codes* to be used in RESC Financial Reports.** The committee appointed to complete a survey to determine the different *Funding and Account Codes* that are being used by each of the service centers should proceed. Data that may have been accumulated in past studies should be utilized as well as any additional needed data. Representatives from each RESC and TEA should be involved in the study. Information for review should be exchanged electronically to minimize expenses.

A common set of *Funding and Account Codes* should be developed for each RESC in the state to use when making financial reports. All the RESCs in the state should use the

agreed upon *Funding and Account Codes*. Implementation of this recommendation should result in a more efficient and effective data collection and financial reporting program.

- **Recommendation 4-6: Develop a Request for Proposals (RFP) process for audit services upon completion of the audit of the August 2004 financial records.** A Request for Proposals (RFP) for Audit Services should include the following:
 - identify the scope of the audit;
 - require that the financial statements will conform to the independence standard promulgated in the General Accounting Office’s *Government Auditing standards*;
 - include a reference to the desire to have an auditing firm that is familiar with the preparation of Comprehensive Financial Reports (CAFRs) for governmental entities;
 - the proposal should seek a multiyear agreement of at least five years
 - the process should include the requirement for at least three references from other governmental clients of the firm;
 - price for the audit services should not be the primary consideration in the selection of the audit firm;
 - the process should be structured so that the principal factor in the selection process will be to select the firm deemed to be capable of providing the highest quality audit services;
 - a proposal should be sought from the existing audit firm; and
 - the process should be completed by January 2005 to provide adequate time for firm selected to become familiar with the activities of the RESC.

- **Recommendation 4-7: The Legislature should require the Commissioner of Education to allocate the competitive grant funds intended only for RESC funding to RESCs.** Funds appropriated for purposes of competitive grants under Sections 8.123 and 8.124 were intended only for RESC funding. Allocation of the funds to the universities instead of RESCs is not consistent with the TEC. Training programs also are components of the core services defined in Section 8.051, and transfer of the programs and related funding to colleges and universities is inconsistent with the requirements for RESCs to provide these programs.
- **Recommendation 4-8: The Legislature should direct the Commissioner of Education to develop a new funding formula that distributes base funding to RESCs in an equitable manner.** The Commissioner should appoint a work group comprised of TEA education finance staff and RESC finance staff to develop an equitable base funding formula that distributes resources consistent with §8.121 of the TEC. §8.121 provides that the allocation should be based on the minimum amount of money necessary for the operation of a center; an additional amount of money that reflects the size and number of campuses served by the center under §8.051; and an additional amount that reflects the impact of the geographic size of a center’s service area on the cost of providing services under §8.051.
- **Recommendation 4-9: The Legislature should allocate an adequate amount to provide all core services as defined in TEC §8.051.** Allocation of an adequate amount to cover core services will ensure that RESCs can provide these essential

services to meet the needs of school districts, and to improve student performance.

The Legislature would need to determine if these funds were to be allocated from the FSF, be a combination of increased user fees as well as additional appropriations, whether the core services should be redefined, or if the number of service centers should be reduced. Assuming that the RESC system continues in its current configuration, the full \$35.2 million would be required

DETAILED ACCOMPLISHMENTS

QUALITY SERVICES WITH BUDGET REDUCTIONS

Despite significant reductions in state funding for 2003–04, each RESC prepared budgets that were balanced.

This represented a significant challenge, especially as RESCs were committed to continuing to provide quality services to districts, and because functions were transferred from TEA to the RESCs. The 35 percent reduction in base funding to the RESCs, coupled with significant reductions in grants, presented special challenges.

Every RESC except Regions 7, 9, 11, 12, 14, 16, and 19 was forced to use fund balances to “balance” the budget. Region 12 was in the fortunate position of being able to budget a \$5.9 million addition to fund balances.

Accomplishment: RESCs continued to provide quality services to districts during 2003–04 despite significant reductions in state funding.

DETAILED FINDINGS

BUDGET DOCUMENTS

Regional Education Service Centers make program and service decisions and allocate scarce resources to programs and services via the budget process but formal budget

documents fail to provide information regarding the financial impact of these decisions.

The National Advisory Council on State and Local Budgeting (NACSLB) states that the mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process. The process used by a number of centers fails to provide decision makers with the necessary information to make informed choices, nor does it provide a clear picture of the activities of the Region.

RESC should develop budget documents in each center that are consistent with the recommended practices of the NACSLB.

RESCs should prepare budget documents which include the following information, at a minimum:

- long-term perspective;
- linkages to broad organizational goals;
- focus on results and outcomes;
- involvement and effective communication with stakeholders; and
- incentives to management and employees.

The GFOA Web site contains a section entitled *Best Practices in Public Budgeting*. This Web site, <http://www.gfoa.org/services/nacslb>, contains extensive information on the best practices in governmental budgeting and provides access to numerous examples of how these best practices have been used by other governmental entities. Most examples are for cities or counties, thus, some may not be relevant to the RESCs; however, the key is to understand the concept of how public budgeting should be presented and then to adapt the concept to the needs of each center.

TEA also provides extensive information on budgeting practices to include descriptions of different types of budgets. This information can be located by accessing <http://www.tea.state.tx.us/school.finance/audit/resguide10/budget/>.

This recommendation can be implemented with existing resources, and will result in more effective budgeting and planning.

COMMON FISCAL CALENDAR

Presently, the fiscal year for a RESC can either be from September 1 to August 30 or from July 1 to June 30. Some centers use one fiscal year while other centers use another. To complicate things further, some member school districts have different fiscal years than their center. This option creates unnecessary confusion. Differences in the fiscal years have different organizations working on budgets and annual reports at different times.

RESCs should work with TEA to seek a change in the law so all RESCs and their member districts have the same fiscal year.

Having each RESC and their member districts using the same fiscal year will simplify the timing of fiscal reporting and make comparative analysis easier. Because of legislative and TEA functions, a September 1 – August 31 fiscal year would be easier to implement and maintain.

This recommendation can be implemented with existing resources, and will improve comparative analyses of RESC revenues and expenditures.

ASBO STANDARDS

For most RESCs, the annual financial report does not meet the standards of the Association of School Business Officials (ASBO).

For each center, the annual financial report is prepared by the district's auditors. This report includes the auditor's opinion letter and all of the necessary financial statements, footnote disclosures and other disclosures, to comply with current governmental accounting

principles as promulgated by the Governmental Accounting Standards Board (GASB). Also, the annual financial report includes reports required by the federal government relating to the Single Audit Act which mandates an independent financial and compliance audit of federal financial assistance programs. This report provides a picture of the overall financial position of the center, but it lacks additional information that could be used to more effectively communicate how the financial activity for the fiscal year has impacted each center's programs and services.

GFOA and the Association of School Business Officials (ASBO) provide recommended standards for Comprehensive Annual Financial Reports (CAFR). A governmental entity that meets these standards will receive a "Certificate of Achievement for Excellence in Financial Reporting." To receive this type of reporting recognition, a center must publish an easily readable and efficiently organized comprehensive annual financial report.

The Annual Financial Report is the final event in the annual planning and budgeting process as the organization completes the cycle and lays the foundation for the next budget process.

The requirements for an easily readable and efficiently organized comprehensive annual report include:

- **Introductory Section** - This section includes a letter from the chief financial officer that summarizes the fiscal operations and the strategic plan of the district, an organization overview, and clearly indicates the Comprehensive Annual Financial Report is a report of the management of the RESC and that the management of the RESC is responsible for its preparation.
- **Financial Section** – This section includes:

- The Independent Auditors’ Report;
 - Management’s Discussion and Analysis;
 - Government-Wide Financial Statements;
 - Fund Financial Statements;
 - Summary of Significant Accounting Policies;
 - Notes to the General Purpose Financial Statements; and
 - Combining and Individual Fund Information and Other Supplementary Information.
- **Statistical Section** – This section includes selected financial and demographic information generally presented on a multi-year basis.

The overall intent of the CAFR should be to provide financial reports that demonstrate both fiscal and operational accountability. Region 4 has been awarded the “Certificate of Achievement for Excellence in Financial Reporting” and is a best practice model for the other RESCs.

Each RESC should prepare its future annual financial reports in a manner consistent with the guidelines that would qualify the report to earn the Certificate of Achievement for Excellence in Financial Reporting.

Information regarding the preparation of a CAFR, to include copies of the checklist used to review the financial reports can be obtained from GFOA by e-mailing a request to *CAFRProgram@gfoa.org*. The Region 4 Regional Education Center as well as the Highland Park Independent School District, a district in Region 16, have both received a Certificate of Achievement for Excellence in Financial Reporting from GFOA and copies of these reports will provide a basis for the format to be used.

The achievement of the certificate is less important than the preparation of a

Comprehensive Annual Financial Report that will more effectively communicate the financial position of the center and relate the financial results with the original budget document.

The fee to seek a Certificate of Achievement for Excellence in Financial Reporting is \$500. For 20 RESCs, the fee would be \$10,000 (\$500 times 20).

INDIRECT COST RATIOS

There is considerable variance in the indirect cost rates being charged by the different service centers. **Exhibit 4-11** displays the indirect cost rates for each RESC, as reported by TEA and as reported by the RESCs. The federal government requires that certain federal grants have a restriction that the indirect cost rate may not exceed 8 percent.

The highest indirect cost rate is 10.189 percent and the lowest is 2.807 percent. Although there are some economies of scale associated with the larger RESCs, this is still a significant variance. TEA reports that there is a consistent method of calculating the ICR, but the basis for the calculation for indirect costs is unclear to fiscal managers in some centers. The variance creates a situation where there are questions about whether the calculations for indirect costs are being done in an accurate, systematic, and equitable manner by the TEA.

TEA should re-assess the accuracy of the indirect cost ratios after conducting workshops for RESC business managers.

By conducting workshops that review the processes involved in the calculations of indirect cost ratios, the center business managers will have a better understanding of how variances occur. In addition, they may identify incorrect processes they use in their own calculations. Once completed, TEA should publish the updated indirect cost ratios. With updated training and new calculations, the confidence in the updated indirect cost ratios will improve.

**Exhibit 4-11
RESC Indirect Cost Rates
2003-04**

RESC	Indirect Cost Rate from TEA	RESC Reported Indirect Cost Rate
1	3.931%	3.931%
2	6.788%	6.788%
3	5.946%	5.946%
4	10.189%	10.189%
5	5.361%	4.5796%
6	4.920%	4.920%
7	2.807%	2.807%
8	9.952%	8.000%
9	6.586%	6.586%
10	5.888%	5.888%
11	7.621%	7.621%
12	4.990%	4.990%
13	6.435%	6.435%
14	3.968%	3.968%
15	5.024%	5.024%
16	6.002%	6.002%
17	7.340%	7.340%
18	6.287%	6.287%
19	3.011%	3.011%
20	5.836%	5.836%

Source: TEA Memo of June 3, 2003, and Each RESC.

The workshop training should be held in conjunction with other regularly scheduled TEA finance training. This training could probably utilize the compressed video system linking the centers.

This recommendation can be implemented with existing resources, assuming that the workshops can be conducted in conjunction with other regularly scheduled finance workshops.

FUNDING AND ACCOUNT CODES

Common funding and account codes are not used by all RESCs when compiling their financial reports.

There is discussion among the executive directors and with the TEA representatives regarding developing a common set of codes to be used by the RESCs when making their financial reports but no action has been taken related to this need. A committee was

appointed to address the issue, but the committee has not met.

This results in comparisons of non-comparable data. Consequently, it is extremely difficult to assess organizational outcomes for the RESCs. Education organizations in states such Florida, Michigan, and others have standardized or common funding and account codes that permit easy understanding of account activity.

RESCs, in collaboration with TEA, should develop common *Funding and Account Codes* to be used in RESC Financial Reports.

The committee appointed to complete a survey to determine the different *Funding and Account Codes* that are being used by each of the service centers should proceed. Data that may have been accumulated in past studies should be utilized as well as any additional needed data. Representatives from each RESC and TEA should be involved in the study.

Information for review should be exchanged electronically to minimize expenses.

A common set of *Funding and Account Codes* should be developed for each RESC in the state to use when preparing financial reports. All the RESCs in the state should use the agreed upon *Funding and Account Codes*. Implementation of this recommendation should result in a more efficient and effective data collection and financial reporting program.

The financial impact of this recommendation could be minimal and limited to the production and distribution of user manuals. The cost of such manuals cannot be estimated until the final codes determination is made.

AUDIT FIRMS

Many RESCs have been using the same audit firm for multiple years without seeking proposals. Although the current audit firms are qualified to perform the audit, it is considered a good management practice to seek proposals from audit firms on a periodic basis.

GFOA identified recommended practices for the procurement of audit services in 1996 and subsequently updated this information in 2002. GFOA recommends entering into multiyear agreements of at least five years duration, but that after the expiration of a contract agreement, the governmental entity should initiate a Request for Proposal process for auditor selection. Often in the case of governmental audits, there may not be an adequate number of qualified auditors in certain locations. If this is the case, it is still recommended that the process be initiated and that an effort be made to actively seek the participation of all qualified firms, to include the current auditors.

Each RESC should develop a Request for Proposals (RFP) process for audit services upon completion of the audit of the August 2004 financial records.

A Request for Proposals (RFP) for Audit Services should include the following:

- identify the scope of the audit;
- require that the financial statements will conform to the independence standard promulgated in the General Accounting Office's *Government Auditing standards*;
- include a reference to the desire to have an auditing firm that is familiar with the preparation of Comprehensive Financial Reports (CAFRs) for governmental entities;
- the proposal should seek a multiyear agreement of at least five years;
- the process should include the requirement for at least three references from other governmental clients of the firm;
- price for the audit services should not be the primary consideration in the selection of the audit firm;
- the process should be structured so that the principal factor in the selection process will be to select the firm deemed to be capable of providing the highest quality audit services;
- a proposal should be sought from the existing audit firm; and
- the process should be completed by January 2005 to provide adequate time for firm selected to become familiar with the activities of the RESC.

ALLOCATION OF FUNDS

Funds appropriated for the purposes of competitive grants to RESCs under §8.124 of the TEC are being awarded to institutions of higher education instead of RESCs. During 2003–04, the total discretionary grant awards made to RESCs was \$31.0 million, \$41.3

million or 57 percent less than was awarded during 2002–03. **Exhibit 4-12** displays the discretionary grants awarded to the RESCs from 1999-2000 to 2003–04.

TEA personnel indicated that grants were now being made to universities to provide training programs for teachers, evaluation under *Reading First* programs, and other programs that have been provided by the RESCs. These programs are now duplicated at the universities. §8.124 does not provide for these funds to be granted to universities.

The Commissioner of Education should allocate §8.123 and §8.124 funds only to RESCs. Funds appropriated for purposes of competitive grants under Sections 8.123 and 8.124 were intended only for RESC funding. Allocation of the funds to the universities instead of RESCs is not consistent with the TEC. Training programs also are components of the core services defined in Section 8.051, and transfer of the programs and related funding to colleges and universities is

inconsistent with the requirements for RESCs to provide these programs.

The RESCs would conservatively gain \$20 million annually, about one-half of the \$41.3 million decrease experienced from 2002-03 to 2003-04, when funds are allocated as intended for 2005-06. The conservative estimate allows for the possibility of less discretionary funding being available for distribution. No gain is included for 2004-05 since funds have already been allocated. The allocation of funds to the RESCs has no fiscal impact on the total allocated by TEA, but increases the funding for services at the RESCs that currently are being provided by universities. This is a more efficient use of the resources, since the universities had to develop programs, hire personnel, and make the programs available to school districts.

Exhibit 4-12
Discretionary Grants to RESCs
1999–2000 to 2003–04

RESC	2000–01	2001–02	2002–03	2003–04
1	\$3,649,287	\$3,908,965	\$10,504,591	\$2,135,794
2	1,816,896	1,820,290	1,322,094	1,244,372
3	916,482	1,135,090	773,147	1,249,924
4	20,943,689	15,434,241	6,529,657	2,361,487
5	1,031,058	1,329,039	829,635	1,133,092
6	2,370,018	2,859,055	1,801,648	1,675,121
7	1,974,710	2,510,087	2,123,390	1,438,602
8	857,816	1,433,787	1,097,809	1,199,716
9	878,147	1,002,683	760,549	1,394,448
10	6,084,711	16,708,892	3,975,068	1,767,315
11	5,791,856	5,401,676	3,296,303	1,515,216
12	5,504,523	6,268,827	2,902,151	1,426,588
13	10,406,376	14,176,840	9,522,477	1,881,656
14	3,245,687	1,028,115	1,180,072	1,355,167
15	1,108,053	1,233,331	824,351	1,651,376
16	1,079,986	1,648,334	1,002,265	1,622,389
17	1,279,491	1,834,435	1,208,470	1,624,886
18	1,149,274	1,535,496	935,748	1,574,617
19	1,333,251	2,293,397	1,298,751	1,084,659
20	16,416,369	20,543,211	20,398,734	1,698,967
State Total	\$87,837,680	\$104,105,791	\$72,286,910	\$31,035,392

Source: TEA Grants File, June 2, 2004.

DISTRIBUTION FORMULA

The distribution formula for the funding for core services results in an inequitable distribution to RESCs.

§8.051 of the Texas Education Code (TEC), Core Services and Services to Improve Performance, provides that “each regional education service center shall use funds distributed to the center under Section 8.121 to develop, maintain, and deliver services identified under this section to improve student and school district performance.” Each RESC must annually develop and submit to the Commissioner a plan for improvement for services the center provides to campuses identified as low-performing, to the lowest-performing campuses in the region, and to other campuses. Each RESC shall provide services that enable school districts to operate more efficiently and economically. Each RESC shall maintain core services for purchase by school districts and campuses.

Core services are:

- training and assistance in teaching each subject area assessed under TAKS;
- training and assistance in providing each program that qualifies for special allotments, including special education, compensatory education, bilingual education, and gifted and talented;
- assistance specifically designed for a school district rated academically unacceptable or a campus whose performance is considered unacceptable;
- training and assistance to teachers, administrators, members of district boards of trustees, and members of site-based decision-making committees;
- assistance specifically designed for a school district that is considered out of compliance with state or federal special education requirements, based on the agency’s most recent

- compliance review of the district’s special education programs; and
- assistance in complying with state laws and rules.

The RESC executive directors appointed a committee to operationalize the provision of core services, and included the definitions in the *Statewide RESC 2004-2007 Strategic Plan*. **Exhibit 4-13** displays the current definition in that plan, as well as the relationship between core services and state base funding.

Core services also are defined in the TEA annual report as “training and technical assistance in teaching reading, mathematics, writing, English, social studies, science, special education, compensatory education, bilingual education, gifted and talented education, and special assistance for school districts or campuses rated unacceptable.”

As was shown in **Exhibit 4-6**, total base state funds were reduced from \$33.6 million in 2002-03 to \$21.8 million in 2003-04, and funds were shifted from large service centers to small centers. Funds per student varied from a low of \$1.07 per student in Region 4 to a high of \$29.50 per student in Region 15; the state average was \$5.11 per student.

In its Foundation School Program (FSP), which is the Texas general state aid funding formula, Texas has factors that distribute additional revenues to small school districts and to school districts in rural areas of the State. These factors are called the small school adjustments and the sparsity adjustments. In 2002-03, 887 school districts received additional state aid because of these adjustments. The funding formula adjusts for these factors to provide equitable funding to small and sparsely-populated districts in recognition of the extra costs of operating districts which cannot take advantage of economies of scale.

Exhibit 4-14 displays the 2003-04 total base funding for each RESC, the number of students in each RESC, the amount of funding per student, the number of districts in each region, the base funding per district, the

**Exhibit 4-13
RESC Definition of Core Services and
Relationship between Core Services and State Base Funding**

<p>Use of RESC State Base Funding</p>	<p>State Base funding as determined by the combination of the Base Amount in addition to the Geographic Funding will be used by each RESC to provide core services to the extent that funding allows. Several options and or combination of options exist as to how the base State Base Funding can be used to support core services. A base level of support for each area of core services would be established at each RESC, but would be identical from one RESC to the next, due to variances in funding levels, demographics and regional needs:</p> <ul style="list-style-type: none"> • RESCs establish a set of common funding codes in order to provide an audit trail that accurately tracks the expenditure of State Base funding in support of the identified core services. • On an annual basis, each RESC determines a percentage or percentage range of State Base funding that will be allocated and expended in support of the various categories of core services subject to the approval of TEA.
<p>Definition of Core Services</p>	<p>Student Achievement—Provide training and updates related to TEKS, TAKS, and AEIS. Offer call-in and walk-in technical assistance to district and campus personnel related to TEKS, TAKS, and AEIS indicators and reports. Support for low-performance and accountability may include, but is not limited to, the following activities:</p> <ul style="list-style-type: none"> • overviews of Texas Essential Knowledge and Skills (TEKS) objectives for various grade levels and subject areas; • facilitating the sharing of information between districts and schools through administrator, subject area, and grade level update and information sharing sessions; • pre-administration training on Texas Assessment of Knowledge and Skills (TAKS); • training related to the interpretation of Academic Excellence indicator System (AEIS) criteria and reports; and • call-in and walk-in assistance related to TEKS, TAKS, and AEIS. <p>Technical Assistance Related to Changes in TEC, TAC, and other State and Federal Guidelines—Provide the training and overview sessions as well as call-in and walk-in assistance related to orienting district staff to changes in the Texas Education Code, Texas Administrative Code, as well as other pertinent state and federal regulations including Texas Open Meetings Act, Texas Open Records Act, and No Child Left Behind (NCLB). Support for changes in TEC, TAC, and other state and federal rules and guidelines may include but is not limited to the following activities:</p> <ul style="list-style-type: none"> • law and rule update sessions targeted toward appropriate school personnel as determined by the nature of the changes; • call-in and walk-in assistance with clarification of TEC, TAC, and other state and federal guidelines to the extent of RESC expertise; • field services support; and • hosting and facilitation of regional meetings for various administrator and teacher groups. <p>Assistance to Districts/Campuses Designated as Low Performing and Assistance with State and Federal Accountability Systems—Provide ongoing support and assistance for campuses and districts designated as low performing according to either state or federal accountability systems. Support for low-performance and accountability may include but is not limited to the following activities:</p> <ul style="list-style-type: none"> • assistance interpreting agency reports; • assistance with intervention planning; • on-site assistance preparing for agency visits related to low performing status; • overviews in training related to state and federal accountability systems and changes in accountability systems; • overviews and assistance related to site-based decisionmaking and planning; • call-in/walk-in technical assistance related to accountability system(s); and • on-site assistance in preparation for agency accountability visits. <p>Public Education Information Management System (PEIMS) and State Emergency Notification System (SENS). Support for PEIMS and SENS—may include but is not limited to the following sample activities:</p> <ul style="list-style-type: none"> • training on data standards; • update overviews on data standards; • call-in and walk-in assistance with interpretation of data standards; and • technical assistance in preparation for agency accountability visits.
<p>Center Operations</p>	<p>Use of base funding to assist with the payment of “necessary administrative and operational expenses of the center related to the provision and core services (t.e.c. §8.121).” Individual RESCs may use no more than thirty-percent (RESC self-imposed limitation after base funding cut in 2003-04) of total base funding (base amount plus geographic adjustment plus small school adjustment) in support of center operations.</p>

Source: Texas RESC's 2004–07 Draft Strategic Plan.

**Exhibit 4-14
RESC Base Funding Per Student and Per District**

RESC	2003–04 Base	Number of Students	Amount Per Student	Number of Districts*	Amount Per District	Number of Small/Rural Districts	Amount Per Small/Rural District
1	\$887,854	328,518	\$2.69	38	\$23,365	20	\$44,393
2	992,861	106,986	9.25	49	\$20,262	40	\$24,822
3	1,091,832	54,982	19.78	40	\$27,296	38	\$28,732
4	993,189	924,052	1.07	54	\$18,392	24	\$41,383
5	895,449	84,875	10.48	30	\$29,848	26	\$34,440
6	1,002,687	142,153	7.00	56	\$17,905	50	\$20,054
7	1,114,900	159,855	6.96	104	\$10,720	90	\$12,388
8	1,020,950	55,911	18.21	48	\$21,270	48	\$21,270
9	1,187,009	40,289	29.13	40	\$29,675	39	\$30,436
10	1,014,509	635,621	1.59	81	\$12,525	63	\$16,103
11	966,278	446,247	2.16	78	\$12,388	60	\$16,105
12	1,124,278	138,152	8.06	78	\$14,414	72	\$15,615
13	958,987	288,335	3.31	59	\$16,254	40	\$23,975
14	1,206,774	45,834	26.27	43	\$28,065	42	\$28,733
15	1,482,225	49,286	29.50	43	\$34,470	41	\$36,152
16	1,356,250	77,449	17.44	63	\$21,528	62	\$21,875
17	1,241,818	78,236	15.71	58	\$21,411	56	\$22,175
18	1,411,276	76,139	18.43	38	\$37,139	29	\$48,665
19	820,011	163,170	5.01	12	\$68,334	8	\$102,501
20	980,863	343,821	2.84	50	\$19,617	39	\$25,150
State Total	\$21,750,000	4,239,911	\$5.11	1,062	\$20,480	887	\$24,521

Source: TEA Department of RESC/Higher Education Services.

* 30 Charter schools are included in the count.

number of small/rural districts in each region, and the base funding per small/rural district. As was true related to base funding per student, base funding per district varied from a low of \$10,720 in Region 7 to a high of \$68,334 in Region 19. The state average funding per district was \$20,480. Similarly, base funding per small/rural district varied from a low of \$12,388 in Region 7 to a high of \$102,501 in Region 19. The state average base funding per small/rural district was \$24,521.

In the education finance arena, to determine if funding is distributed in an equitable manner, economists and education finance experts use a number of statistical measures of disparity to determine equity of the funding mechanism. Three of the simplest measures are the range, the restricted range, and the federal range ratio. The range is simply the difference between the highest and the lowest

observations in a distribution. The smaller the value of the range, the smaller the variation and the better the equity. The formula for the range is: Highest – Lowest. The restricted range is defined as the difference between the observations at the 95th and 5th percentiles of the distribution. The restricted range is useful because it eliminates “outliers.” The formula for the restricted range is: value at 95th percentile – value at 5th percentile. The federal range ratio was originally designed as a federal test to measure whether states met federal wealth neutrality guidelines in distributing federal funds. The federal range ratio is the restricted range divided by the observation at the 5th percentile. The formula for the federal range ratio is (value at 95th percentile – value at 5th percentile) divided by value at 5th percentile. The smaller the value of the federal range ratio, the less variation or inequity in the distribution.

Exhibit 4-15 displays the range, the restricted range, and the federal range ratios for 2003-04 base funding to RESCs as measured by base funding per student in average daily attendance (ADA), base funding per school district, and base funding per small/rural district. On all three measures of equity for all three methods, the base funding for the RESCs is not equitable.

The Commissioner of Education should develop a new funding formula that distributes base funding to RESCs in an equitable manner. The Commissioner should appoint a work group comprised of TEA education finance staff and RESC finance staff to develop an equitable base funding formula that

distributes resources consistent with §8.121 of the TEC. §8.121 provides that the allocation should be based on the minimum amount of money necessary for the operation of a center; an additional amount of money that reflects the size and number of campuses served by the center under §8.051; and an additional amount that reflects the impact of the geographic size of a center’s service area on the cost of providing services under §8.051.

This recommendation can be implemented within existing resources. The re-constituted funding formula does not require that additional revenues be distributed, but will result in a redistribution of the appropriated amount.

**Exhibit 4-15
Measures of the Equity of 2003-04 Base Funding to RESCs**

Method of Measuring Equity	Range	Restricted Range	Federal Range Ratio
Base per pupil	\$28.43	\$27.54	\$17.32
Base per district	\$57,614.06	\$24,613.84	\$1.97
Base per small/rural district	\$90,113.60	\$33,049.69	\$2.12

Source: MGT, September 2004.

BASE FUNDING

The 2003-04 base funding for the RESCs was not adequate to provide funding for core services and services to improve performance, as directed under §8.051 of the TEC.

The concept of adequacy is not a new one in education finance, for early education finance experts such as Cubberly in 1919 and Mort in 1955 explored the concept of what amount of funding was necessary and sufficient to reach some performance objective. Adequacy has been linked to “delivery standards” which are measures that a school , or service center, cannot fairly be held accountable for performance unless there is an assurance that levels of available resources are adequate. From a school district perspective, adequate funding would mean that sufficient resources were available to ensure that students have an effective opportunity to acquire appropriately

specified levels of knowledge and skills.¹ From the RESC perspective, the concept of adequacy is defined here to mean the amount of funding necessary to deliver core services and services to improve performance, as directed under §8.051 of the TEC.

The education finance literature notes that there are four approaches to calculating the costs of adequacy:

- inferring costs from outcomes by statistical analysis of statewide data bases;
- inferring costs from outcomes by empirical observations of districts or

¹ James Guthrie and Richard Rothstein, 2001. “A New Millennium and a Likely New Era of Education Finance” in S. Chaikind and W. Fowler *Education Finance in the New Millennium*. Larchmont, NY: Eye on Education Press.

- centers that seem to generate adequate outcomes;
- inferring costs from the actual price; or
 - inferring costs from professional judgements about the resource requirements of specific outcomes.

For this study, MGT does not have costs from other state databases, nor empirical observations of costs of centers that seem to generate adequate outcomes. Inferring costs from professional judgements was beyond the scope of this study. Therefore, to determine adequacy, MGT inferred the cost of adequate funding for the Texas RESCs from actual prices to provide core services.

To provide core services and services to improve performance, a service center would need the staff, equipment, infrastructure, and operating resources shown in **Exhibit 4-16**. Displayed along with the elements of cost are the prices, based on 2003-04 actual expenditures by Texas RESCs. This model of cost does not consider differences in regional costs of living, or in regional purchasing differentials.

The model includes personnel to provide training assistance in teaching reading, language arts, mathematics, science, social studies, and writing; training and assistance in special education/dyslexia, ESL/LEP, migrant, economically disadvantaged, and child nutrition; assistance for a school district rated academically unacceptable; training and assistance to teachers, administrators, members of district boards of trustees, and members of site-based decision-making committees; assistance for a school district out

of compliance with special education requirements; and assistance in complying with state laws and rules. In addition, the model includes basic operating costs, as well as contractual costs.

The adequate amount to operate an RESC to provide core services to improve performance is calculated to be \$2,845,720. To operate all 20 RESCs, the total adequate core funding is \$56,914,400, an amount that is \$35,164,400 over the amount appropriated for base funding in 2003-04.

The Legislature should allocate an adequate amount to provide all core services as defined in §8.051 of TEC. Allocation of an adequate amount to cover core services will ensure that RESCs can provide these essential services to meet the needs of school districts, and to improve student performance.

The Legislature would need to determine if these funds were to be allocated from the FSF, be a combination of increased user fees as well as additional appropriations, whether the core services should be redefined, or if the number of service centers should be reduced. Assuming that the RESC system continues in its current configuration, the full \$35.2 million would be required.

If all service centers were to operate, an additional \$35,164,400 would need to be allocated. This is calculated as the adequacy amount per service center, \$2,845,720 times 20 centers which equals a total of \$56,914,400, from which the current allocation of \$21,750,000 is subtracted.

**Exhibit 4-16
RESC Base Cost to Provide Core Services**

Cost Element	Cost		
	Salary	Fringes	Total
Personnel:			
Executive Director	\$125,000	\$25,000	\$150,000
Assistant Director for Business	\$90,000	\$18,000	\$108,000
Assistant Director for Services	\$90,000	\$18,000	\$108,000
Administrative Assistant	\$30,000	\$6,000	\$36,000
Business Clerk	\$22,000	\$4,400	\$26,400
Human Resources Clerk	\$30,000	\$6,000	\$36,000
PEIMS Coordinator	\$35,000	\$7,000	\$42,000
Custodian	\$20,000	\$4,000	\$24,000
Reading Specialist	\$50,000	\$10,000	\$60,000
Field Service Agent	\$50,000	\$10,000	\$60,000
Language Arts Specialist	\$50,000	\$10,000	\$60,000
Mathematics Specialist	\$50,000	\$10,000	\$60,000
Science Specialist	\$50,000	\$10,000	\$60,000
Social Studies Specialist	\$50,000	\$10,000	\$60,000
Writing Specialist	\$50,000	\$10,000	\$60,000
Special Education Specialist/Dyslexia	\$50,000	\$10,000	\$60,000
ESL/LEP Specialist	\$50,000	\$10,000	\$60,000
School Finance Specialist (1/2 time)	\$37,000	\$7,400	\$44,400
Child Nutrition Specialist	\$50,000	\$10,000	\$60,000
Migrant Specialist	\$50,000	\$10,000	\$60,000
Trainer	\$40,000	\$8,000	\$48,000
Trainer	\$40,000	\$8,000	\$48,000
Instructional Technology Specialist	\$60,000	\$12,000	\$72,000
Accountant	\$45,000	\$9,000	\$54,000
Local Area Network Administrator	\$50,000	\$10,000	\$60,000
Receptionist/Scheduler	\$25,000	\$5,000	\$30,000
Secretary	\$30,000	\$6,000	\$36,000
Subtotal, Personnel	\$1,319,000	\$263,800	\$1,582,800
Contracted Services			\$100,000
Operating Costs:			
Supplies and materials			\$79,140
Utilities, Inc. Phone			\$158,280
Travel			\$92,500
Equipment			\$78,000
Equipment Maintenance			\$10,000
Rent or Debt Service			\$250,000
Information Technology			\$200,000
Postage and Shipping			\$15,000
Insurance			\$150,000
Security			\$24,000
Membership/Dues			\$13,000
Advertising			\$45,000
Photocopying			\$48,000
Subtotal, Operating Costs			\$1,162,920
Total			\$2,845,720

FISCAL IMPACT

Recommendation		2004–05	2005–06	2006–07	2007–08	2008–09	5-Year (Costs) or Savings	One-Time (Costs) or Savings
4-3	Seek the Certificate of Achievement for Excellence in Financial Reporting.	\$0	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$40,000)	
4-7	Correct violations of TEC Sections 8.123 and 8.124 by allocating competitive grant funds intended only for RESCs to RESCs, instead of universities.		\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$80,000,000	
4-9	Allocate an adequate amount of funding for core services.	\$0	\$35,164,400	\$35,164,400	\$35,164,400	\$35,164,400	\$140,657,600	
Total		\$0	\$55,154,400	\$55,154,400	\$55,154,400	\$55,154,400	\$220,617,600	

CHAPTER 5:
PROGRAMS AND ACADEMIC
DELIVERY

CHAPTER 5

PROGRAMS AND ACADEMIC DELIVERY

This chapter evaluates the Programs and Academic Delivery functions of the Regional Education Service Centers (RESCs). This chapter includes the following sections:

- Academic Delivery and Programs
- Program Specific Findings and Recommendations

To review programs and academic delivery of the state's RESC services, it is important to have a clear understanding of the historical and legislative perspective, and review select demographic data of the 20 RESCs. The massive geographical size and diverse ethnic population of Texas has significant impact on the types of programs and services required. Additionally, the political and physical barriers to uniting or consolidating very small school districts for the purpose of making them individually more self-sufficient creates special program support needs—each of which are addressed in this review.

The Texas Legislature has clearly defined the purpose of the Regional Education Service Centers:

- assist school districts in improving student performance in each region of the system;
- enable school districts to operate more efficiently and economically; and
- implement initiatives assigned by the Legislature or the Commissioner of Education.

RESCs are assigned responsibility for providing core services to each school district, campus, and charter school within their respective regional boundaries. Districts may elect to receive services from any service center in the state. The State Board of Education defined the regions in 1967 as a geographic area of counties and the

encompassed school districts. Since 1995, the Commissioner of Education has had final authority over all aspects of RESC location, governance, and accountability issues, as noted above.

Exhibit 5-1 provides information on the programs funded by state, federal, and/or local sources. Some programs are funded by all three major sources of revenue while others receive funding from only one of the major sources.

The RESCs receive state revenues from several different means for three types of services: core services and center operations, legislative initiatives, and Commissioner initiatives.

- Funds for core services and center operations are appropriated by the Legislature under a funding formula determined by the Commissioner.
- Other legislative appropriations are those for the Texas Reading Initiative's Reading Teacher Academies; State Visually Impaired Program; Technology and Preview Center Programs; and the Pregnancy, Education, and Parenting Program.
- Commissioner initiatives include the Centers for Educator Development, Instructional Leadership Development, Student Success Initiative, and the Texas Assessment of Knowledge and Skills (TAKS) Preparatory Academy.

There are six major types of services provided by the Regional Education Service Centers to school districts, schools, charter schools, and other entities:

- core services identified in statute;
- decentralized agency functions;
- administrative support for schools;
- instructional support for schools;
- direct student instruction; and
- other locally-determined services.

**Exhibit 5-1
Funding Sources for Programs/Services Offered by the RESCs**

Program	Federal	State	Local
Accreditation Assistance		x	
Administrator Training/Leadership Academies			X
Adult Education	x	x	
Adult Workforce Development			X
Alternative Certification			X
Advanced Academic Services		x	
Bilingual/ESL Consortia			X
Bus Driver Training			X
Career & Technology Education	x		
*Certification Assistance		x	
Charter School Evaluation	x		
Child Nutrition	x		
Community, Higher Education, School Partnership	x		
Cooperatives	x		X
Core Services and Center Operations		x	
Criminal Background Checks			X
Curriculum and Instructional Support		x	X
District Effectiveness/Compliance Assistance		x	
Distance Learning			X
Driver Education			X
Early Childhood Intervention	x		
ESEA Title I, School Support	x		
ESEA Title I, Migrant	x		
ESEA Title II, Eisenhower Math/Science	x		
ESEA Title IV, Safe & Drug Free Schools	x		
ESEA Title VI, Texas Reading Initiative	x		
ESEA Title VII, Bilingual Education/English as a Second Language	x		
ESEA Title XX, TANF	x		
*Field Service Agents		x	
GEAR-UP	x		
Governor's Reading Initiative		x	
Head Start	x		
IDEA-B Preschool Programs	x		
IDEA-B Special Education Programs	x		
Information Services			X
Information/Data Services			X
Instructional Leadership Development			X
Instructional Services			X
Learn and Serve America	x		
McKinney-Vento Education of Homeless Children and Youth	x		
Media Services		x	
New Teacher Mentoring (TXBESS)		x	
PEIMS Support		x	
Principal Assessment			X
Professional Staff Development		x	X
Regional Day School for Deaf		x	
*School Business Operations		x	
School Improvement Initiatives	x	x	
School Board Training			X
School Counseling Services			X
School Library Cooperatives			X
School Nurses Cooperative			X
Special Education		x	X
Teacher Reading Academies		x	
*Teacher Recruitment & Retention		x	
Technology Preview Centers		x	
*Technology Services	X	x	
Texas Library Connection		x	
*Texas Pathfinders (formerly Mentor Schools)		x	
Visually Impaired Services		x	

Source: TEA Web site, 2004.

*As of September 1, 2003, these areas were no longer funded.

The chief purposes of these services are to assist in the improvement of student performance, assist schools to operate more efficiently and effectively, and carryout the initiatives of the Texas Legislature and the Commissioner of Education, as was mentioned earlier.

Among the responsibilities that the centers recently assumed are the provision of teacher reading and math academies and the hiring of school finance specialists. In addition, the service centers have trained reading teachers, dyslexia campus contacts, and district dyslexia coordinators in appropriate identification methodology and teaching strategies for students with dyslexia.

In 1998-99 RESCs took the lead in providing reading academies beginning with kindergarten teacher academies. During 2001–02, RESCs provided teacher reading academies for third grade teachers, as well as additional and make-up sessions for teachers in kindergarten through grade 2. Likewise, during the 2001–02 school year, RESCs provided academies for math teachers in grades 5 and 6 and trained one first grade teacher and one special education teacher from every Texas elementary campus in appropriate dyslexia identification and teaching strategies. In prior years, teachers received dyslexia

training in various formats offered by individual centers. Additionally, a Grade 7 Math Academy was added in 2002-03 and a Dyslexia Academy for Grade 2 and Special Education was held.

Exhibit 5-2 provides a summary of the numbers of teachers trained by the RESCs between the years 1998–1999 and 2001–02 school years.

The Regional Education Service Centers also serve Texas public schools as a major source of certified teachers. RESC-operated alternative teacher and administrator certification programs have assisted school districts in addressing the teacher-shortage issue. Between 1998 and 2001, over 7,400 prospective teachers have taken the exam for certification (ExCET) after attending sessions at one of the 14 RESCs that provide alternative certification programs (ACPs). The average passing rate for all groups exceeded 95 percent for each year, as is shown in **Exhibit 5-3**. The passing rate for each subgroup, with one exception, exceeded 92 percent for each of those years.

**Exhibit 5-2
Teachers Trained by RESCs
1998–99 Through 2001–02 School Years**

School Year	Reading Academies				Math Academies	Dyslexia
	Kindergarten	1 st Grade	2 nd Grade	3 rd Grade	5 th – 6 th Grades	
1998–1999	14,377					74,029
1999–2000	3,048	20,950				73,469
2000–2001	1,830	2,600	15,672			76,560
2001–2002	709	4,471	5,234	15,698	10,884	42,455
Total	19,964	28,021	20,906	15,698	10,884	266,513

Source: FY 1999, 2000, 2001, and 2002 RESC Quarterly Performance Reports, as reported by TEA.

**Exhibit 5-3
ExCET Passage Rate for Teachers Enrolled in
RESC Alternative Certification Programs
1997–2001**

School Year	Number of RESC Interns	EXCET Pass Rate
1997–1998	1,817	96.5%
1998–1999	1,787	96.6%
1999–2000	1,735	96.8%
2000–2001	2,101	95.6%

Source: State Board for Educator Certification, 2002.

Exhibit 5-4 displays a list of services provided by the RESCs to districts, campuses, and charter schools in 2001–02. As of September 1, 2002, Texas has 1,225 school districts. Of that number, 185 are charter schools. Services were provided related to what are called the “core services” of each RESC, as well as special services that were provided by one or more RESCs.

RESCs also provide a full range of services to approximately 185 operating charter schools in the state. Services are available to school districts and campuses as well as charter schools, and include professional development, instructional and instructionally-related services, and financial and administrative support. Charter schools may choose the RESCs from which they receive services. In addition to school districts and charter schools, RESCs provide services to private schools in each region.

Two measures of the effectiveness of RESCs are provided: student achievement and client satisfaction appraisal. The Texas Education Agency's accountability system uses three basic measures of student performance:

- percent of students passing the TAAS or TAKS;
- student dropout rate; and
- student attendance rate.

These same measures also are applied to RESCs. Additionally, it is important to understand that the regions echo the diversity of school-district student population.

Exhibit 5-5 displays data on regional attendance and dropout rates for the 2000 and 2001 school years. As can be seen, there is considerable variation among the regions in attendance and dropout rates, number of students served, and number of campuses.

Exhibit 5-6 shows these data for several of the same indicators taken from the TEA 2002–03 AEIS reports and, when compared with **Exhibit 5-5**, shows the following:

- The total student membership population has grown from 4,059,619 to 4,239,911 or by 180,292, a 4 percent increase.
- African American and other student populations have remained essentially static on a statewide basis (14.4 to 14.3 for African American and 3.0 to 3.2 for other) while Hispanic has risen from 40.6 to 42.7 and White has declined from 42 to 39.8 percent.
- The percentage of economically disadvantaged has risen from 49.3 to 51.9 percent while LEP has remained relatively constant (a 0.8 percent increase).
- In 2000–01 RESC 4 ranked as largest in student membership and was nearly one-third larger than the student membership of the next in size - RESC 10. In 2002–03 it continued as largest, and both RESCs had the largest number of students in growth (RESC 4 with 47,151 and RESC 10 with 38,461), totaling over 50 percent of the state's growth.

**Exhibit 5-4
Services Provided by the RESCS During the 2001–02 School Year**

Service	RESC Providing the Service
<u>CORE SERVICES:</u>	
Training and technical assistance in: Teaching reading, mathematics, writing, English, social studies, science special education, compensatory education, bilingual education, gifted, and talented education. Special assistance for school districts or campuses rated unacceptable	All regions
<u>SPECIAL EDUCATION SERVICES:</u>	
<u>State Leadership Function</u>	
Assessment	Region 12
Assistive Technology	Region 4
Behavior & Discipline Management	Region 4
Comprehensive System of Professional Development Leadership Council	Region 6
High School Programs & Transition	Region 11
Least Restrictive Environment/inclusion	Region 20
Low-Incidence Disabilities	Region 3
Multicultural & Diverse Learners	Region 1
Parent Involvement	Region 9
Regional Offices - Services for the Deaf	Regions 4, 10, 11, 20
State Sample Forms for Child-Centered Process	Region 18
University Forum	Region 6
<u>Statewide Special Projects</u>	
Autism	Region 2
Effectiveness Study	Region 11
Technical Assistance and Training Functions for Visually-Impaired Programs	Region 11
<u>Other Special Education Functions</u>	
Child Find	All Regions
Non-Educational Community-Based Support Services	All Regions
Speech-Language Pathologist Training	16 Regions
Visually Impaired Preparation Program	50 Students
<u>Regional Technical Assistance</u>	
IDEA-B Formula Programs	All Regions
IDEA-B Preschool Programs	All Regions
Visually Impaired Programs	All Regions
<u>GENERAL EDUCATION/SPECIAL POPULATIONS PROGRAMS</u>	
<u>State Leadership Functions</u>	
Advanced Placement/international Baccalaureate	Region 14
Bilingual/ESL Center for Educator Development	Region 4
ESC Client Satisfaction Survey	Region 18
Dyslexia	Region 10
Fine Arts Center for Educator Development	Region 20
Health & Physical Education Center for Educator Development	Region 12
Human Immuno-Virus Education	Region 10
Languages other than English Center for Educator Development	Region 2
Learn and Serve America	Region 14
Math Teacher Academy Leadership	Region 10

**Exhibit 5-4 (continued)
Services Provided by the RESCS during the 2001–02 School Year**

Service	RESC Providing the Service
McKinney-Vento Education of Homeless Children and Youth	Region 10
Minority Teacher Recruitment	Region 1
Pregnancy, Education, and Parenting	Region 20
Reading Teacher Academy Leadership	Region 13
Social Studies Center for Educator Development	Region 6
Techlinx	Region 5
Texas Pathfinders (formerly Mentor Schools)	Region 13
Title I, Migrant MSRTS Training	Region 1
Title IV, Safe and Drug Free Schools Curriculum	Region 4
Title IV, Safe and Drug Free Schools	Region 2
Troops to Teachers/Texas Military Initiative	Region 13
<u>Regional Technical Assistance</u>	
Career and Technology Education	19 Regions
Child Nutrition Program	All Regions
Teacher Certification	All Regions
Title I, School Support	All Regions
Title I, Migrant Programs	All Regions
Title IV, Safe and Drug Free Schools	All Regions
Title VI, Texas Reading Initiative Programs	All Regions
Title VII, Bilingual/ESL	All Regions
<i>Administrative Support for Schools¹</i>	
Administrator Training	All Regions
Cooperative Purchasing	1,425 Districts ²
District Effectiveness and Compliance Technical Assistance	500 Districts
Field Service Agents	56 Agents
School Finance Specialists	32 Specialists
General Administrative Support	All Districts, All Regions
Local Liaison to Community Resource Coordination Groups	All Regions
Mainframe Data Processing Services	
Student Record	51 Districts
Financial Accounting	64 Districts
Personnel	62 Districts
Microcomputer Data Processing Services	
Student Records	635 Districts
Financial Accounting	617 Districts
Personnel	542 Districts
Personnel Services	465 Districts
School Board Member Training	All Regions
School Bus Driver Training	
Initial Course	7,810 Drivers
Refresher Course	10,959 Drivers
School Nurse and Librarian Cooperatives	8 Regions
Teacher Certification Emergency Permits Issued	14,381 Certificates

¹ This list is not intended to be exhaustive of the administrative support services provided by service centers. It is intended to capture the range of services provided and the extent of districts served. Also, this list is for information purposes only; services have been changed since this TEA list was published.

² School districts are sometimes involved in more than one type of purchasing cooperative.

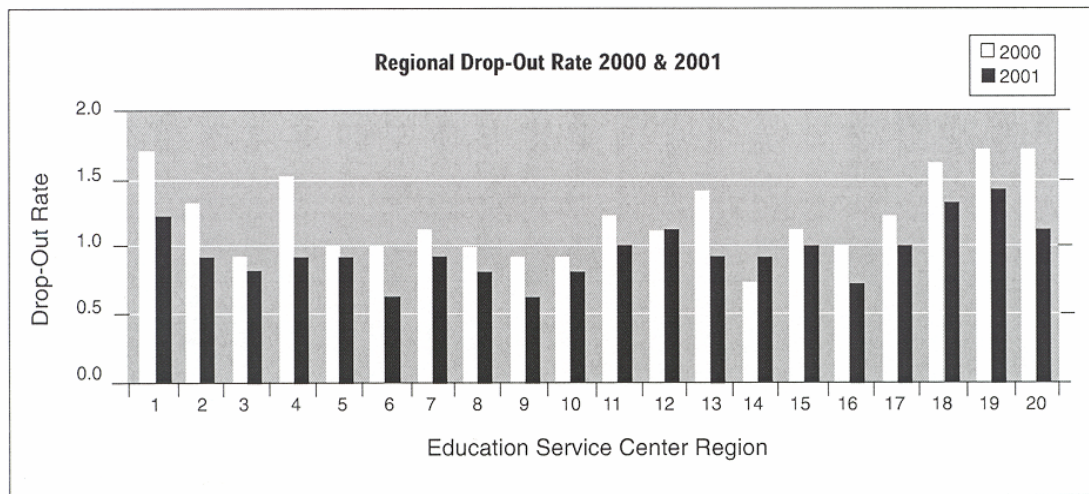
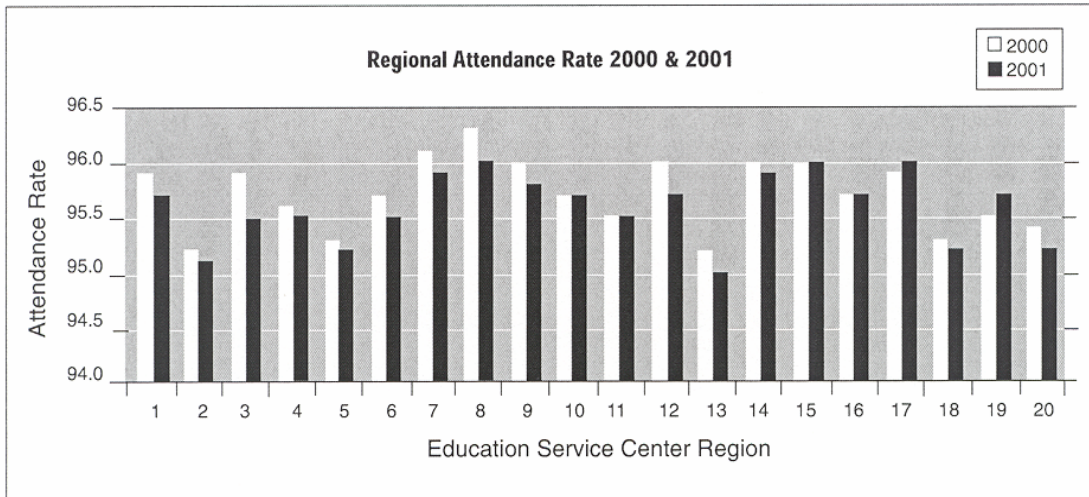
**Exhibit 5-4 (continued)
Services Provided by the RESCS during the 2001–02 School Year**

Service	RESC Providing the Service
<i>Instructional Support for Schools³</i>	
<u>Fiscal Agent for Federal Programs Shared Services Arrangements</u>	
Career & Technology Consortia	239 Districts
Title I, Migrant Education	490 Districts
Title II, Mathematics & Science	714 Districts
Title IV, Safe and Drug Free Schools	727 Districts
Title VI Education Programs	340 Districts
<u>Professional development in the areas of</u>	
Advanced Academic Services	All Regions
Bilingual Education/ESL	All Regions
Curriculum Development	All Regions
Instructional Technology	All Regions
Media Services	All Regions
Special Education	All Regions
TAAS Preparation/Remediation	All Regions
Technology Preview Services	All Regions
<i>Direct Student Instruction</i>	
Adult Education Programs	16,302 Students
Distance Learning	5,000 Students
Early Childhood Intervention (ECI)	2,538 Clients
Head Start	9,255 Students
Instruction for Visually Impaired	700 Students
Juvenile Justice Alternative Education Programs Orientation/Mobility Instruction	27 Districts 468 Students in
Regional Day School for the Deaf	Regions 13, 15
<i>Other Locally Determined Services</i>	
Alternative Certification Programs	2,502 Certificates
Driver Education	9,844 Students

Source: TEA Annual Report.

³ This is not intended to be exhaustive of the instructional support services provided by service centers. It is intended to capture the range of services provided and the extent of districts served.

**Exhibit 5-5
Attendance and Dropout Rate
2001 and 2002 (Most updated data available from TEA)**



Source: 2001-02 Attendance and Dropout Tables, TEA.

Exhibit 5-6
Student Composition of Each RESC
2002–03 School Year

ESC Region	Regional Student Membership	Percent African American	Percent Hispanic	Percent White	Percent Other	Percent Economically Disadvantaged	Percent LEP
1	328,518	0.2	96.1	3.3	0.4	84.5	38.5
2	106,986	3.7	67.6	27.4	1.4	58.6	6.2
3	54,982	10.8	44.0	43.8	1.3	51.6	4.9
4	924,052	21.5	39.3	33.7	5.6	50.2	17.2
5	84,875	31.2	8.4	57.6	2.7	49.2	3.7
6	142,153	13.9	19.4	64.9	1.8	42.1	7.0
7	159,855	21.2	15.7	62.2	0.9	50.0	7.5
8	55,911	23.0	10.9	65.1	1.1	51.7	5.7
9	40,289	9.1	16.9	71.7	2.3	44.7	3.1
10	635,621	20.8	33.1	41.1	5.0	45.4	17.2
11	446,247	13.4	24.2	58.3	4.2	36.0	11.1
12	138,152	23.2	21.9	52.7	2.2	49.6	5.5
13	288,335	9.6	36.3	51.0	3.1	39.2	10.3
14	45,834	6.7	27.5	64.7	1.0	49.7	2.7
15	49,286	3.6	49.4	46.2	0.7	56.4	7.4
16	77,449	5.5	36.6	56.1	1.7	51.5	1.3
17	78,236	8.2	48.9	41.9	1.0	55.8	5.1
18	76,139	5.6	54.4	39.0	1.0	54.9	11.1
19	163,170	2.7	87.2	9.1	1.0	74.7	30.5
20	343,821	7.0	64.9	26.6	1.5	61.6	10.4
State Total	4,239,911	14.3	42.7	39.8	3.2	51.9	14.9

Source: TEA 2003–04 AEIS RESC reports.

- In 2000–01 eight RESCs had more than 50 percent of their students listed as economically disadvantaged, while by 2002–03 the number increased to 12 even though the state average only increased by 0.8 percentage point.
- The distribution of the Hispanic and African American populations remained essentially unchanged.
- The distribution of the White student population remained essentially unchanged.

Academic Delivery of Programs

Academic programs are at the heart of every school's purpose. With increased emphasis statewide and nationally on the need to improve student performance, the development of academic standards, the improved availability of technology, and the ever-increasing identification of best practices in education, the review of academic program delivery systems becomes a modern imperative. School districts throughout the nation have embarked on independent review of programs and delivery systems as one means of identifying important ways that student performance may be improved.

U. S Secretary of Education, Rod Paige, sent a letter dated April 18, 2003, to each Chief State School Officer encouraging them to use their Education Service Agencies (ESAs) in implementing *No Child Left Behind (NCLB)* and other important state education initiatives. The U. S. Department of Education has tasked the ESAs with the following key functions:

- teacher training;
- paraprofessional training;
- alternative certifications;
- supplemental services;
- expert teams for school improvement;
- integration of technology;
- feedback on proposals and regulations; and
- communication and dissemination.

Program Specific Findings and Recommendations

According to S.B. 929, “the reviews require an analysis of the support functions of RESCs to determine whether support requirements could be decreased through business processes or application redesigns. Because each RESC operates independently, the Consultant will be required to analyze each of the component support functions of each RESC, as well as extract from that data general findings and recommendations for statewide operations. The support functions being analyzed include Program and Academic Delivery.”

The delivery of educational programs and services to school districts in Texas is the primary mission of RESCs. This mission is dependent upon adequate processes to identify district educational needs, provide for those needs, and measure performance as a result of these programs. Additionally, RESCs are charged with overseeing a number of federal programs and acting as a conduit for funds that flow to school districts.

MGT consultants reviewed the following programs and services in each of the 20 RESCs.

- support, training and cooperative services assistance to school districts for Special Education;
- support, training and cooperative services assistance to the Windham School District, which serves inmates of the state’s prison system;
- support, training and cooperative services assistance to school districts for adult and alternative education;
- support, training and cooperative services assistance to school districts for Gifted and Talented Education;
- support, training and cooperative services assistance to school districts for Limited English Proficient and English as a Second Language programs;

- support, training and cooperative services assistance to school districts for Migrant programs;
- support, training and cooperative services assistance to school districts for Career and Technology Education;
- support, training and cooperative services assistance to school districts for the Safe and Drug Free Schools program;
- support, training and cooperative services assistance to school districts for Head Start and other early childhood education programs;
- cooperative arrangements for purchasing, commodity pre-processing, bus driver training and other similar services;
- performance measurement based on the Academic Excellence Indicator System (AEIS);
- methods for improving student performance in the school districts that are in each RESC;
- support, training and cooperative services assistance to school districts for federal Title I and state

- compensatory education programs; and
- curriculum development and alignment.

Overall, MGT survey results show that district superintendents are satisfied with their region’s support for regular and special populations programs. As shown in **Exhibit 5-7** the lowest satisfaction rating is 82 percent for the advanced academics programs receiving gifted and talented and advanced placement courses. The satisfaction rate of superintendents for other services is generally at 85 percent or higher.

MGT found many areas meriting commendations and recommendations for specific programs in individual RESCs. It is important to note that in this chapter, MGT provides commendations when consultants found exemplary practices in these areas statewide, or found recommendations that have statewide implications.

**Exhibit 5-7
Survey of School Superintendents**

Statement	Percentage (S+VS)/(D+SD)
SUPPORT FOR REGULAR EDUCATION PROGRAMS	
Reading and Language Arts	92/2
Mathematics	88/4
Social Studies	87/3
Science	87/5
SUPPORT FOR SPECIAL POPULATION PROGRAMS	
Special Education	91/3
At-risk and compensatory education	89/4
Bilingual Education and ESL	85/6
Advanced academics (gifted and talented, AP)	82/6

Source: MGT of America survey results, 2004.

Note: Percent responding Satisfied or Very Satisfied/percent responding Dissatisfied or Strongly Dissatisfied.

ACCOMPLISHMENTS

- The Texas RESCs are structured to meet the needs of their clients and provide useful services.
- RESCs provide many innovative services that are used both in Texas and nationally.
- The Curriculum Core Group networks to identify best practices in curriculum and instruction and cost-effective means for delivery of related services.
- RESCs have been active in augmenting existing and dwindling resources through the use of grant writers.

FINDINGS

- MGT conducted an analysis of the 2003 (Grade 3) and 2004 (Grade 4) TAKS Reading scores for each of the 20 regions, compared the scores to the statewide average, and found that TAKS Reading scores decreased in all 20 regions as well as statewide from 2003 to 2004.
- “Core services” are not clearly defined by the state either in statute or in Commissioner’s rules. RESCs statewide have various interpretations of the definition.
- While the RESCs have produced innovative products and services that are being used nationwide, more should be done to market these services.
- While isolated pockets of comprehensive collaboration exist, most organizational knowledge and best-practice solutions are not shared among RESCs and/or other educational institutions. There is much duplication of effort and uneven levels of quality in program delivery as a result.
- Program evaluations, supporting the continuation of programs in many RESCs, do not exist.
- There is little consistency in the quality of RESC plans for assisting low performing schools. There is also

little consistency in the quality of campus improvement plans.

- The Windham School District (WSD) is not being provided adequate and equal services from RESCs.
- While TEA has decentralized several special education functions to RESCs, the structured accountability measure in place for those functions needs improvement.
- The regular education and special education RESC staff have not engaged in cooperative planning initiatives.
- RESCs do not collectively explore the feasibility of locating large federal programs such as Head Start in all centers.

RECOMMENDATIONS

- **Recommendation 5-1: Require TEA to contract with a neutral third party evaluator to conduct a detailed assessment of the TAKS reading results for 2003-04, to identify specifics related to the decrease in the percentage of students statewide meeting the reading standard.** A comprehensive review of the TAKS scores and related recommendations is beyond the scope of this RESC study.

TEA should identify and hire a neutral evaluator to resolve issues such as:

- Test items being equivalent for both years;
- Time of testing including if the number of instructional days was equivalent prior to both years’ test administration; and
- Were the norms applied the same way in 2003 and 2004?

The neutral evaluator should be a professional (PhD in testing and measurement) that does not have any interest in the assessment results and

consequently will conduct an unbiased review of the scores.

The implementation of this recommendation is essential to understanding the dynamics of the test score reductions particularly when the decreases were applicable to all 20 regions and appear to be statistically significant.

- **Recommendation 5-2: Clarify the definition of “core services” and specify which services should be required by all RESCs.** The Legislature should clarify what specifically is meant by a core service, or require the Commissioner to establish a rule that defines core services. This recommendation should result in establishing the specific core services assigned to RESCs. By identifying a common definition, the Legislature and TEA can obtain a better understanding of the budgetary needs of the centers. Additionally, implementing this recommendation should contribute to ensuring that RESCs and TEA do not create situations of unwarranted duplication of services, therefore ensuring greater efficiency of operation.

The Commissioner of Education should confer with RESC executive directors and determine the possible core services menu. Following establishment of this listing of core services, the Commissioner should incorporate the definitions into TEA requests for approval by the Texas Legislature at the next regular legislative session.

- **Recommendation 5-3: Develop a statewide RESC marketing plan for products and services.** A plan to market products, programs and services to a variety of clients should be developed. Additionally, the process involved in establishing a statewide plan should include

identifying other potential markets such as private schools, business applications (particularly with technology applications that have been developed by RESCs), and other targeted audiences. One option for implementing this recommendation should involve approaching private sector marketing development companies with an offer to form a joint venture. This joint venture could be developed with the understanding that earned revenues could be shared as a means of underwriting the venture. A second option could involve developing a collaborative alliance with one of the major university schools of business that has a marketing department.

- **Recommendation 5-4: Establish an RESC systemwide best practices database maintained by the RESCs Core Group and other appropriate stakeholders.** A database of best practices could be utilized by RESCs and school districts for the improvement of instruction and related services. The establishment and maintenance of the database at TEA could occur in a collaborative effort; however, among the RESCs, there is the capability to establish and maintain such a database. The final determination should be based on an assessment of TEA's capacity, an assessment that is beyond the scope of this review.
- **Recommendation 5-5: Develop, issue, and implement Commissioner’s rules or guidelines for evaluation of specific programs designed to determine their continuation or modification.** This recommendation is essential to providing continued financial support of programs and services. MGT recommends that RESC 4’s process for the evaluation of its center programs be used as a statewide model and should play an integral role

in the development of the evaluation guidelines.

- **Recommendation 5-6: Create a statewide plan for RESCs' assistance to low performing schools and consider creating a statewide school improvement plan template.** Ensuring quality technical assistance to low performing schools is a critical RESC role, as is assistance in quality school improvement planning.

The implementation of this recommendation should result in standardization of the formats for reporting school improvement needs and related improvement initiatives. This action should facilitate collecting and organizing defined improvement needs on a statewide basis. This process should create an information base that could contribute to assessing the needs for various core services. The template should be developed by TEA with assistance from the RESCs and can be accomplished by collecting and reviewing various existing templates used by school systems in and out of Texas. Once a preferred template is identified and approved, it can be sent electronically to all RESCs and school districts for implementation. All information should be transmitted using existing technologies.

- **Recommendation 5-7: Create a statewide plan for serving the schools in the Windham School District.** Service to each of the Windham schools throughout Texas should be established at an acceptable level of equity. The Commissioner of Education's representative should meet with the representative of the Windham school systems and a representative of the RESC executive directors to identify the core services that should be provided to Windham School District. Once having identified the core services, TEA

should conduct a review of the capacity of each of the RESCs to meet the requirements of providing core services.

- **Recommendation 5-8: Revise the current RESC accountability system for assigned decentralized special education services functions to districts and schools and ensure that all participating RESCs provide the data necessary to create a results-based system of accountability.** The implementation of this recommendation should result in the refinement of an accountability plan that provides specific direction to RESCs in the delivery of the decentralized special education services and obtaining data to ensure that the evaluation of programs is results-driven. TEA and RESCs should be afforded the opportunity to deliberately and collaboratively develop roles, expectations, and an overall structure for operating and working together.
- **Recommendation 5-9: Improve coordination among special education and general education and develop a systemwide RESC student assistance team training program and strategic plan designed to reduce any potential over-identification of special education students.** The implementation of this recommendation should enable all RESCs to provide consistent training aligned with a state strategic plan to reduce the potential for mis-identifying a remedial education student with a special education student.
- **Recommendation 5-10: Evaluate the feasibility of locating large federal programs like Head Start, early childhood intervention, and other**

similar programs at service centers to enhance revenue. Evaluation of the feasibility of locating large federal programs, early childhood intervention, and similar programs at service centers should be completed. RESCs such as RESC 19 have successfully and economically assumed this function, and it may well mean that other opportunities exist in Texas.

The implementation of this recommendation should involve the Commissioner and RESC task group that includes representatives from TEA and the centers. This group should be charged with identifying potential programs and possible cost and/or operational efficiencies. Once having accomplished this, the group should proceed to identify the optimal locations. Once the plan is fully developed, reviewed and approved by the Commissioner and RESC executives, the plan should be implemented.

DETAILED ACCOMPLISHMENTS

MEETING CLIENT NEEDS

Most RESCs are structured to attend to the needs of clients and provide useful services as evidenced by client feedback. Several of the 20 RESCs’ individual reports contain commendations related to the RESC providing quality and timely services at a cost savings to the district. RESCs 1,6, 9, 10, 12, 15, and 17 are among the regions specifically commended in the individual RESC reports for providing services critical to the success of the member districts.

Below are excerpts of just a few of the types of commendations supporting this finding:

Region 1

- “RESC 1 has developed and implemented innovative services designed to help its districts and

schools achieve success as well as contributes positively to the larger Region 1 community.”

Region 6

- “RESC 6’s services are designed and tailored to meet the needs of its customers.”

Region 7

- “Region 7’s Data Management and Assessment Cooperative provides over 100 districts affordable database applications for curriculum management and assessment data analyses.”

Region 9

- “Region 9 ensures member school districts comply with all components of Title I and No Child Left Behind.”

Region 17

- “Region 17 provides contracts for educational programs in two levels resulting in a cost-effective and efficient delivery system.”

MGT’s survey confirms that overall districts are highly satisfied with the quality and timeliness of RESC’s technical assistance and services. **Exhibit 5-8** displays a sampling of the overall survey results for superintendents and shows that:

- ninety-eight (98) percent of the superintendents either strongly agree or agree that their district frequently uses services provided by their RESC;
- ninety-four (94) percent of the superintendents either strongly agree or agree that the RESC services are critical to the success of their district’s programs and operations;
- ninety-three (93) percent of the superintendents either strongly agree or agree that the RESC in their region is highly effective and efficient; and
- ninety-five (95) percent of the superintendents either strongly agree

or agree that the RESC in their region is responsive to their requests for services.

The Association of Educational Service Agencies (AESA), in its September 2003 issue of *Perspectives* (Volume 9), *A Journal of Research and Opinion about Educational Service Agencies* in an article titled, “Educational Collaboratives: Saving Tax Dollars for Massachusetts Schools” written by Craig Stanley (highly notable professional for studying collaboratives in the nation), states “Iowa and Texas offer much for Massachusetts to consider in the area of programming. Texas’ Educational Service Centers, for example, offer a complete range of professional development services to districts.” Several other articles in the AESA’s journals use Texas as an example to share best practices with other states.

In the same article, the results of four nationwide studies show that significant savings can be realized by adopting a regional approach to educational support services. The author states that it is important to note that funding for these regional approaches may be costly in the initiation stages, but provide savings over the long term.

These four studies show that a regional professional development program and delivery of services provide the following benefits:

- avoids duplication of services;
- improves efficiency and administration and coordination;
- saves on printing costs;
- improves quality;
- improves equity of opportunity; and
- ensures some standardization among the RESCs.

Exhibit 5-8
MGT’S Survey of School District Superintendents

Statement	Percentage (SA+A)/(D+SD)
1. Our district frequently uses services provided by our RESC.	98/1
2. The services provided by our RESC are critical to the success of our district's programs and operations.	94/2
3. Many of the current RESC services to districts could be more efficiently and/or effectively provided by TEA.	8/83
4. Many of the current RESC services could be more efficiently and/or effectively provided by other sources such as universities or private vendors.	5/88
5. Many of the current RESC services could be more efficiently and/or effectively provided by allocating the dollars to districts and allowing them to purchase services from the most appropriate sources.	11/78
6. Many of the current RESC services to districts duplicate services provided by TEA.	5/89
7. Many of the services offered by RESCs around the state are critical to the success of many districts.	96/1
8. The RESC in our region is highly efficient and effective.	93/3
9. The RESC role in providing services to districts should be expanded.	69/8
10. The RESC in our region is highly responsive to the service needs of our district.	93/4
11. The RESC in our region provides quality services.	95/2
12. There are adequate channels of communication with the RESC in our region.	94/3
13. The RESC in our region is responsive to complaints.	90/3
14. The RESC in our region is responsive to requests for services.	94/2
15. The RESC in our region listens and tries to meet the needs of the school district.	95/2

Source: *MGT of America, 2004.*

Accomplishment: The Texas RESCs are structured to meet the needs of their clients and provide useful services.

INNOVATIVE SERVICES

RESCs provide innovative services, and many centers have marketed those services statewide and nationwide. Several commendations were made throughout the 20 RESC individual

reports regarding the innovative services produced by many of the Texas RESCs. Not only are Texas educators benefiting from these products and services, but many of the pioneering products are being shared nationwide.

Among the many innovative products, training, or services are:

- **RESC 4** participates in competitive bids for Braille Services. The staff of the Braille Services Department includes production specialists, computer networking specialists, computer operators, and braillists/proofreaders certified by the National Library Service, Library of Congress, Washington, D.C. The Director of the Braille Services department is a member of the board of Directors of the National Braille Association and serves on a tactile graphics technical committee for the Braille Authority of North America. Staff members conduct workshops on the preparation methods of tactile graphics at conferences for the National Braille Association.
- **RESC 8** developed the course A2E2 which is an Algebra and Agriculture Enhancing Education course. This course has received state credit and the RESC has data to show that the students' Algebra scores have improved and all but one student taking the course in several districts passed the course.
- **Region 10** developed a Web-Accessed Comprehensive Curriculum Assessment Tool (CCAT) that is currently being used by 15 other RESCs in the state. CCAT provides a data bank of assessments including rubrics, open-ended, constructed responses as well as multiple choice. Multiple test items are available for all TEKS in the four course areas in Grades 3-11.
- **Region 17's** collaborative efforts with Texas Tech in building a quality Professional Superintendent Certification Program has made nationwide news. This program was also highlighted in *Perspectives, A Journal of Research and Opinion about Educational Service Agencies* published by the Association of Educational Service Agencies so other service centers nationwide can learn about this best practice. The validation of the program is evidenced by the receipt of a \$300,000 three-year grant from the Richardson Foundation. The process is designed to support a project entitled, "Establishing a Preparation Model for the 21st Century Texas School Superintendent." Also, data show that of the total 75 of the program participants, 50 have been placed in central offices or superintendent positions.
- **Region 20**, with over 20 years of distance learning experience, has successfully provided a regional, state, and nationwide audience with satellite-delivered, online, and videoconferencing programming including projects such as Project SMART. Project SMART is a satellite-delivered summer migrant program for Texas students who travel in more than 20 states during the harvest season. In the 2003–04 school year, this project reached 48,000 migrant students across the country. The custom-made curriculum is taught at the Pre-K, 1-2, 3-5, and 6-8 grade levels. The Pre-K strand is taught using a dual-language approach, and the rest of the strands are taught using research-based English as a Second Language strategies. Also, Region 20 partners with Western Illinois University (WIU) and the United States Distance Learning Consortium (USDLC) to deliver the STAR

Project, a national online educational resource. In this effort, Region 20 developed online courses and provides the teacher of with records, help desk support, and toll free number support for approximately 30 schools in six states. As of the Fall 2003 session, STAR was serving approximately 100 students.

Accomplishment: RESCs provide many innovative services that are used both in Texas and nationally.

CURRICULUM CORE GROUP

The statewide Curriculum Core Group is effective in its efforts to identify best practices in curriculum and instruction. The purpose of the Core Group is to provide a structure for RESC staff to network and focus on common issues related to curriculum, instruction, assessment, and accountability through a core group of 20 curriculum staff representing each of the 20 RESCs. The Core Group meets regularly and works under the leadership of the RESC executive directors. The intent of the group is to work with the Texas Education Agency, the State Board of Educator Certification, institutions of high education, and the professional organizations of Texas to “strive to provide professional development based on best practices for the educators in Texas.” The group provides input to TEA for the development and implementation of major initiatives.

A review of the group’s meeting minutes shows the group meets regularly, has a high attendance rate, and has effectively documented its activities with timely and accurate minutes.

Exhibit 5-9 shows an agenda for the Core Group’s May 11 and 12, 2004 meeting. Many critical issues were addressed in these meetings including:

- RESC funding and legislative update;
- LBB audit;
- Draft strategic plan for RESCs; and
- Sharing of products and services.

Sixteen (16) of the 20 members of the Core Group willingly and quickly responded to MGT’s request for additional information related to this LBB audit study.

One member of the Core Group commented, “The Core Group is a very collaborative group of professionals at the highest level of decision making in the RESCs. The group is future-oriented, continuously looking at the education needs statewide, setting aside regional interests. The group monitors duplication to keep it to a minimum, ensuring that it occurs for the purpose of meeting the unique needs regions. The Core Group has developed a very cooperative working relationship with among centers and with TEA to ensure quality, rigor, and accuracy at the point of development of initiatives rather than having an after-the-fact role.” Also, the statewide strategic plan Objective 2, action step 3 states, “Establish a process to identify, communicate, and coordinate best practices throughout the system.”

Accomplishment: The Curriculum Core Group networks to identify best practices in curriculum and instruction and cost-effective means for delivery of related services.

**Exhibit 5-9
Education Service Center Core Group Agenda
May 11–12, 2004**

<u>Tuesday, May 11</u>	10:00 a.m.–4:30 p.m.	
	Welcome and Review of Agenda	
	<u>TEA Update</u>	
	Planning, Grants, and Evaluation–Nora Hancock	
	Funding and Legislative Update–Philip Cochran	
	Standards and Program Implementation–	
	Sharon Jackson/ Bobby Ott	
	Briefing on SBOE Meeting	
	Reading First	
	<u>ESC Issues</u>	
	LBB Audit	
	Balanced Scorecard	
	Draft Strategic Plan for ESCs	
Wednesday, May 12	8:30 a.m.–12:00 p.m.	
	Draft Strategic Plan for ESCs (continued)	
	Sharing of Products/Services	
	Planning for Next Year’s Meetings	
	Open Forum	
Future Meetings	Tuesday, June 8	TETN 1:00–3:00 p.m.
	Tuesday/Wednesday	Radisson – Austin

Source: Core Group Meeting Minutes and Agenda, 2004.

GRANTS WRITER

Many RESCs use a grants writer to augment existing resources. Examples throughout the 20 individual RESC reports show how various RESCs are effectively using grant writers to

increase resources for providing services to districts. **Exhibit 5-10** provides only one example of the extent of the number of grants written and won by the various RESCs. RESC 2 has written and won 16 grants since 1998.

**Exhibit 5-10
Grants Received with RESC 2 as Fiscal Agent**

Grant/Contract Name	Amount	Year	Source
Academic 2000	\$5,823,272	1998–2002	Texas Education Agency
Quality Development of Childcare Services	\$400,000	2000	Workforce Development Board
TxBESS	\$300,000	2000	State Board for Educator Certification
TxBess	\$235,574	2001	State Board for Educator Certification
Regional Fine Arts Summit Support	\$2,000	2001	Texas Commission on the Arts
Quality Development of Childcare Services	\$366,000	2001	Workforce Development Board
Regional ESC Innovative Grants Program	\$125,000	2001	Texas Education Agency
Quality Development	\$363,000	2002	Workforce Development Board
Regional ESC Innovative Grants Program	\$120,000	2002	Texas Education Agency
Rural Utilities Service Distance Learning and Telemedicine Grant Program	\$499,073	2002	U.S. Department of Agriculture
Teaching American History Grants	\$966,965	2002	U.S. Department of Education
Quality Development	\$383,110	2003	Workforce Development Board
Teaching American History Grants	\$965,650	2003	U.S. Department of Education
U.S. Department of Health and Human Services	\$258,640	2003	U.S. Department of Health and Human Services
Target	\$296,500	2004	Texas Education Agency
Target	\$292,482	2005	Texas Education Agency

Source: RESC 2, Business Department, 2004.

Another example is RESC 12. The region has a full-time grant writer who has written and won grants in excess of \$902,000 since September 2003. The following RESC 12 grants were awarded:

- Texas High School Completion and Success Grant Program for \$520,000;
- Limited English Proficiency Student Success Initiative for \$282,000; and
- Investment Capital Fund Grant for \$100,000.

Another example includes Region 7, which has won over \$1,020,738 in grants during 2003-04.

Accomplishment: RESCs have been active in augmenting existing and dwindling resources through the use of grant writers.

DETAILED FINDINGS

TAKS ASSESSMENT

MGT conducted an analysis of the 2003 (Grade 3) and 2004 (Grade 4) TAKS Reading scores for each of the 20 regions and compared the scores to the statewide average.

TAKS Reading scores decreased in all 20 regions as well as statewide from 2003 to 2004. **Exhibit 5-11** shows the regions in ascending order from least percentage decrease to largest percentage decrease from 2003 to 2004.

As seen in the exhibit:

- RESC 14 had the lowest percent decrease in scores (7 percent) from 2003 to 2004; and
- RESC 1 had the largest percent decrease in scores (14 percent) from 2003 to 2004.

**Exhibit 6-11
2003 and 2004 TAKS Reading Results by Region**

	Region	Name	2003 Percent Met	2004 Percent Met	Percent Decrease
1	14	Abilene	98%	91%	7%
2	8	Mt. Pleasant	97%	88%	9%
3	13	Austin	97%	88%	9%
4	15	San Angelo	97%	88%	9%
5	6	Huntsville	97%	87%	10%
6	7	Kilgore	97%	87%	10%
7	9	Wichita Falls	97%	87%	10%
8	11	Fort Worth	97%	87%	10%
9	17	Lubbock	97%	87%	10%
10	2	Corpus Christi	96%	85%	11%
11	3	Victoria	97%	86%	11%
12	4	Houston	97%	86%	11%
13	10	Richardson	96%	85%	11%
14	12	Waco	96%	85%	11%
15	16	Amarillo	98%	87%	11%
16	18	Midland	97%	85%	12%
17	20	San Antonio	96%	84%	12%
18	5	Beaumont	97%	84%	13%
19	19	El Paso	96%	83%	13%
20	1	Edinburg	94%	80%	14%

Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

Exhibit 5-12 shows the reading results on TAKS for the state as well as each region in 2003 and in 2004. As seen:

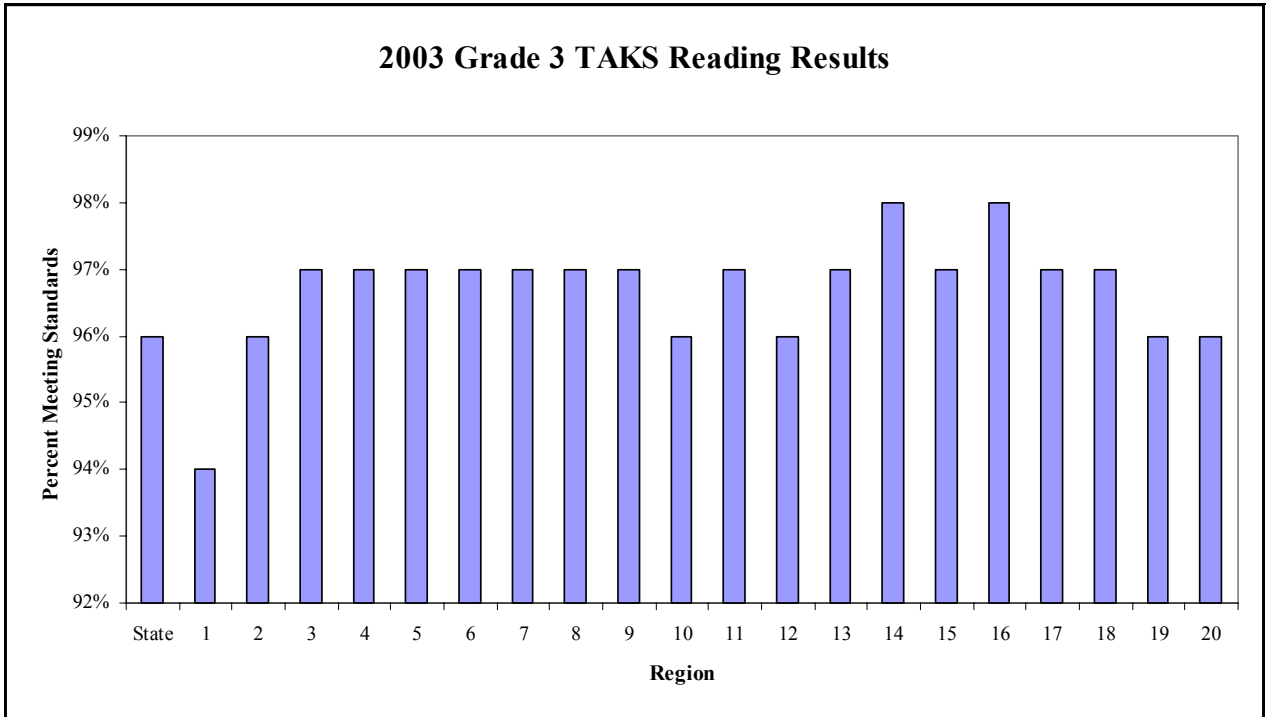
- in 2003, the statewide percentage of students who met the standard was 96 percent;
- all regions except RESC 1 were at the statewide percent or higher. RESC 1 had 94 percent of students meet the standard;
- Regions 14 and 16 had the highest percentage of students meet the standard with 98 percent in 2003;
- there was a decrease in 2004 in the number of students meeting the standard statewide as well as among the regions;
- in 2004, the statewide percentage of students who met the standard was 85 percent;
- Regions 1, 5, 19 and 20 were all lower than the statewide percentage; and

- Region 14 had the highest percentage of students meet the standard with 91 percent in 2004.

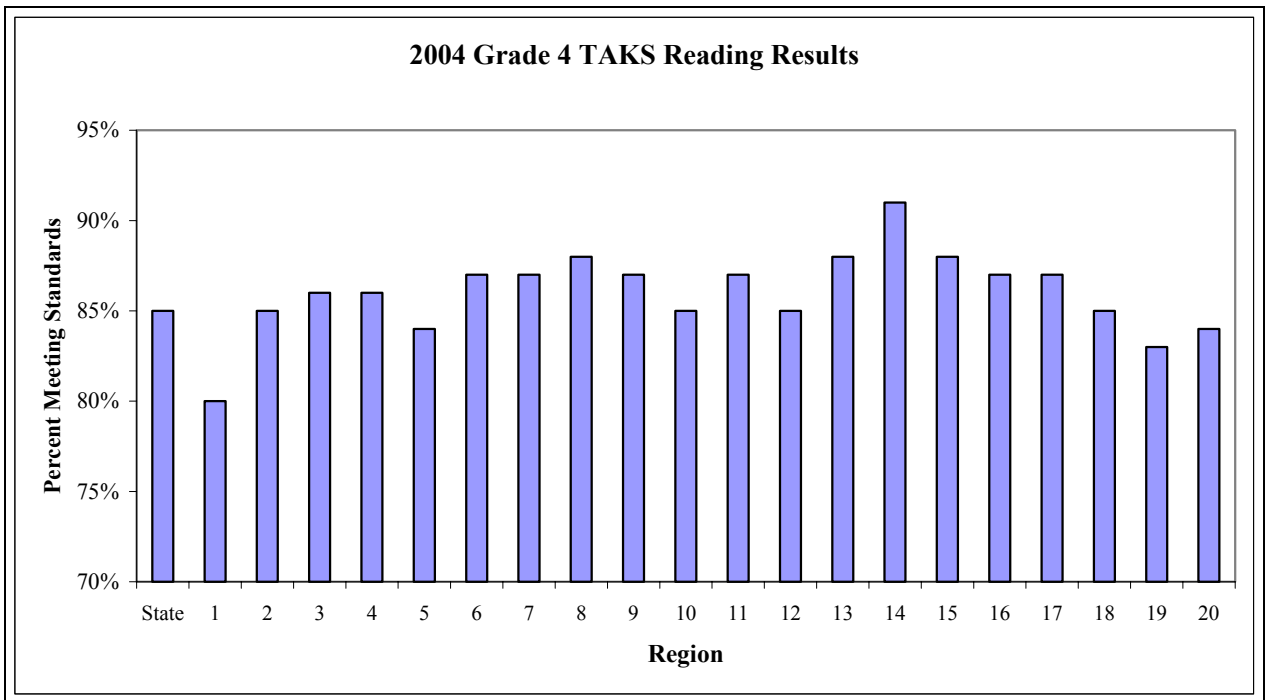
Exhibit 5-13 shows the Region 1 reading results on TAKS from grade 3 (2003) to grade 4 (2004) in RESC 1. It also shows statewide results from 2003 to 2004. As seen:

- in 2003, 94 percent of students in RESC 1 met the reading standard;
- in 2004, there is a 14 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of the students who met the standard; and
- RESC 1 had the largest percentage decrease from 2003 to 2004 within the state.

Exhibit 5-12
TAKS Reading Results for the State and 20 Regions
2003 and 2004 Results

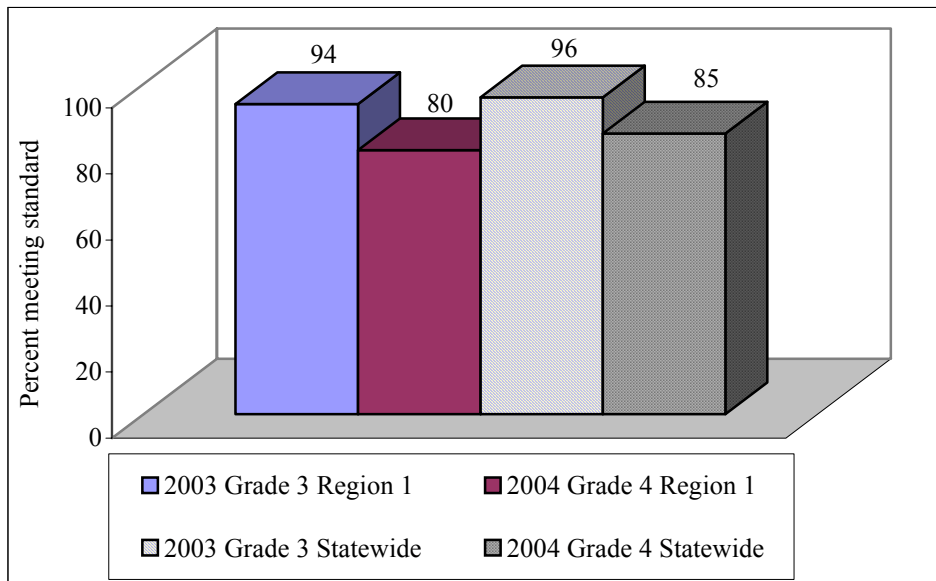


Source: Texas Assessment of Knowledge and Skills Summary Report, 2003.



Source: Texas Assessment of Knowledge and Skills Summary Report, 2004.

Exhibit 5-13
RESC 1 Edinburg
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

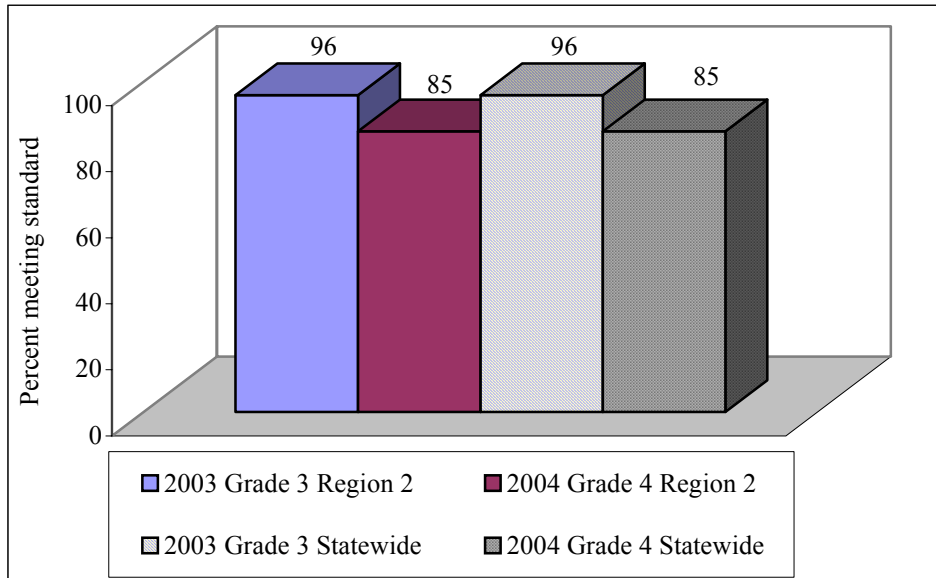
Exhibit 5-14 shows the Region 2 reading results on TAKS from grade 3 (2003) to grade 4 (2004) in RESC 2. It also shows statewide results from 2003 to 2004. As seen:

- in 2003, 96 percent of students in RESC 2 met the reading standard;
- in 2004, there is an 11 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- In 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 2 had the 10th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-15 shows the Region 3 reading results on TAKS from grade 3 (2003) to grade 4 (2004) in RESC 3. It also shows statewide results from 2003 to 2004. As seen:

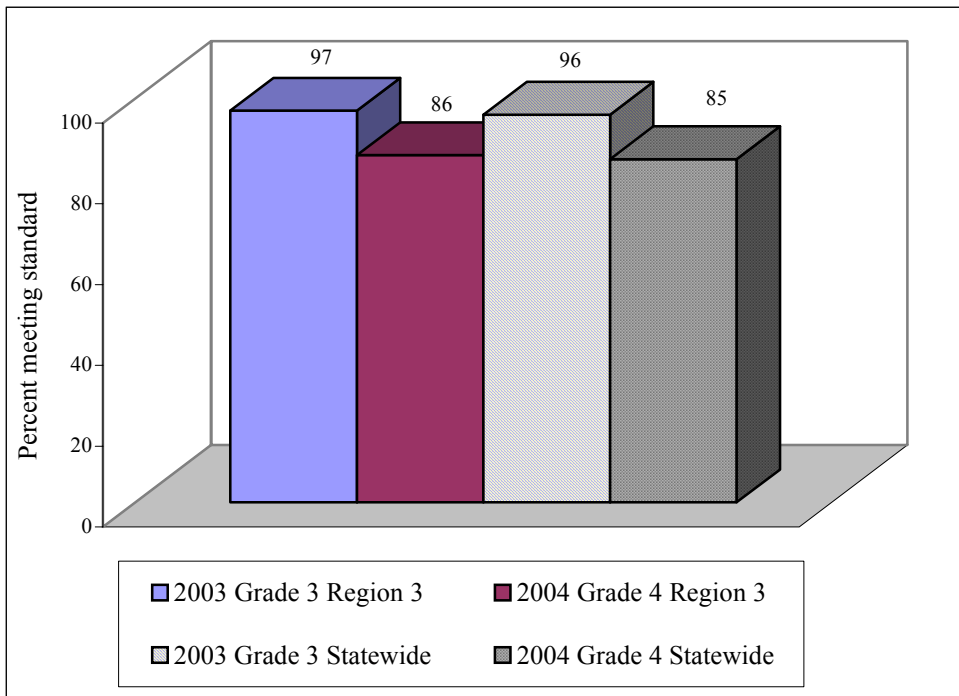
- in 2003, 97 percent of students in RESC 3 met the reading standard;
- in 2004, there is an 11 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 3 had the 11th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-14
RESC 2 Corpus Christi
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

Exhibit 5-15
RESC 3 Victoria
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

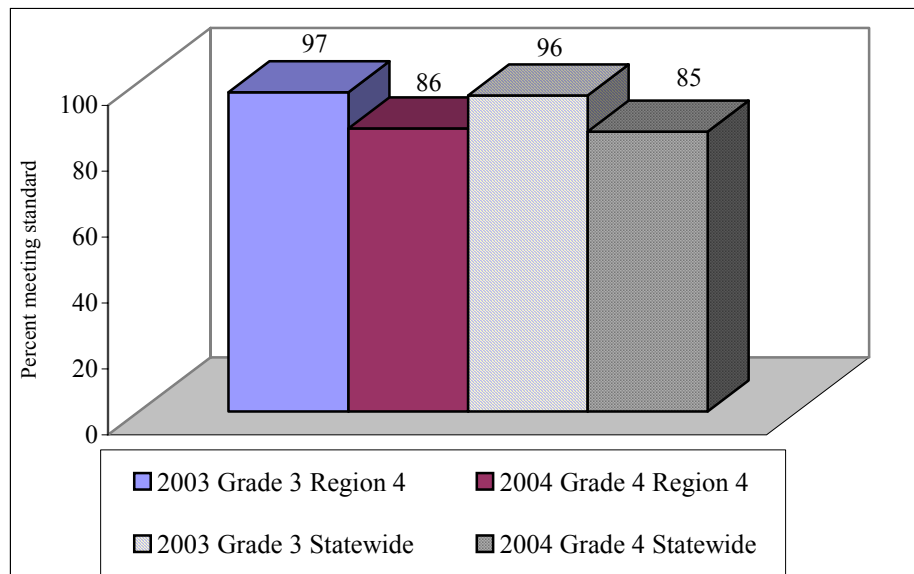
Exhibit 5-16 shows the Region 4 reading results on TAKS from grade 3 (2003) to grade 4 (2004) in RESC 4. It also shows statewide results from 2003 to 2004. As seen:

- in 2003, 97 percent of students in RESC 4 met the reading standard;
- in 2004, there is an 11 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 4 had the 12th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-17 shows the Region 5 reading results on TAKS from grade 3 (2003) to grade 4 (2004) in RESC 5. It also shows statewide results from 2003 to 2004. As seen:

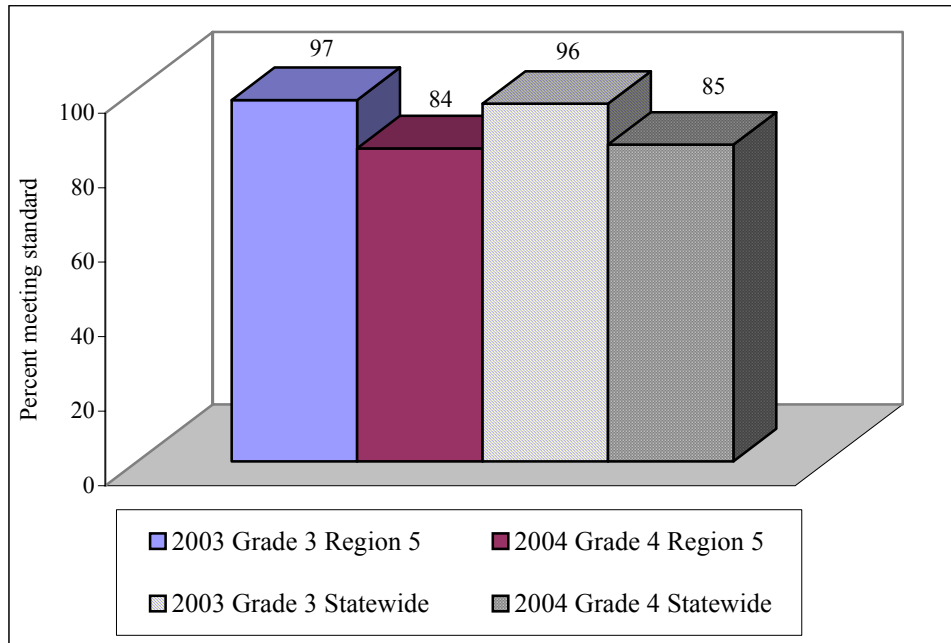
- in 2003, 97 percent of students in RESC 5 met the reading standard;
- in 2004, there is a 13 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 5 had the 18th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-16
RESC 4 Houston
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

Exhibit 5-17
RESC 5 Beaumont
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

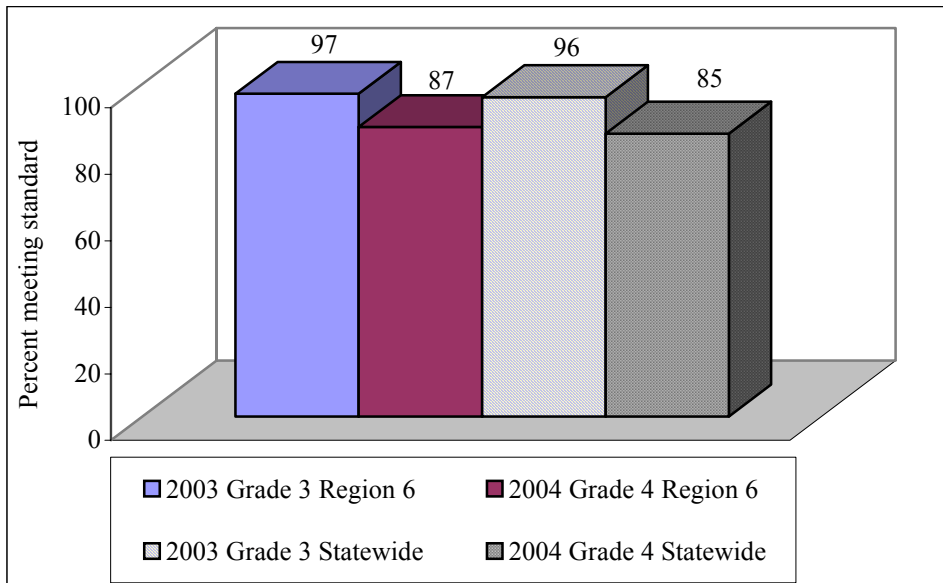
Exhibit 5-18 shows the Region 6 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

- in 2003, 97 percent of students in RESC 7 met the reading standard;
- in 2004, there is a 10 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 6 had the 5th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-19 shows the Region 7 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

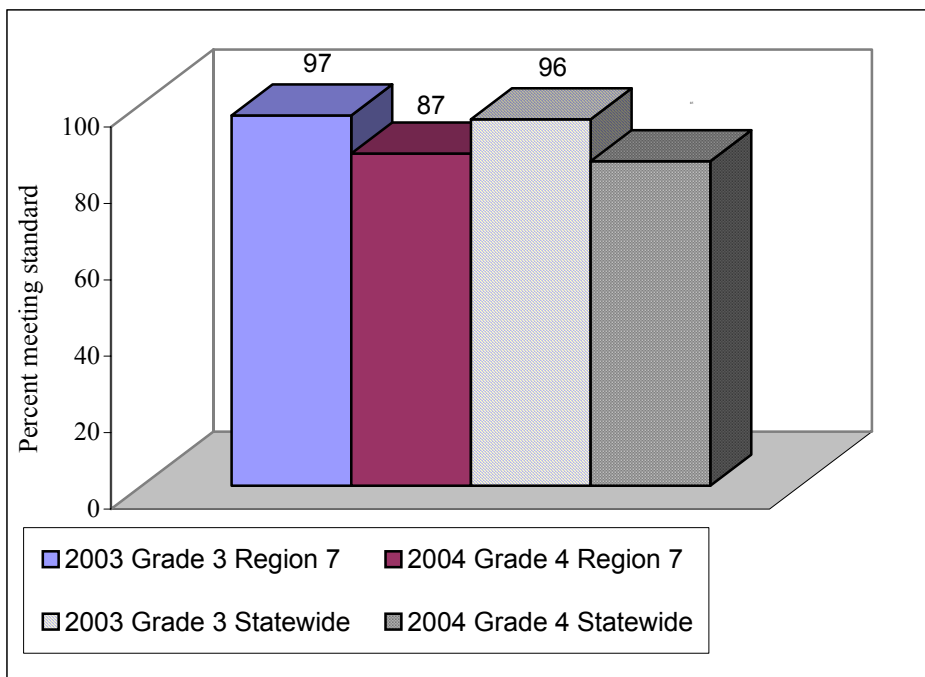
- in 2003, 97 percent of students in RESC 7 met the reading standard;
- in 2004, there is a 10 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 7 had the 6th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-18
RESC 6 Huntsville
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

Exhibit 5-19
RESC 7 Kilgore
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

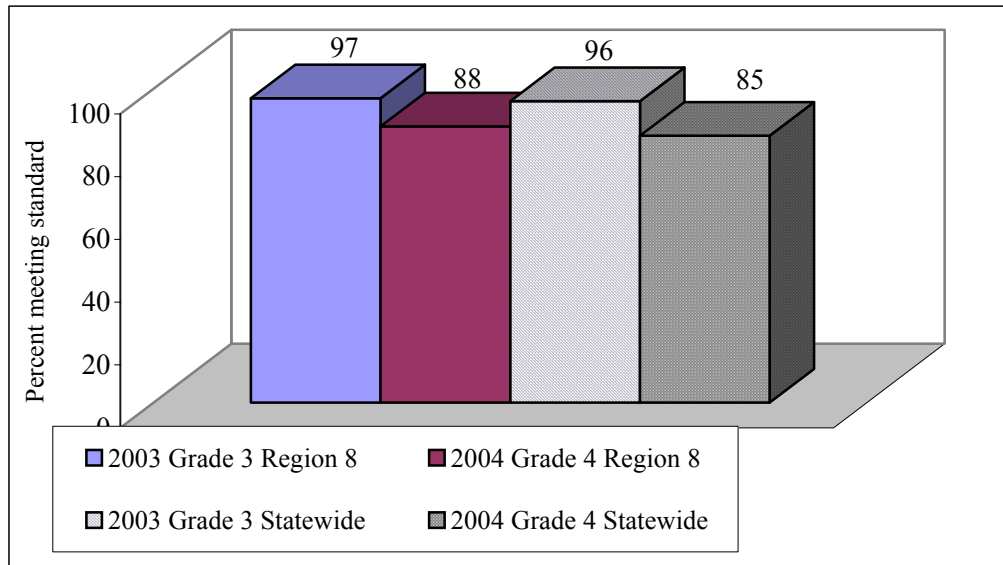
Exhibit 5-20 shows the Region 8 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

- In 2003, 97 percent of students in RESC 8 met the reading standard;
- in 2004, there is a 9 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 8 had the 2nd largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-21 shows the Region 9 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

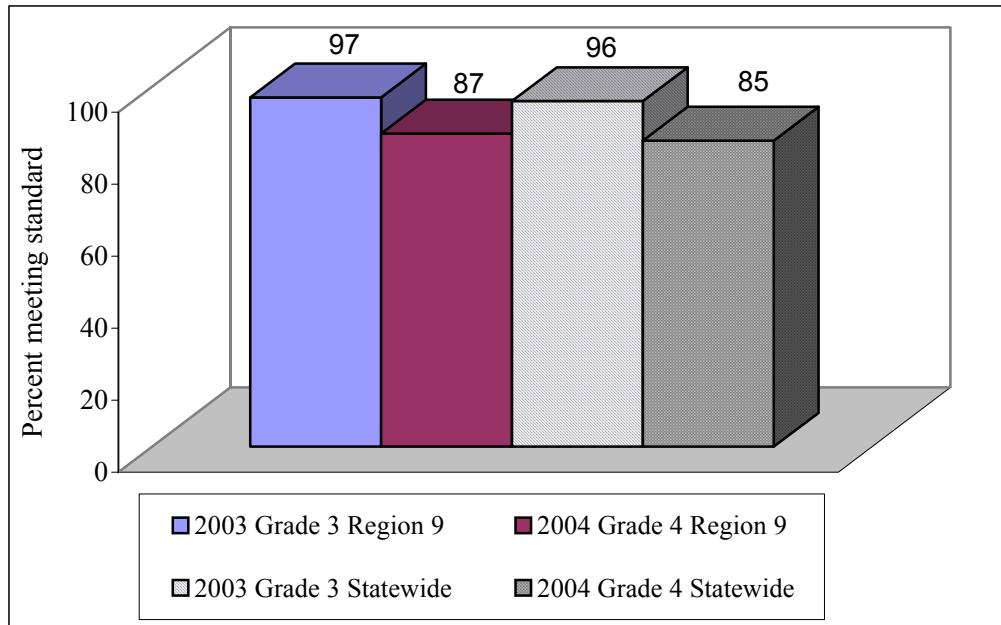
- in 2003, 97 percent of students in RESC 9 met the reading standard;
- in 2004, there is a 10 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 9 had the 7th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-20
RESC 8 Mt. Pleasant
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

Exhibit 5-21
RESC 9 Wichita Falls
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

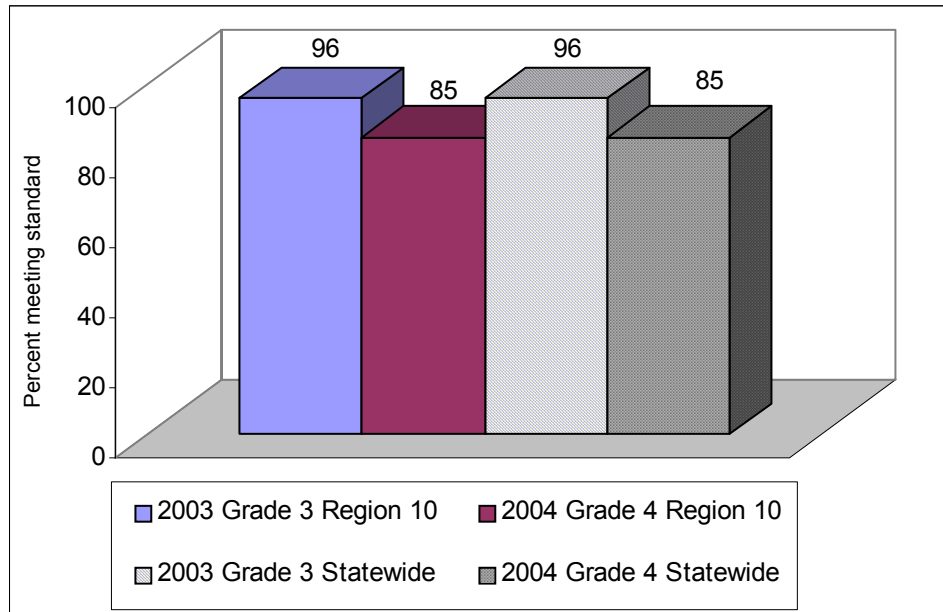
Exhibit 5-22 shows the Region 10 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

- in 2003, 96 percent of students in RESC 10 met the reading standard;
- in 2004, there is an 11 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 10 had the 13th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-23 shows the Region 11 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

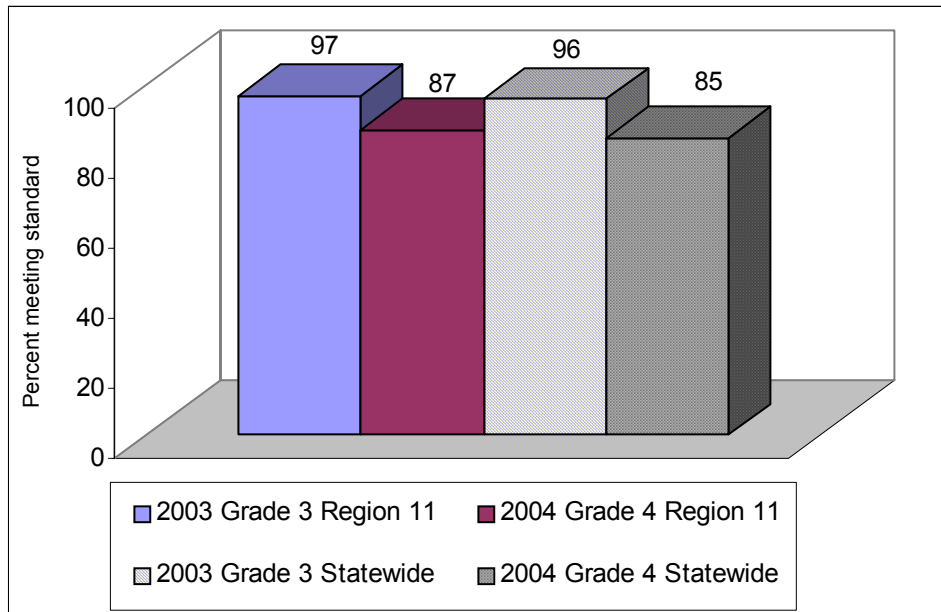
- in 2003, 97 percent of students in RESC 11 met the reading standard;
- in 2004, there is a 10 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 11 had the 8th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-22
RESC 10 Richardson
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

Exhibit 5-23
RESC 11 Fort Worth
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

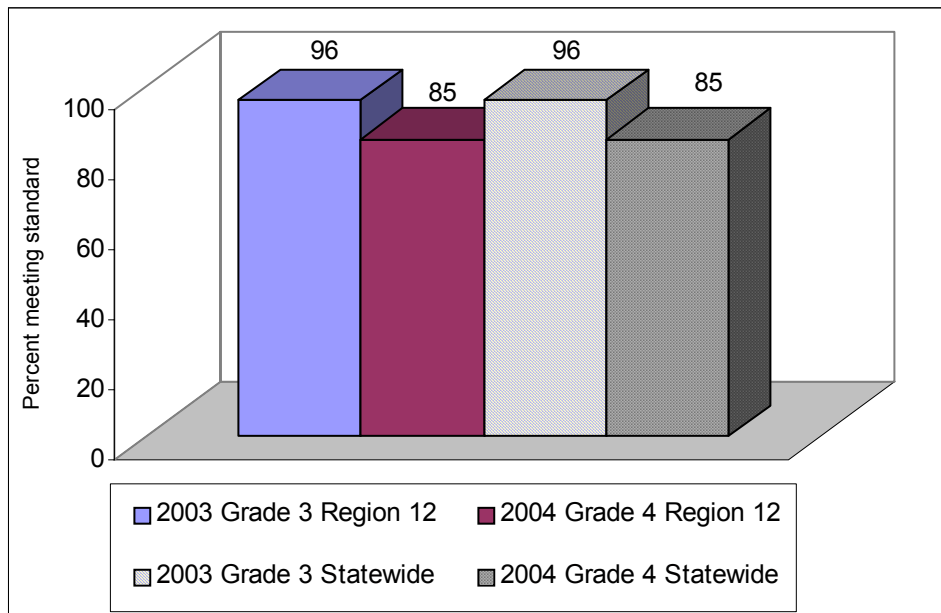
Exhibit 5-24 shows the RESC 12 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

- in 2003, 96 percent of students in RESC 12 met the reading standard;
- in 2004, there is an 11 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 12 had the 14th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-25 shows the Region 13 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

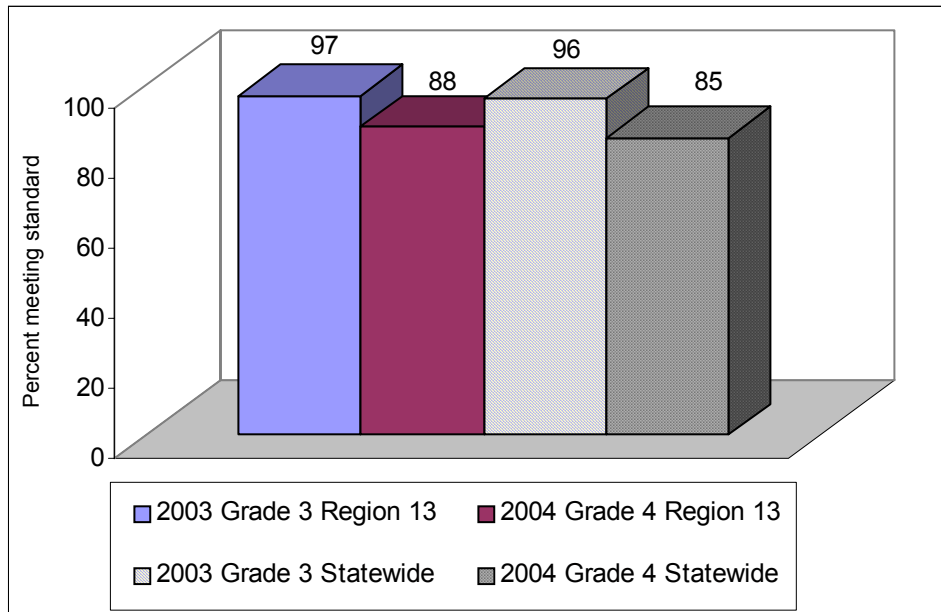
- in 2003, 97 percent of students in RESC 13 met the reading standard;
- in 2004, there is a 9 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 13 had the 3rd largest amount of decrease from 2003 to 2004 within the state.

**Exhibit 5-24
RESC 12 Waco
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004**



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

Exhibit 5-25
RESC 13 Austin
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

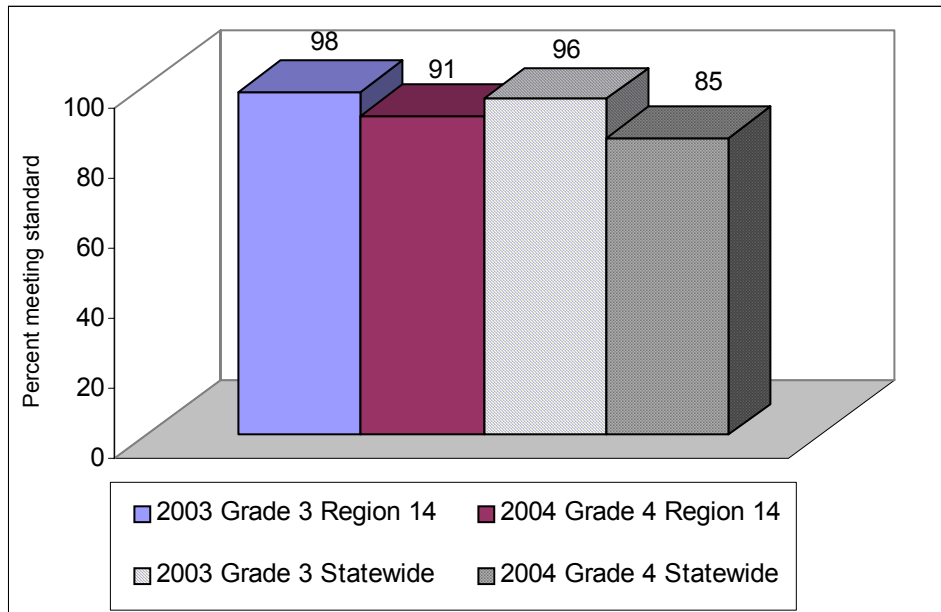
Exhibit 5-26 shows the Region 14 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

- in 2003, 98 percent of students in RESC 14 met the reading standard;
- in 2004, there is a 7 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 14 had the lowest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-27 shows the Region 15 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

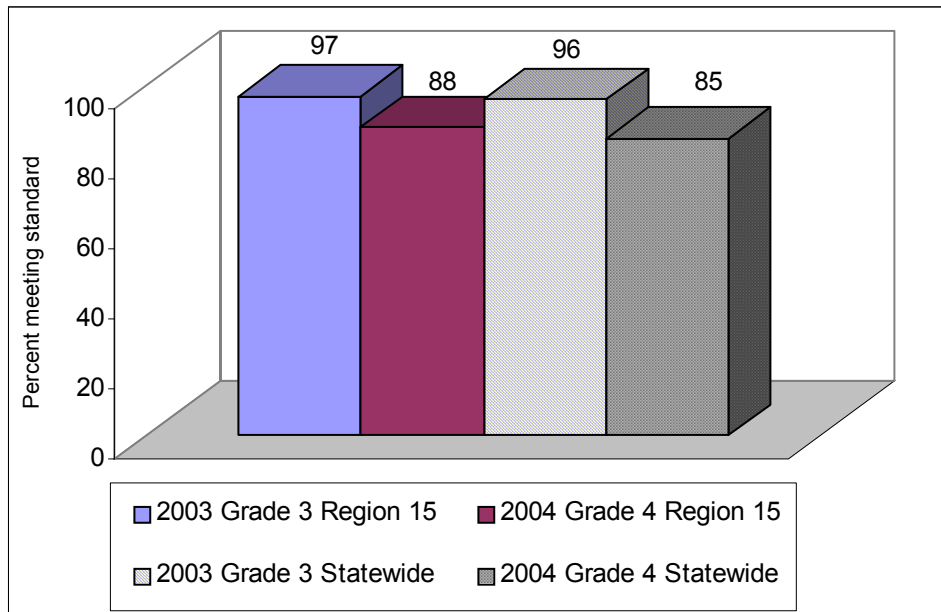
- in 2003, 97 percent of students in RESC 15 met the reading standard;
- in 2004, there is a 9 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 15 had the 4th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-26
RESC 14 Abilene
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

Exhibit 5-27
RESC 15 San Angelo
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

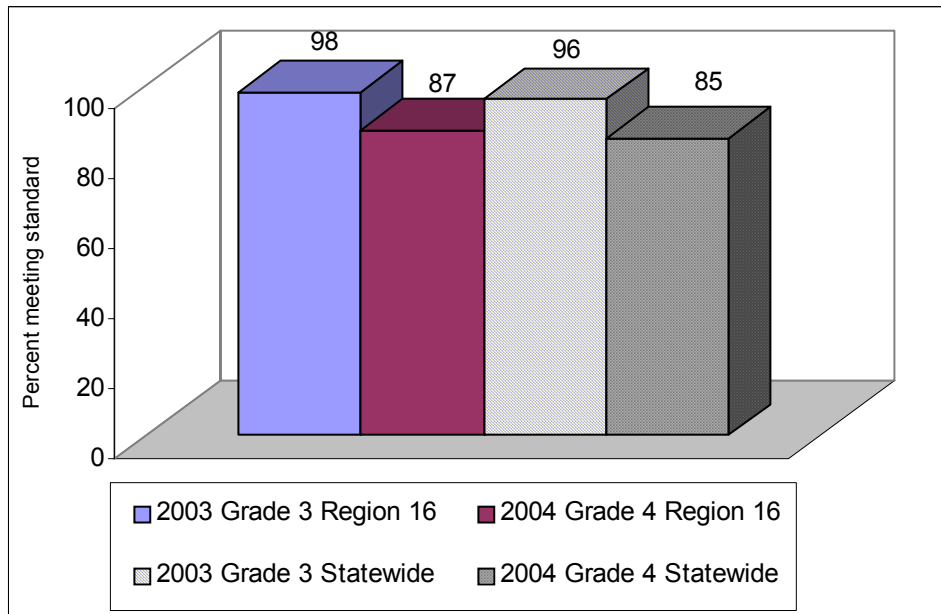
Exhibit 5-28 shows the Region 16 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

- in 2003, 98 percent of students in RESC 16 met the reading standard;
- in 2004, there is an 11 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 16 had the 15th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-29 shows the Region 17 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

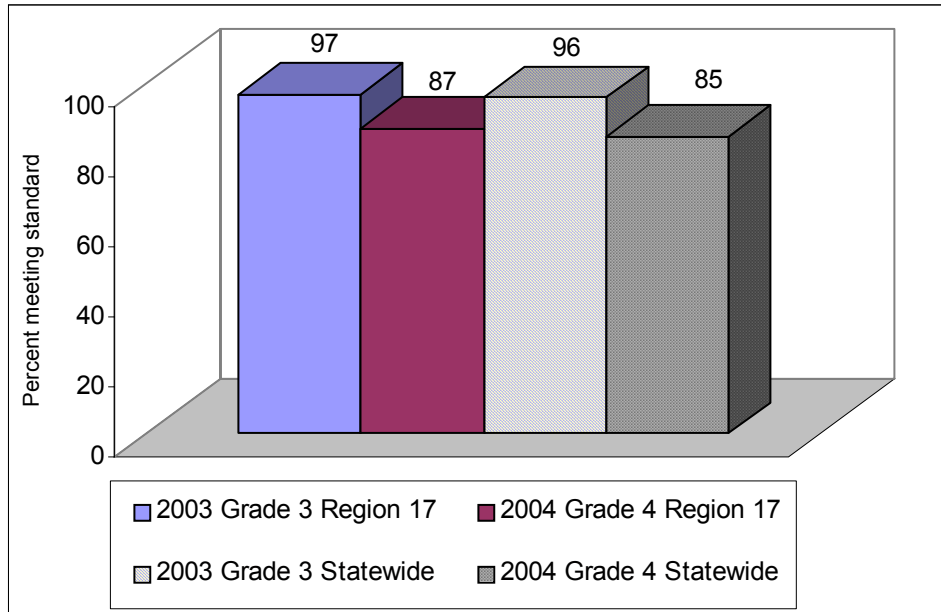
- in 2003, 97 percent of students in RESC 17 met the reading standard;
- in 2004, there is a 10 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 17 had the 9th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-28
RESC 16 Amarillo
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

Exhibit 5-29
RESC 17 Lubbock
Grade 3 Reading Results on TAKS, 2003



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

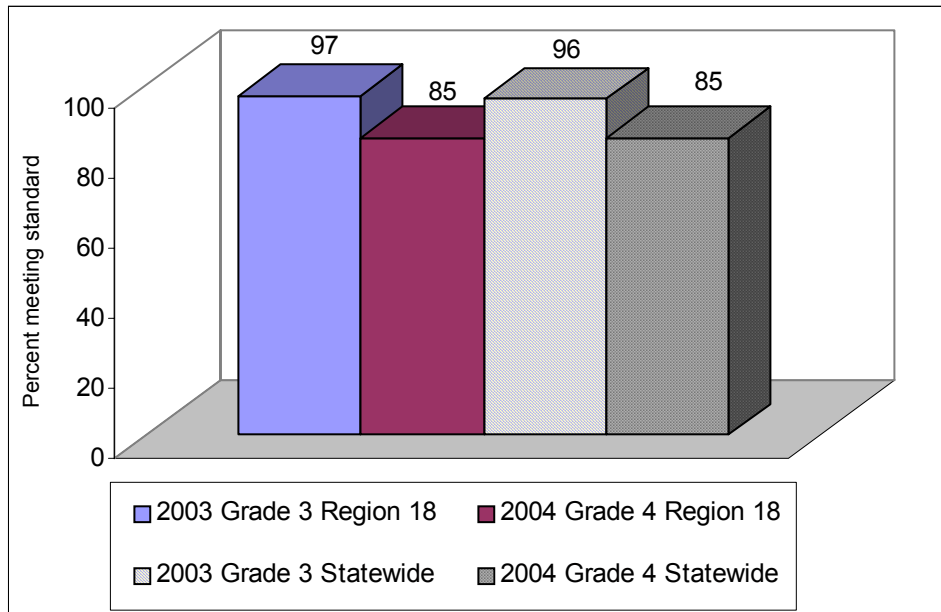
Exhibit 5-30 shows the Region 18 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

- in 2003, 97 percent of students in RESC 18 met the reading standard;
- in 2004, there is a 12 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 18 had the 16th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-31 shows the Region 19 reading results on TAKS from grade 3 (2003) to grade 4 (2004). As seen:

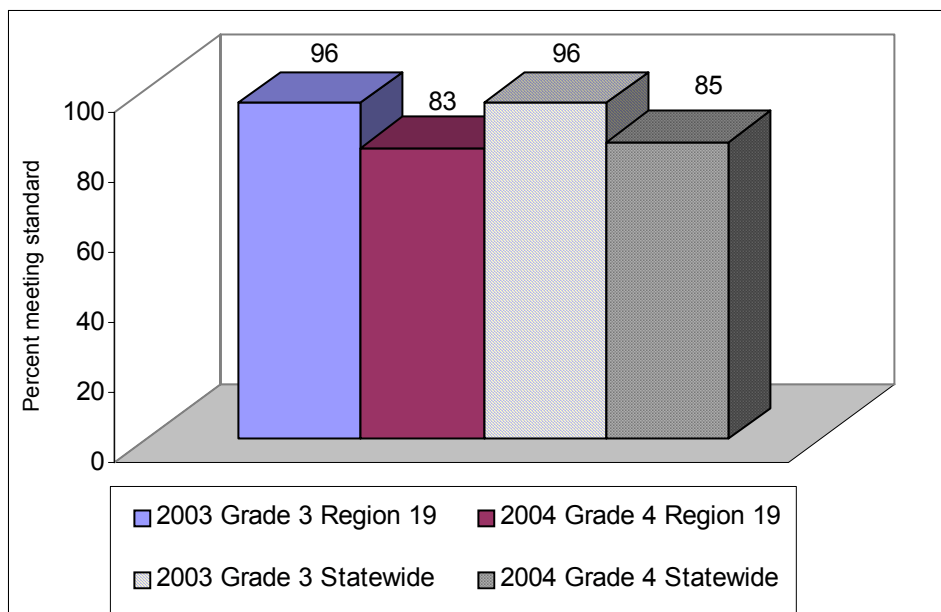
- in 2003, 96 percent of students in RESC 19 met the reading standard;
- in 2004, there is a 13 percent decrease in the percentage of students who met the reading standard;
- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 19 had the 19th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-30
RESC 18 Midland
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

Exhibit 5-31
RESC 19 El Paso
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



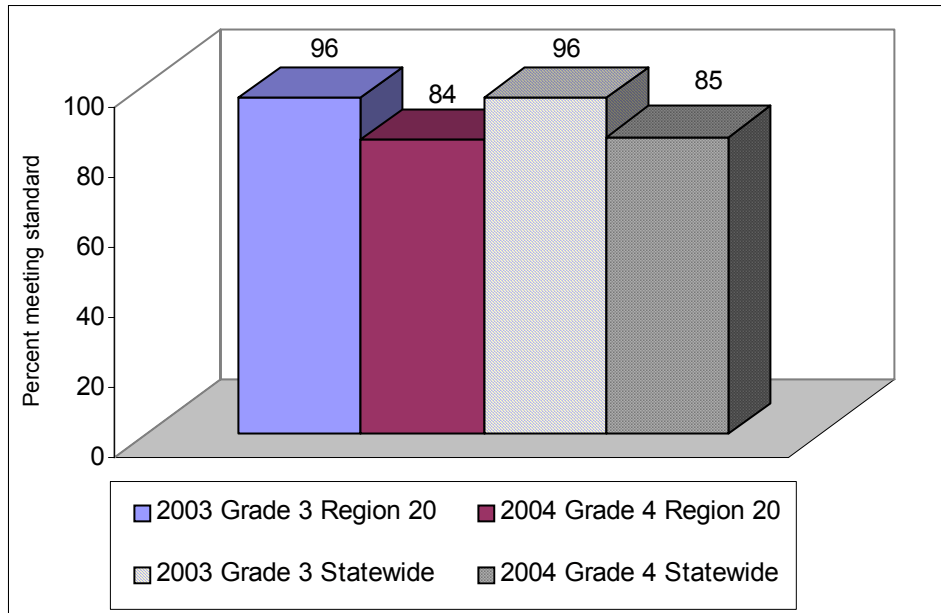
Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

Exhibit 5-32 shows the Region 20 reading results on TAKS from grade 3 (2003) to grade 4 (2004) in RESC 20. It also shows statewide results from 2003 to 2004. As seen:

- In 2003, 96 percent of students in RESC 20 met the reading standard;
- in 2004, there is a 12 percent decrease in the percentage of students who met the reading standard;

- in 2003, 96 percent of students statewide met the reading standard;
- in 2004, there is an 11 percent decrease statewide of those students who met the standard; and
- RESC 20 had the 17th largest amount of decrease from 2003 to 2004 within the state.

Exhibit 5-32
RESC 20 San Antonio
Grade 3 Reading Results on TAKS, 2003
Grade 4 Reading Results on TAKS, 2004



Source: Texas Assessment of Knowledge and Skills Summary Report, 2003, 2004.

MGT is unable to ascertain whether the 2004 TAKS tests were the full equivalent of the 2003 tests (i.e., taken from the same test item pool, etc.). Assuming the test item pool was identical for both years, TEA must carefully examine the conditions associated with the 2004 administration to determine why there was a decrease across the 20 regions ranging from as low as 7 percent (Region 7) to as high as 14 percent (Region 1).

TEA should identify a neutral evaluator to conduct a detailed assessment of the TAKS reading results for 2003-04 to identify specifics related to the decrease in the

percentage of students statewide meeting the reading standard.

A comprehensive review of the TAKS scores and related recommendations is beyond the scope of this RESC study.

TEA should identify and hire a neutral evaluator to resolve issues such as:

- test items being equivalent for both years;
- time of testing, including if the number of instructional days was

equivalent prior to both years' test administration; and

- determine if the norms were applied the same way in 2003 and 2004.

The implementation of this recommendation is essential to understanding the dynamics of the test score reductions particularly when the decreases were applicable to all 20 regions and appear to be statistically significant.

Based on an average of national educational consulting fees, this recommendation is estimated to cost \$100,000.

CORE SERVICES

“Core services” are not clearly defined by the state either in statute or in Commissioner’s Rules. RESCs statewide have various interpretations of the definition. **Exhibit 5-33** shows the current definition of core services found in the *Statewide RESC 2004-2007 Strategic Plan* and the relationship between core services and the state base funding. The definition has four key components related to:

- student achievement;
- technical assistance related to changes in TEC, TAC, and other state and federal guidelines;
- assistance to districts designated as low performing, and assistance with state and federal accountability systems;
- Public Education Information Management System (PEIMS) and state Emergency Notification System Support for PEIMS and SENS.

Exhibit 5-33 notes that core services are further explained in the TEA annual report as “training and technical assistance in teaching reading, mathematics, writing, English, social studies, science, special education, compensatory education, bilingual education, gifted and talented education, and special assistance for school districts or campuses rated unacceptable.”

Exhibit 5-33 also shows the plethora of various non-core services ranging from drivers’ education to bus driver training that have been assigned to RESCs by the Commissioner or Legislature. Interviews with staff in the 20 regions found there is a disparity in the interpretation of what constitutes a core service.

The Commissioner of Education and RESCs should clarify the definition of “core services” and specify which services should be required by all RESCs. The Legislature should clarify what specifically is meant by a core service, or require the Commissioner to establish a rule that defines core services. This recommendation should result in establishing the specific core services assigned to RESCs. By identifying a common definition, the Legislature and TEA can obtain a better understanding of the budgetary needs of the centers. Additionally, implementing this recommendation should contribute to ensuring that RESCs and TEA do not create situations of unwarranted duplication of services, therefore ensuring greater efficiency of operation.

The Commissioner of Education should confer with RESC executive directors and determine the possible core services menu. Following establishment of this listing of core services, the Commissioner should incorporate the definitions into TEA requests for approval by the Texas Legislature at the next regular legislative session.

Once the Legislature has clarified required services, create a systematic process for determining what other services should be offered to school districts. The Legislature and TEA should provide base funding for delivery of "core services."

This recommendation can be accomplished at no additional cost to the state. Also see the discussion related to funding for core services in Chapter 4, Financial Condition and Funding Adequacy.

**Exhibit 5-33
Definition of Core Services and Relationship Between Core Services
and State Base Funding**

<p>Use of RESC State Base Funding</p>	<p>State Base funding as determined by the combination of the Base Amount in addition to the Geographic Funding will be used by each ESC to provide core services to the extent that funding allows. Several options and or combination of options exist as to how the base State Base Funding can be used to support core services. A base level of support for each area of core services would be established at each ESC, but would be identical from one ESC to the next, due to variances in funding levels, demographics and regional needs:</p> <ul style="list-style-type: none"> • ESCs establish a set of common funding codes in order to provide an audit trail that accurately tracks the expenditure of State Base funding in support of the identified core services. • On an annual basis, each ESC determines a percentage or percentage range of State Base funding that will be allocated and expended in support of the various categories of core services subject to the approval of TEA.
<p>Definition of Core Services</p>	<p>Student Achievement–Provide training and updates related to TEKS, TAKS, and AEIS. Offer call-in and walk-in technical assistance to district and campus personnel related to TEKS, TAKS, and AEIS indicators and reports. Support for low-performance and accountability may include, but is not limited to, the following activities:</p> <ul style="list-style-type: none"> • Overviews of Texas Essential Knowledge and Skills (TEKS) objectives for various grade levels and subject areas; • Facilitating the sharing of information between districts and schools through administrator, subject area, and grade level update and information sharing sessions; • Pre-administration training on Texas Assessment of Knowledge and Skills (TAKS); • Training related to the interpretation of Academic Excellence indicator System (AEIS) criteria and reports; and • Call-in and walk-in assistance related to TEKS, TAKS, and AEIS. <p>Technical Assistance Related to Changes in TEC, TAC, and other State and Federal Guidelines–Provide the training and overview sessions as well as call-in and walk-in assistance related to orienting district staff to changes in the Texas Education Code, Texas Administrative Code, as well as other pertinent state and federal regulations including Texas Open Meetings Act, Texas Open Records Act, and No Child Left Behind (NCLB). Support for changes in TEC, TAC, and other state and federal rules and guidelines may include but is not limited to the following activities:</p> <ul style="list-style-type: none"> • Law and rule update sessions targeted toward appropriate school personnel as determined by the nature of the changes; • Call-in and walk-in assistance with clarification of TEC, TAC, and other state and federal guidelines to the extent of ESC expertise; • Field Services support; and • Hosting and facilitation of regional meetings for various administrator and teacher groups. <p>Assistance to Districts/Campuses Designated as Low Performing and Assistance with State and Federal Accountability Systems–Provide ongoing support and assistance for campuses and districts designated as low performing according to either state or federal accountability systems. Support for low-performance and accountability may include but is not limited to the following activities:</p> <ul style="list-style-type: none"> • Assistance interpreting agency reports; • Assistance with intervention planning; • On-site assistance preparing for agency visits related to low performing status; • Overviews in training related to state and federal accountability systems and changes in accountability systems; • Overviews and assistance related to Site-based Decision Making and planning; • Call-in/Walk-in technical assistance related to accountability system(s); and • On-site assistance in preparation for agency accountability visits.
	<p>Public Education Information Management System (PEIMS) and State Emergency Notification System (SENS). Support for PEIMS and SENS–may include but is not limited to the following sample activities:</p> <ul style="list-style-type: none"> • Training on data standards; • Update overviews on data standards; • Call-in and Walk-in assistance with interpretation of data standards; and • Technical assistance in preparation for agency accountability visits.
	<p>Center Operations–Use of base funding to assist with the payment of “necessary administrative and operational expenses of the center related to the provision and core services (T.E.C.§8.121).” Individual ESCs may use no more than thirty-percent (ESC self-imposed limitation after base funding cut in 2003-04) of total base funding (base amount plus geographic adjustment plus small school adjustment) in support of Center operations.</p>

Source: Texas RESCs’ 2004–07 Draft Strategic Plan.

MARKETING EDUCATIONAL PRODUCTS AND SERVICES

While the RESCs have produced innovative products and services that are being used nationwide, more should be done to market these services.

RESCs that are members of the AESA can take advantage of the products developed by other educational service agencies to avoid

duplication of efforts. All 20 RESCs are members of AESA; however, the centers could improve their efforts in marketing their services. **Exhibit 5-34** displays a list of the products and the educational service agency providing the products. Many other states are using AESA to successfully market products and services. Texas RESCs, however, could enhance their marketing efforts.

**Exhibit 5-34
Products Developed by Educational Service Agencies**

Product Name:	Educational Service Agency:
WSIPC HR & Payroll System	Washington School Information Processing Cooperative (WSIPC)
50 Quick and Easy Computer Activities for Kids!	Educational Services and Staff Development Association of Central Kansas
50 Quick and Easy Computer Activities for Kids!	Educational Services and Staff Development Association of Central Kansas
Administrative Software Applications	Central Susquehanna Intermediate Unit
American Sign Language as a foreign language	Mercer County ESC
Career Information	EUREKA the California Career Information System
CDA (Comprehensive Data Analysis for School Improvement)	Allegheny Intermediate Unit
Citrix Authorized Learning Center	Washington School Information Processing Cooperative (WSIPC)
Common Ground	Centennial BOCES
Conducting Classroom Walk-Throughs To Maximize Study	Mercer County Educational Service Center
Conducting Classroom Walk-Throughs To Maximize Study	Mercer County Educational Service Center
Conducting Classroom Walk-Throughs To Maximize Study	Mercer County Educational Service Center
Create It With Kidspiration	Educational Services and Staff Development Association of Central Kansas
Curriculum Mapping Software	Cattaraugus-Allegany BOCES
Cybersnax-Professional Development for Teachers	Central Indiana Educational Service Center
Data-Driven Instruction	Centennial BOCES
Data-Driven Instruction (video and facilitator's g	Centennial BOCES
Data-Driven Instruction (video and facilitator's g	Centennial BOCES
Data-Driven Instruction (video and facilitator's g	Centennial BOCES
Data-Driven Instruction (video and facilitator's g	Centennial BOCES
eSchool Builder: K-12 Courseware	Central Susquehanna Intermediate Unit
Fiscal System	Washington School Information Processing Cooperative (WSIPC)
Kansas Virtual Learning Project	Kansas Education Service Centers Assoc.
Microsoft Certified Partner	Washington School Information Processing Cooperative (WSIPC)
MyHomework.TV	MyHomework.TV Network Services
Online Courses (Grades 6-12)	Ohio Valley Educational Cooperative
Orientation for Teachers New to Adult Ed. (OTNAE)	CREC/Adult Training and Development Network
Orientation for Teachers New to Adult Ed. (OTNAE)	CREC/Adult Training and Development Network
Reviewing Your School District Professional Development	Mercer County Educational Service Center
Roles and Responsibilities Within a SBE System	Centennial BOCES
Roles and Responsibilities Within a Standards-base	Centennial BOCES
SBE Operator's Manual for Administrators	Centennial BOCES
Standards-based Classroom Operator's Manual for Te	Centennial BOCES

**Exhibit 5-34 (continued)
Products Developed by Educational Service Agencies**

Product Name:	Educational Service Agency:
Standards-Based Classroom Self-Inventory	Centennial BOCES
Student Information System	Washington School Information Processing Cooperative (WSIPC)
Systems Modeling & Simulation Curriculum, HS/Voc	Southeast MN Service Cooperative
Teacher TimeSavers Deluxe	Educational Services and Staff Development Association of Central Kansas
Track Meet Manager	Educational Services and Staff Development Association of Central Kansas
True Colors Special Event	True Colors Communications Group
True Success In A Career	True Colors, Inc.
Virtual Learning Academy	Jefferson County ESC
web services	csiu
Web Site Builder: Educator Edition	Cattaraugus-Allegany BOCES
WSIPC Cooperative Purchasing	Washington School Information Processing Cooperative (WSIPC)
WSIPC Custom Programming Service	Washington School Information Processing Cooperative (WSIPC)
WSIPC Enhanced Skyward PaC Student	Washington School Information Processing Cooperative (WSIPC)
WSIPC Network Services	Washington School Information Processing Cooperative (WSIPC)

Source: Association of Educational Service Agencies Web site, <http://www.aesa.org/products/getalldetails.cfm>, 2004.

While some RESCs, such as RESC 14, attempt to disseminate information about their services via submitting articles such as the one entitled, “Leading the Way in Support for Rural School in Texas” (AESA’s Perspectives, Volume 9, 2003), more state and national marketing is warranted.

RESCs should develop a statewide RESC plan for the marketing of products and services. A plan to market products, programs and services to a variety of clients should be developed. Additionally, the process involved in establishing a statewide plan should include identifying other potential markets such as private schools, business applications (particularly with technology applications that have been developed by RESCs), and other targeted audiences. One option for implementing this recommendation should involve approaching private sector marketing development companies with an offer to form a joint venture. This joint venture could be developed with the understanding that earned revenues could be shared as a means of underwriting the venture. A second option could involve developing a collaborative alliance with one of the major university schools of business that has a marketing department.

Exhibit 5-35 shows 10 essential building blocks to effectively market RESCs’ services

and in becoming an organization that is cost-effective, innovative, and recognized for best practices and services.

This recommendation can be implemented at no direct, immediate cost to the RESCs or TEA since the recommended implementation options include creating non-cost alliances with either private or public entities and by using the AESA as a forum for marketing.

BEST PRACTICES DATABASE

While isolated pockets of comprehensive collaboration exist (RSCCC and other examples previously mentioned), most organizational knowledge and best-practice solutions are not shared among RESCs and/or other educational institutions. There is much duplication of effort and uneven levels of quality in program delivery as a result.

One respondent to MGT’s Core Group questionnaire stated, “The main area of duplication lies in the trend over the past two years to direct most supplemental funding to universities, making the RESCs ineligible applicants for grant opportunities, thereby establishing a parallel system to the RESCs for development and delivery of various products and services to member districts.”

Exhibit 5-35
Building Blocks to Effectively Market RESC Services

1. Foremost, ESA leaders must function as community, regional, and state leaders. They must seek opportunities beyond the boundaries of their respective region and forge partnerships with non-traditional agencies. They must be seen actively participating in civic and cultural regional activities.
2. Innovation best emerges from teams and groups. Most innovation is not the product of researchers or a lone inventor. Diverse teams from a wide range of perspectives provide the most fertile ground for creativity to blossom. Effective teams may include members from the school, community, business, higher education, and government so that the best thinking can be integrated into the new or improved product, service or way of thinking. The teams must be empowered to take risks and exploit opportunities. Leadership on the teams can rotate, but a convener should be identified. The added value of including resource people from outside the profession is the resultant connectivity to financial and in-kind resources, including built-in community support to launch and champion the innovation.
3. Work space and work schedules must be flexible as a requirement so that cross-program teams and groups can easily meet and think together.
4. Benchmarking against best practices internationally must be used as a research and learning tool. However, each region has different opportunities and levels of resources. Customized strategies around the unique assets, networks, culture, and community need to be generated. The findings from the benchmarks should be integrated into the process as they fit the situation.
5. Networking, both inside and outside the organization, through the use of multiple means of communicating and sharing of information is a fundamental requirement of successful organizational change. The total enterprise must be inviting, inclusive, informing, and interactive in order to garner the value of existing and emerging knowledge and creativity of the group and partners. The ESA must be information and data-driven.
6. Innovative ideas can emerge from anyone, anywhere, at any time. In today's society anyone with a good idea or an open mind can be a contributing member of an innovation group. Therefore, the traditional chain of command or military models of management reliant on a rigid organizational chart and fixed job descriptions (silos) can be limiting or pose a serious organizational barrier to creativity and innovation.
7. Board and client understanding and support are key ingredients in successful ESA change efforts. Written board policies and administrative guidelines must be adopted, widely distributed, readily available, and periodically reviewed and refined. (Please refer to Appendices I & II.)
8. Incentives and recognition are critical to the sustainability of the innovation movement and the continuous improvement and development of the enterprise.
9. Outreach to new funding sources and other resources and marketing efforts to obtain new partners who can add value and share costs are paramount.
10. The enterprise must become a community of learners supported by the Board and senior executives. It is a mandate for all employees to develop a market and customer driven mind set with appropriate skills to be proactive in exploiting continuous improvement opportunities.

Source: Perspectives, Reforming and Innovating ESAs, 2000.

Other statements from the Core Group members confirming this finding include:

- “Regional needs and differences are evident throughout the state. There is duplication of efforts in creating training materials and associated products for statewide issues and initiatives, such as: Performance Based Monitoring (PBM), State and Federal Accountability, Migrant NGS and ID and Recruitment, LPAC training, and teacher preparation for TExES. Also, many of the service centers use the same state and national trainers for some of the very specialized training required in the area of special education that could be better coordinated.”
- “Yes, there is some duplication in the development of professional development materials and products.”
- “The duplication at ESCs is mainly in delivering state mandates and initiatives. The only duplication might be in the area of product/service development. Previously, most product development has been done at the state level. With funding reductions, that is no longer possible. Even when an ESC develops something, they usually share it with other ESCs at a very reduced price which makes for more efficient delivery by all ESCs.”
- “The reading initiative was done in collaboration and in tandem with TEA. At the present time, this project is initiated by higher education, which has resulted in duplication of reading services.”
- “One thing that the CORE group thinks is important to consider is the duplication of services provided by universities that are parallel to ESC services. TEA has generally not allowed eligibility for grants to ESCs, but universities are allowed the opportunity to apply. A recent

example is the Teacher Quality Grant.”

Exhibit 5-36 shows that, in MGT’s survey results overall, the superintendents statewide rated the various types of training by the RESCs lower than the majority of the other survey questions. There is no statewide database or organized method for sharing the RESCs’ best practices in the various training being created and delivered.

The RESC’s 2004–07 draft strategic plan (page 6) also states that one of the statewide RESC challenges is that “RESCs duplicate development of some products and services” so there is an awareness that this duplication of effort exists among the 20 centers.

RESCs, in collaboration with TEA, should establish an RESC systemwide best practices database maintained by the RESCs Core Group and other appropriate stakeholders.

A database of best practices could be used by RESCs and school districts for the improvement of instruction and related services. The establishment and maintenance of the database at TEA could occur in a collaborative effort; however, among the RESCs, there is the capability to establish and maintain such a database. The final determination should be based on an assessment of TEA’s capacity, an assessment that is beyond the scope of this review.

The RESCs should strive to establish additional statewide partnerships to improve collaborative efforts among higher education and other governmental agencies. The Commissioner and RESC executive directors should appoint a Core Group that also includes technical and various program representatives from TEA and the centers. This group should be charged with establishing the structure and procedures associated with a systemwide best practices database. Once having accomplished this, the group should proceed to identify the location and control points for the systems. An operating budget and proposed plan for funding should be included with the final

proposal. Once the plan is fully developed, reviewed and approved by the Commissioner and RESC executives, plans for final

implementation should be formulated and carried out.

**Exhibit 5-36
Selected MGT Survey Results**

Statement	(SA+A)/(D+SD)
RESC TRAINING	
9. Training and assistance for campus planning	84/5
10. PDAS training and support	90/1
11. Training and support for Texas Essential Knowledge and Skills (TEKS)	90/2
12. Training and support for aligning the curriculum and instruction with TEKS	86/3
13. Leadership training and development programs and services	91/3
14. Training and assistance to help improve student performance	87/5
15. Training and assistance in using new teaching methods and strategies	85/4
16. Training and assistance in the use of technology	85/4
17. Training and assistance in discipline management and conflict resolution	78/4
18. School board training services	90/3
19. Teacher Certification	84/5
20. Professional/Para-Professional Certifications	86/3
RESC SERVICES	
21. Computer network and telecommunication services	81/7
22. Purchasing cooperatives	84/2
23. Services and support for PEIMS	91/3
24. Online/Distance Learning classes	66/6
25. On-site technical assistance	75/5
26. Video Conferencing	71/4
RESC SERVICES	
27. Lending Library	70/2
28. Best Practices Information	79/4
29. Organizational Links	79/3
30. Demonstrations and Equipment	75/4

Source: MGT of America survey results, 2004.

Note: Percent responding Satisfied or Very Satisfied/percent responding Dissatisfied or Strongly Dissatisfied.

This recommendation can be implemented with existing TEA resources and at no additional cost to either TEA or the RESCs, providing that conferencing is conducted via available electronic means. If group meetings are dictated, then the costs of travel will have to be estimated. These costs cannot be estimated until the representative group is appointed and a work schedule determined.

PROGRAM EVALUATIONS

Program evaluations, supporting the continuation of programs in many RESCs, do not exist. Some RESCs, such as Region 2, have excellent program evaluations and staff produced a document with complete

evaluations of services and needs assessments titled *Education Service Center Region 2 Evaluation of Services and Needs Assessment. The Guidance Document for Regional Education Service Centers* produced by the Texas Education Agency requires that annual evaluations be conducted; however, the document does not specify that the results be published. The document contains the results of the program evaluations and all comments pertaining to the programs.

Region 4 in Houston has an outstanding model for evaluating its programs. In accordance with the Region 4 board’s commitment to continuous improvement, the

Executive Regional Advisory Committee of Superintendents (RAC) conducts an annual evaluation to assess the effectiveness, utilization, and awareness of the region's services and products. The process uses a survey methodology as referenced in Earl Babbie's book, "Survey Research Methods" (1973), which includes the completion of two sets of instruments—the Superintendent's Review and the Departmental Questionnaires. The complete evaluation process and instruments are approved and monitored closely by the RAC. Region 4's Evaluation Study Report consists of an executive summary, the Superintendent's Review, Department Reviews, a longitudinal analysis, and two appendices. The Texas Center for Educational Research also conducts this type of evaluation process as a result of RESC 4 pioneering efforts.

Another example is found in RESC 16 where the Migrant Program uses multiple data-driven evaluative methods to measure success of its programs. Programs with particularly low district participation should be evaluated to ensure the continuation of the program. While soft data such as interviews with district staff exist, many times hard data supporting RESCs program success are lacking.

The state should develop, issue, and implement Commissioner's rules or guidelines for evaluation of specific programs designed to determine their continuation or modification.

This recommendation is essential to providing continued financial support of programs and services. MGT recommends that RESC 4's process for the evaluation of its center programs be used as a statewide model and should play an integral role in the development of the evaluation guidelines.

This recommendation can be implemented with existing TEA and RESC resources and at no additional cost to either TEA or the RESCs, providing that the meetings of the stakeholder group developing these guidelines

are conducted via available electronic means. If group meetings are dictated, then the costs of travel will have to be estimated. These costs cannot be estimated until the representative group is appointed and a work schedule determined.

ASSISTANCE WITH LOW PERFORMING SCHOOLS

There is little consistency in the quality of RESCs' plans for assisting low performing schools. There is also little consistency in the quality of campus improvement plans.

While some regions have a comprehensive, written plan to assist member districts, many other RESCs do not have a written plan. Those RESCs that did not have a written plan showed little consistency among RESC staff members in providing services to the low performing schools.

RESCs have a variety of data that indicate which schools/districts have low (or declining) performance; however, there is no systemwide, coordinated plan for assisting these schools. When interviewed, staff from the various departments had numerous methods for offering and providing assistance to the schools, but the various plans are not consistent.

Other RESCs have a team such as the School Improvement Team at RESC 6 composed of members of the Leadership and Development Department, and have developed a standardized set of services designed as low-performing campus interventions. The typical scope and sequence of Region 6's interventions are detailed in **Exhibit 5-37**.

Additionally, MGT consultants reviewed campus improvement plans across the regions and found great disparity in the quality of plans. While the state establishes minimum criteria for campus improvement plans, many school plans are not based on data.

RESCs should create a statewide plan for RESCs’ assistance to low performing schools and consider creating a statewide school improvement plan template.

Ensuring quality technical assistance to low performing schools is a critical RESC role, as is assistance in quality school improvement planning.

Exhibit 5-37

RESC 6 Low Performing Campus Intervention Program Steps

1. The RESC 6 receives TAKS scores from TEA and a staff member desegregates the data to the campus and classroom level. The staff analyzes the data to identify trends, areas of significant strengths and weaknesses, and underperforming campuses.
2. TEA delivers final accountability ratings, identifying schools that have been designated as academically unacceptable.
3. Schools targeted for intervention are divided among the six members of the team. The team chair contacts the campus principal within forty-eight hours of receipt of the ratings from TEA.
4. An appointment is made for the principal and chair to meet at the school within two weeks.
5. The team member visits the campus principal taking a folder which contains campus AEIS data from the prior year, accountability table, and contract. During this visit, the team chair outlines the accountability process and describes the RESC intervention plan. The chair brings a copy of the campus plan back to the RESC.
6. The team chair and campus principal mutually schedule dates for the proposed interventions. A copy of the schedule is sent to the superintendent.
7. The team chair oversees each step in the intervention process, the Texas School Improvement Initiative (TSII) visit, and the follow-up activities.
8. Each low-performing campus is asked to evaluate the service each May. That input is used to refine the service the next year.

Source: RESC 6 Low Performing Campus Interventions Program Description, 2004.

The implementation of this recommendation should result in standardization of the formats for reporting school improvement needs and related improvement initiatives. This action should facilitate collecting and organizing defined improvement needs on a statewide basis. This process should create an information base that could contribute to assessing the needs for various core services. The template should be developed by TEA with assistance from the RESCs and can be accomplished by collecting and reviewing various existing templates used by school systems in and out of Texas. Once a preferred template is identified and approved, it can be sent electronically to all RESCs and school districts for implementation. All information should be transmitted using existing technologies.

WINDHAM SCHOOL DISTRICT

The Windham School District (WSD) is not being provided adequate and equal services from the RESCs. The WSD provides academic and vocational education to eligible offenders incarcerated within the Texas Department of Criminal Justice (TDCJ). Windham operates in Institutional Division (ID) prisons and State Jail (SJD) facilities. The Texas Legislature established the district, which began operation in 1969. It is the first education system of such scope to be established within a statewide prison system. Classes are conducted in prison units across the state.

WSD education programs operate within the confines of each prison facility, where custody and security are of paramount importance. Each prison may have agriculture and/or industry operations, as well as other support services such as food service, maintenance, laundry, health services, etc. The principal of each school coordinates with other departments of the facility to schedule offenders for classes.

The Windham School District has grown in size proportionally to the Texas prison system. The Texas Board of Criminal Justice serves as the school board of the district,

which is headed by a Superintendent. The district is divided into four regions. Each WSD region has a regional administrator who reports to the Superintendent of Schools.

Exhibit 5-38 shows that all but three RESCs (RESC 2, 8, and 11) should be providing services to the Windham School facilities. A review of training records, workshop attendance sheets, and interviews with RESC staff, and the Windham School District’s regional administrators indicate that adequate services are not being provided to the Windham facilities.

**Exhibit 5-38
Number of Windham Facilities and
Number of Windham Students Residing in Each RESC’s Region**

RESC in the Location of the Windham Facility	Number of Windham Facilities To Be Served	Number reported by RESCs	Number of WSD students to be served residing in Region
1	2	0	0
2	0	0	0
3	4	4	0
4	21	17	0
5	8	5	1,916
6	17	17	9,363
7	3	3	7,348
8	0	0	0
9	1	1	425
10	3	3	4,334
11	0	0	0
12	6	6	7,721
13	1	1	225
14	6	6	1,311
15	2	1	215
16	8	8	5,235
17	5	5	4,320
18	5	2	0
19	1	1	500
20	9	1	0
Total	102	89	42,913

Source: Windham School District’s Regional Administrators and Sunset Advisory Commission, 2004

Disparity exists among the regions in their efforts to serve the Windham schools. For example, Region 12 is actively serving the Windham School District. A review of staff development summary reports shows that Windham staff have participated in 13

different training sessions since October 18, 2003. Thirty-nine (39) Windham teachers and/or staff have participated in workshops such as TxBess and Advanced Braille. However, RESC 17 provides few services to the Windham School District. A review of

data shows few Windham staff have participated in trainings, and interviews indicate staff have not placed Windham School District on their priority list. In fact, some staff commented they were “afraid to visit the Windham facilities.” Some other reasons given as to why Windham staff are not receiving adequate RESC services involve the “lack of initiative of the some of the Windham staff to seek the RESC services and geographical challenges.” One Core Group member stated, “We need a statewide initiative to assist the imprisoned learner.”

MGT reviewed the Windham School District’s Web site located at http://www.wsdtx.org/ed_resources.php and found that RESCs are not even listed as a teacher resource.

RESCs should create a statewide plan for serving the schools in the Windham School District. Service to each of the Windham schools throughout Texas should be established at an acceptable level of equity. The Commissioner of Education’s representative should meet with the representatives of the Windham school systems and a representative of the RESC executive directors to identify the core services that should be provided to Windham School District. Once having identified the core services, TEA should conduct a review of the capacity of each of the RESCs to meet the requirements of providing core services.

This recommendation can be accomplished with existing resources, and will result in better service to the WSD.

SPECIAL EDUCATION

While TEA has decentralized several special education functions to RESCs, the structured accountability measure in place for those functions needs improvement. RESCs provide state leadership for special education related decentralized functions as lead RESCs. Each lead RESC is responsible for establishing and coordinating a 20-region network for their decentralized function. The purpose of the 20-region network is to ensure ongoing

communication between RESCs about state-level needs assessment processes, planning, and implementing and evaluating statewide activities.

The definitions of decentralized functions and projects include the following. A designated RESC:

- leads/facilitates a 20 region network to ensure the coordination of an ongoing state-level needs assessment process, setting state priorities, development of a network plan and the materials, products and activities related to the achievement of the plan;
- serves as the first point of contact for 20 region network members by responding to correspondence and telephone calls requesting information;
- provides information and guidance when requested by the Agency in regard to technical assistance documents, legislative requests, and policy development;
- performs all the responsibilities as detailed in the TEA/ESC agreement; and
- evaluates the effectiveness of all-statewide activities, services, and technical assistance and the use of the funds.

The definitions of decentralized projects and projects include the following. A designated RESC:

- performs all the responsibilities as detailed in the TEA/ESC agreement;
- serves as the first point of contact for education service centers by responding to correspondence and telephone calls requesting information;
- provides information and guidance when requested by the agency in regard to technical assistance documents, legislative requests, and policy development; and

- evaluates the effectiveness of all-statewide activities, services, and technical assistance and the use of the funds.

The TEA has a Standard Application System (SAS) “Education Service Center, Performance Contract and Application” School Year 2003-04 (SAS-A701-04) which contains the following narrative in regard to the decentralized functions and projects.

Specifically Designated ESC Leadership

Program Goal: To provide statewide leadership in specific Special Education functions and projects from the Texas Education Agency, by a designated ESC, for all 20 ESCs.

In the following areas the designated ESC will:

- lead and facilitate a 20 region network, which will include, but not be limited to, the coordination of an ongoing state-level needs assessment

- process, setting state priorities, development of a network plan and the materials, products and activities related to the achievement of the plan;
- serve as the first point of contact for education service centers by responding to correspondence and telephone calls requesting information;
 - provide information and guidance when requested by the agency in regard to technical assistance documents, legislative requests, and state policy;
 - perform all the responsibilities as detailed in the TEA/ESC agreement; and
 - evaluate the effectiveness of all-statewide activities, services, and technical assistance and the use of the funds.

Exhibit 5-39 displays the decentralized functions for the RESCs and **Exhibit 5-40** displays the decentralized projects for the RESCs.

**Exhibit 5-39
State-Leadership Decentralized Functions**

Education Service Center	Decentralized Function
Region I	Multicultural and Diverse Learners
Region III	Three Low Incidence Disabilities (Severe and Profound Cognitive Disability, Medically Fragile, Deafblind)
Region IV	Behavior and Discipline Management for Students with Disabilities
Region IV	Assistive Technology
Region IX	Parent Coordination
Region XI	High School/Transition Services
Region XI	Technical Assistance and Training Functions For Visually Impaired Program
Region XII	Evaluation of Students with Disabilities
Region XX	Access to the General Curriculum

Source: Texas Education Agency, Division of IDEA Coordination, 2004

**Exhibit 5-40
State-Leadership Decentralized Projects**

Education Service Center	Decentralized Project
Region II	Texas Autism Conference
Region VI	Comprehensive System of Personnel Development Leadership Council
Region XI	Texas Effectiveness Study
Region XVIII	Legal Framework for the Child-Centered Process

Source: Texas Education Agency, Division of IDEA Coordination, 2004

A more detailed description of the decentralized functions and the RESC responsible for that service includes the following:

- Access to General Curriculum (**Region 20**) - Through a comprehensive planning process, the Access to General Curriculum (AGC) Network develops a framework for statewide collaboration. Priorities in professional development and technical assistance focus on ensuring that all students with disabilities will gain access to and show progress in the general curriculum through curricular/instructional adaptations in the least restrictive environment.
- Assistive Technology (**Region 4**) - Through a comprehensive planning process, the Texas Assistive Technology Network (TATN) has developed a framework for statewide collaboration. Priorities in professional development and technical assistance focus on providing training, products and services that: build district capacity in assistive technology knowledge and skills; promote strategies for building the literacy skills of all students; and are aligned with statewide literacy initiatives.
- Behavior and Discipline Management (**Region 4**) - The focus of the Behavior and Discipline Management Network for Students with Disabilities is to provide capacity

building trainings and products for Education Service Center and Child-Serving Agency Network Representatives to use in regional level professional development and technical assistance activities with districts/charter schools and child-serving agencies. The goal is to create a Positive Behavior Support System in the Texas public schools that will enable students with disabilities to receive special education supports and services in the least restrictive environment and to participate successfully in the TEKS-based curriculum and state assessment system.

- Evaluation (**Region 12**) - Region 12 is the home of statewide special education decentralized function for evaluation. As the first point of contact regarding evaluation issues, ESC Region 12 offers the latest in training and technical assistance, with current and relevant information.
- High School/Transition (**Region 11**) - Region 11 provides statewide leadership and facilitates activities for the 20 ESC Region High School Transition Network and the statewide post-school outcomes committee. The focus is to promote communication and collaboration between stakeholders and a comprehensive, coordinated, transition service delivery system in Texas that leads to improvement of post-school student outcomes.

- Multicultural and Diverse Learners (Multicultural Education) (**Region 1**) - The Multicultural Network (MCN) is committed to assisting schools statewide close the achievement gap between student populations via data driven results based action plans, so that no student is left behind. The primary focus of the MCN is to help educators effectively determine appropriate educational services for all students, meet the educational needs of culturally and lingually diverse (CLD) students and prevent the inappropriate referrals of CLD students to special education.
- Parent Coordination (**Region 9**) - The Parent Coordination Network is committed to ensuring that parents of students with disabilities receive accurate and timely information to assist them in making informed choices in their child’s education. The Network has identified the following priorities: joint training opportunities for parents and educators, collaboration with other parent training entities, and technical assistance to parents and school district personnel in the area of special education.
- Services for the Deaf Contacts:- **Regions 4, 10, 11, and 20** provide leadership, staff development, technical assistance and support to assist Texas school districts meet the educational needs students who are deaf or hard of hearing. Priorities include student communication and competence, access to the general education curriculum, literacy, and educational interpreter training.
- Three Low Incidence Disabilities (**Region 3**) – RESC 3 has the responsibility to provide leadership to the Texas Regional ESCs for building capacity to meet the needs of students

who are severely and profoundly cognitively disabled, medically fragile, and/or deaf/blind. The goals of the project are to establish a collaborative network of stake holders; facilitate professional development to meet statewide needs; and to develop a process of evaluating the effectiveness of statewide activities.

- Training and Technical Assistance for Visually Impaired Program (**Region 11**) – Region 11 provides statewide leadership and facilitates activities for the 20 RESC regional networks. Professional development and technical assistance focus on building capacity to ensure that students with visual impairments have comparable access to the general curriculum and improve skill areas necessary to compensate for visual loss.

RESCs provide state leadership for special education related decentralized projects. The RESCs listed next to the decentralized project are considered the lead RESC. Each lead center is responsible for developing a plan and implementing and evaluating statewide activities related to the project.

In addition to decentralized functions, there are several decentralized projects, including:

- CSPD Leadership Council (**Region 6**) - The statewide comprehensive system for personnel development (CSPD) Leadership Council consists of members representing parents, community, state agencies, institutions of higher learning and education service centers. The role of the Council is to serve as an advisory group to the Texas Education Agency concerning the recruitment, training and retention of highly qualified teachers to instruct students with disabilities.

- Legal Framework (**Region 18**) - The Legal Framework for the Child-Centered Process is a dynamic electronic roadmap that summarizes state and federal requirements for special education by topic. It empowers those who use it to be able to provide to every child the benefits of a free and public education. It also helps with managing systems change for continuous student performance and program improvement.
- Texas Autism Conference (**Region 2**) - The focus of the network is continued education of and opportunities for people involved with individuals with autism.
- Texas Effectiveness Study (**Region 11**) - The primary purpose of the Texas Effectiveness Study is to provide a clear measure of post-school results of youth with disabilities as they transition from high school to adult life. ESC Region 11 collects, organizes, analyzes and interprets data based on surveys and qualitative case studies; and facilitates the development and distribution of the Special Education Supplemental Report.

Exhibit 5-41 illustrates the decentralized functions of the RESC and delineates if the function or project is a state leadership function, a state leadership project, a legislative mandates/rules-driven initiative, or an improvement framework committee function.

Additionally **Exhibit 5-42** displays the statewide assessment/evaluation decentralized network strategic plan dated 2001–02, which was given to MGT consultants while on-site in the RESCs. As shown, the strategic plan lists activities, strategies, target audience,

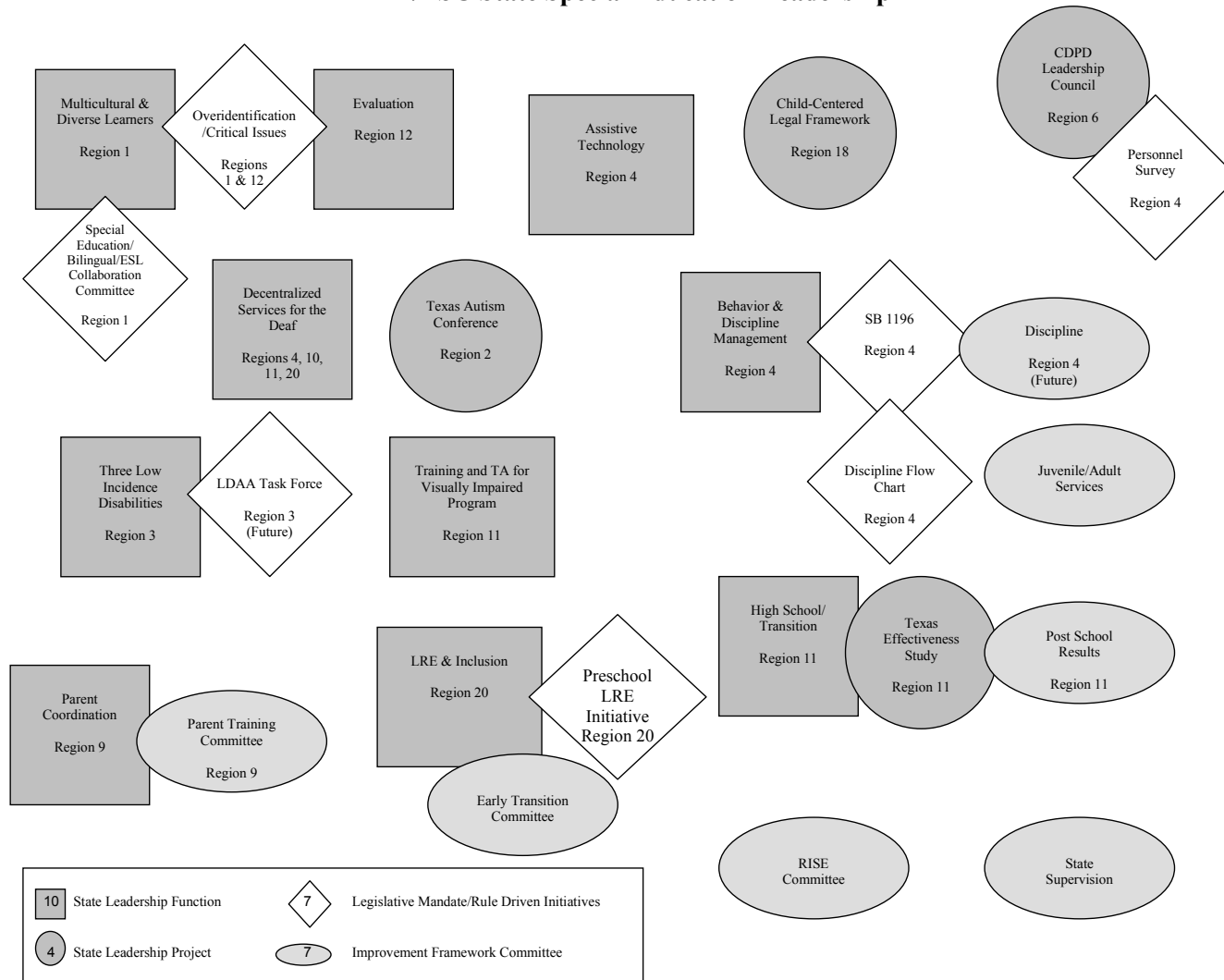
person responsible, resources, timeline, evaluation method, and products.

This is the most recent strategic plan MGT consultants were given and RESC special education staff are unaware if this plan has been updated. When interviewed, some RESC staff members responsible for the decentralized functions were unclear on specifically how their region is being evaluated on the effectiveness of the decentralized function in which they oversee. Subsequent to the findings meeting, MGT was able to obtain more detailed information on the accountability system from TEA. There is a standard application for RESCs that wish to obtain a decentralized function or project. TEA gives the RESC parameters of what the project or function must entail based on regional needs assessments and an analysis of data. The RESC must produce a decentralized plan and provide an evaluation component. The TEA sets up individual contracts with the RESC that has the decentralized function or project and each contract should include an accountability plan.

Interviews indicate that the breakdown in the accountability system is that, although the lead RESC overseeing the function or project may have a strong plan, it does not have the authority to require the other RESCs to send in data that support the success (or failure) of the plan; thus, the weak component to the accountability plan is that it is not a fully results-based program. Interviews with TEA staff and RESC staff indicate that the lead RESC lacks sufficient data from the other RESCs participating in the program and therefore it is difficult to sufficiently measure progress on programs.

TEA has decentralized several special education functions to RESCs and there is a lack of sound accountability measure in place for those functions.

**Exhibit 5-41
TEA/ESC State Special Education Leadership**



Source: Texas Education Agency, 2004.

Exhibit 5-42

2001-02 Statewide Assessment Evaluation Decentralized Network Strategic Planning Goals

Mission/Purpose Statement: To provide support and assistance to ESC evaluation/assessment personnel in a way that common needs and concerns are addressed so that best practices of the evaluation process are promoted and implemented across the state resulting in increased student achievements.

Goal Statement: The decentralized function for statewide evaluation in special education will provide support for evaluation and assessment issues.

Activities/Strategies	Target Audience	Person Responsible	Resources	Time Line	Evaluation Method	Product
1. Determine the connection between regional evaluation needs and statewide issues a. activity; continue to review needs assessments b. activity; further discuss statewide needs assessment feasibility	<ul style="list-style-type: none"> Evaluation practitioners 	<ul style="list-style-type: none"> ESC network contacts 	<ul style="list-style-type: none"> Surveys Needs assessments Existing data 	<ul style="list-style-type: none"> August 2001– August 2002 	<ul style="list-style-type: none"> Written feedback from ESC contacts Establish statewide needs 	
2. Provide and facilitate for the flow of information, support and participation within the decentralized network a. activity; use communication model to continue flow of information.	<ul style="list-style-type: none"> ESC network contacts 	<ul style="list-style-type: none"> ESC network contacts Lead facilitator 	<ul style="list-style-type: none"> Electronic correspondence Written correspondence Face-to-face meeting 	<ul style="list-style-type: none"> August 2001– August 2002 	<ul style="list-style-type: none"> Written and verbal feedback to be shared with network Written minutes of meetings sent to all ESC special education directors and network 	
3. Disseminate pertinent and current information related to evaluation personnel a. activity; SWEP conference b. discuss regional needs to see if training on a state level exists	<ul style="list-style-type: none"> Network Evaluation practitioners 	<ul style="list-style-type: none"> ESC network contacts Lead facilitator 	<ul style="list-style-type: none"> Workshop TOT – September 2001 Other training 	<ul style="list-style-type: none"> August 2001– August 2002 a. SWEP conference Feb. 3-6, 2002 	<ul style="list-style-type: none"> Written and verbal feedback at regional level a. SWEP evaluations assist in determining the need to continue conference 	<ul style="list-style-type: none"> Database list of training and presenters Training by region by at least 80 percent of network Method 2 Guide for Best Practices
4. Provide input and guidance to the State DAS monitoring process in regard to evaluation issues a. activity; invite TEA DEC representative. To network mgt.	<ul style="list-style-type: none"> Statewide leadership Monitoring 	<ul style="list-style-type: none"> ESC contacts Lead facilitator 	<ul style="list-style-type: none"> DEC Reference Guide Part II Input from regional contacts a. TEA/DEC Rep. 	<ul style="list-style-type: none"> August 2001– 2002 a. April 15, 16 network meeting 	<ul style="list-style-type: none"> Feedback from TEA Use DEC discrepancies to determine possible state issues 	
5. Analyze SE PAS data elements to determine if statewide concern exists as evidenced by SE indicator citations compiled according to ESC	<ul style="list-style-type: none"> Network 	<ul style="list-style-type: none"> ESC contacts TEA rep. (to provide report to lead) 	<ul style="list-style-type: none"> Data elements Report from TEA Division of Accountability, Dev. & Support 	<ul style="list-style-type: none"> August 2001– August 2002 	<ul style="list-style-type: none"> Data analysis 	<ul style="list-style-type: none"> Input to network plan

Source: Texas Education Agency and RESCs, 2004.

TEA should revise the current RESC accountability system for assigned decentralized special education services functions to districts and schools and ensure all participating RESCs provide the data necessary to create a results-based system of accountability.

The implementation of this recommendation should result in the refinement of an accountability plan that provides specific direction to RESCs in the delivery of the decentralized special education services and obtaining data to ensure the evaluation of programs is results-driven. TEA and RESCs should be afforded the opportunity to deliberately and collaboratively develop roles, expectations, and an overall structure for operating and working together.

Such a revised plan should, minimally, include the following:

- reflect the most current TEA strategic planning initiatives related to special education;
- establish a formal operating model for working together;
- enhance key operational processes, including the distribution, evaluation, and adjustment of individual projects or functions so that communication and collaboration are integrated throughout the processes;
- carefully define the specific core special education services to be delivered by RESCs; and
- ensure that the necessary data and student performance information are available to RESCs.

This recommendation can be accomplished with existing resources and will result in more effective and efficient operation.

COOPERATIVE PLANNING INITIATIVES

Many regular education and special education RESC staff have not engaged in cooperative planning initiatives. Interviews and a review

of documents shows that for many years, the Core Group and the special education directors were conducting joint meetings and preparing joint strategic plans; however, those meetings have been discontinued. MGT consultants also found excellent examples of coordination between RESCs such as RESC 3 and 8. However, some RESCs do not coordinate between general education and special education. The Core Group has made some progress in the coordinating of general and special education programs.

As reported in the State Council on Competitive Government Report (CCG) dated January 2004, “Special education services account for more than \$58 million in expenditures by RESCs each year.” The report also states:

“One of the main drivers prompting the rise in contracts between public schools and private learning institutions for special education in the mislabeling of remedial education students as special education students. Even the ED has acknowledged that ‘many remedial education students are mislabeled as special education students.’ While there is no definitive statewide plan to reduce the mislabeling students into the special education category, TEA should address this concern to reduce expenditures in this area.”

This is one of the few points made in the CCG report that was not refuted by the RESCs in their response to the report. Further, MGT consultants found a wide variance on the types of training and services being offered by the various RESCs as they relate to intervention strategies prior to testing for special education. Some RESCs are delivering comprehensive Student Assistant Team (SAT) training, which focuses on providing a student several intervention strategies prior to any referrals for special education testing.

The lack of coordination among some of the special and general education programs could result in the potential of mis-identifying and placing of students with special needs.

RESCs should improve coordination among special education and general education, and develop a systemwide RESC student assistance team training program and strategic plan designed to reduce any potential over-identification of special education students.

The implementation of this recommendation should enable all RESCs to provide consistent training aligned with a state strategic plan to reduce the potential for mis-identifying a remedial education student as a special education student.

The state of Maryland has produced a document distributed statewide to address this very issue of effectively identifying specific learning disabilities in an effort to avoid mis-identifying remedial education and/or special education students. The document can be found at the following URL address:

http://www.msde.state.md.us/SpecialEducation/SLDGuide/menu_ld.pdf

This publication is sent to all schools and is kept online to assist general education and special education teachers with information related to:

- definitions of various learning disabilities;
- school-based problem solving teams;

- interventions for various types of students (e.g., Limited English Proficient);
- sample forms for referring a student to school-based problem solving team; and
- classroom observation forms for observing students with potential learning and/or behavior challenges.

FEDERAL PROGRAMS

RESCs do not collectively explore the feasibility of locating large federal programs such as Head Start in all centers.

Among the many services that the RESCs operate from federal funds are Head Start programs. RESCs in Regions 7, 9, 10, 14, 16, 19, and 20 serve as the prime sponsors for federal Head Start projects, and received more than \$43 million during the 2001–02 school year. **Exhibit 5-43** displays information on the total Head Start funding that RESCs managed. These funds are included in the total revenues displayed above, and comprised 20 percent of total federal revenues during FY 2001.

Exhibit 5-43

2001–02 Head Start Revenues Received by the RESCs

RESC	Headquarters	Head Start Funding Level	Number of Counties Served	Number of Students Served
7	Kilgore	\$8.8 million	12	2,000
9	Wichita Falls	\$1.2 million	4	610
10	Richardson	\$3.6 million	5	698
14	Abilene	\$0.7 million	5	144
16	Amarillo	\$6.8 million	14	1,429
19	El Paso	\$20.2 million	2	3,994
20	San Antonio	\$1.7 million	3	380

Source: 2001 ESC Annual Financial Audits and FY 2003 ESC Annual Data Collection.

Other RESC staff commented they have not fully explored or pursued operating a Head Start program in their region.

RESCs should evaluate the feasibility of locating large federal programs like Head Start, early childhood intervention, and other similar programs at service centers to enhance revenue. Evaluation of the feasibility of locating large federal programs, early childhood intervention, and similar programs at service centers should be completed. RESCs such as RESC 19 have successfully and economically assumed this function, and it may well mean that other opportunities exist in Texas.

The implementation of this should involve the Commissioner and RESC executive directors appointing a task group that includes

representatives from TEA and the centers. This group should be charged with identifying potential programs and possible cost and/or operational efficiencies. Once having accomplished this, the group should proceed to identify the optimal locations. Once the plan is fully developed, reviewed and approved by the Commissioner and RESC executives, plans for final implementation should be formulated and carried out.

This recommendation can be implemented with existing resources and at no additional cost to either TEA or the RESCs, providing that conferring is conducted via available electronic means. If group meetings are dictated, then the costs of travel will have to be estimated. These costs cannot be estimated until the representative group is appointed and a work schedule determined.

FISCAL IMPACT

Recommendation		2004-05	2005-06	2006-07	2007-08	2008-09	5-Year (Costs) or Savings	One-Time (Costs) or Savings
5-1	Conduct a detailed assessment of the TAKS reading results.	(\$100,000)	\$0	\$0	\$0	\$0	\$0	(\$100,000)
Total		\$0	\$0	\$0	\$0	\$0	\$0	(\$100,000)

CHAPTER 6:
FACILITIES USE AND
MANAGEMENT

CHAPTER 6

FACILITIES USE AND MANAGEMENT

This chapter presents the findings and recommendations for the overall facilities management system for the Regional Education Service Centers (RESCs). This chapter addresses custodial and maintenance services, facilities use, energy conservation, and safety and security.

Issues related to debt and debt service for facilities are covered in Chapter 9, Asset and Risk Management. In MGT's survey 91 percent of district superintendents reported that the RESC facilities in their region are exceptional or above average; 85 percent of center directors agree.

The RESCs have these defined purposes:

- assist school districts in improving student performance in each region of the system;
- enable school districts to operate more efficiently and economically; and
- implement initiatives assigned by the Legislature or the Commissioner of Education.

Facilities use and management, although not directly addressed in the above purposes, is a necessary function to provide the physical environment where learning and teaching can take place. Facilities planning, use and maintenance are vital functions supporting the delivery of educational services and also are highly visible activities involving large amounts of capital for construction, maintenance, and operations.

A comprehensive facilities management program should coordinate all the physical resources for the RESCs. The administration of the program must effectively integrate facilities planning with the other aspects of institutional planning. As such, the administrator for facilities maintenance should participate in the planning for design and

construction activities within the system, even if construction or renovation occurs infrequently.

To be effective, facilities managers must be involved in strategic planning activities. The facilities manager must operate under clearly defined policies and procedures, and activities must be monitored to accommodate changes in the resources and needs of the educational and operational programs within the service center.

The facility use and management functions for the RESCs typically are administered by the executive director. Custodians, both employees and outsourced workers, are usually assigned to the executive director. The custodial employees provide ongoing light maintenance services and often help oversee contracted services. The maintenance functions are almost always contracted to local companies. The executive director oversees the planning, design, and construction of new facilities when needed.

Most RESCs use a number of contracted services for facilities maintenance, including:

- custodial services;
- lawn care services;
- HVAC repair services;
- plumbing repair services;
- electrical repair services;
- roofing services,
- window and door repair services; and
- parking lot repair and maintenance services.

Existing RESC facilities have approximately 3,253,198 total square feet of space for regular operations. (Some Centers have additional warehouse space that does not receive regular custodial services or leased space that is cleaned by the landlord.) Building space is primarily of three types: office space, training space, and support space. The total building area being managed by the RESCs is detailed in **Exhibit 6-1**.

**Exhibit 6-1
Total Square Feet Managed by RESCs**

RESC	Location	Total Area
1	Edinburg	112,587
2	Corpus Christi	127,500
3	Victoria	38,781
4	Houston	155,999
5	Beaumont	56,473
6	Huntsville	66,743
7	Kilgore	132,040
8	Mt. Pleasant	42,496
9	Wichita Falls	48,918
10	Richardson	137,000
11	Fort Worth	100,651
12	Waco	49,750
13	Austin	96,492
14	Abilene	39,997
15	San Angelo	48,925
16	Amarillo	175,962
17	Lubbock	70,912
18	Midland	52,120
19	El Paso	1,520,820
20	San Antonio	179,032
Total		3,253,198

Source: Regional Education Service Center Administrative Offices, 2004.

With the advent of increased costs for energy for HVAC systems, transportation vehicles, food service operations, and other related activities, governmental organizations have established numerous and varied policies, procedures, and methods for increasing efficiencies in energy consumption and reducing operating costs. Policies typically describe the governing board’s specific desire to ensure that maximum resources are available to devote to the organizational mission and purposes and charge the administration with developing related procedures.

Procedures generally prescribe a range of measures and activities to be implemented and a specific means for computing the results. Some boards develop incentive systems to reward employees for actions or recommendations that have resulted in substantial savings or improvement in the performance of energy consuming equipment.

ACCOMPLISHMENTS

- RESCs have clean and well-maintained facilities.
- RESCs outsource most maintenance work for which specialized licensing is required and for which there are high levels of liability exposure.

FINDINGS

- Some RESCs are not allocating custodians consistently with the national best practices of one custodian per 18,000–20,500 square feet, resulting in higher costs for cleaning services.
- Some service centers are not providing periodic training for their custodial employees to ensure that the custodians are aware of current best practices and have access to information that will improve their services.
- Most RESCs use employees to provide custodial services or contract with private companies to perform

custodial and maintenance-related services for their buildings without conducting any cost-comparison studies for these services to determine the most cost-effective delivery approach.

- Although many RESCs have installed energy savings devices in their facilities, there are still a number of areas that provide opportunities for significant utility savings.
- In most RESCs, there are a number of areas where energy efficiency can be improved.
- Facility usage varies widely across the different service centers. Some report high levels of utilization that include evenings and weekends. Others report that their programs are being “pushed out” in to the member districts to bring the services closer to the clients.
- Most RESCs do not have formal long-range facilities plans.
- Most RESCs do not have updated building security equipment and systems.

RECOMMENDATIONS

- **Recommendation 6-1: Adjust the number of custodians to one custodian per square foot ratio of one custodian per 19,000 square feet.** To adjust the number of custodians per square feet of space, each service center should complete a short review of their own practice. For those centers that contract custodial services, it may require the contractors to submit the number of hours worked each week so that the custodian per square foot ratio can be calculated. Some centers include significant grounds maintenance work under the label of “custodial.” In those cases, only time spent on light custodial services on the grounds (e.g. picking up litter) should be included in the calculations. This will ensure accuracy and fairness in the ratios.

Once the ratios have been calculated, RESC administrators should adjust staffing accordingly. Having custodian staffing levels adjusted to industry standards will enhance the image of service centers operating in an efficient manner.

- **Recommendation 6-2: Provide a comprehensive training program for custodial and maintenance staff to improve their effectiveness and productivity.** The center administration should develop a training program for all facilities staff. The program should have annual goals, objectives and budget, if necessary. The administration, in conjunction with human resources, should develop a training program curriculum, schedule, and budget.

After development, the training program should be submitted for board approval. Once approved by the board, the administration manager should initiate the training program and provide an annual report of progress to the executive director and board. By providing periodic custodial training sessions, the custodians and vendor employees will deliver services in a more safe and efficient manner. The risk of injury decreases when employees are highly trained in their areas of responsibility. When providing the training, records should also be kept to provide to local inspection officials and insurance representatives.

- **Recommendation 6-3: Conduct periodic cost comparison studies between “in-house” services and “outsourced” services.** By conducting these studies, each RESC will be able to monitor the service market in their communities. Conducting periodic cost-comparison studies between in-house and outsourced services enables each

RESC to better judge which form of service is most cost effective.

This action should ensure costs are appropriate for the type and level of service being received bringing market forces to bear. Since this is a common best practice in the business community, RESCs will be seen by the public as effective, efficient stewards of public funds.

- **Recommendation 6-4: Employ a Resource Conservation Manager to lower utility costs.** Although no one RESC can justify a full-time Resource Conservation Manager, the centers could employ one RCM as a joint venture and share the RCM's services. One center would have to be designated as the fiscal agent for the program. Alternately, the Commissioner could employ an RCM to act as the resource for the RESCs and for school districts.

A Resource Conservation Manager can act as a resource to RESC managers and to the school districts they serve regarding energy conservation. Through this role, the Resource Conservation Manager can affect behavioral change in center staff and perhaps the staff and students in member districts. Through careful monitoring of utility bills, the Resource Conservation Manager can provide guidance to each executive director on which utility cost intervention programs would have the best payback. The Resource Conservation Manager can also be directly involved in obtaining grants and incentives from utility companies.

- **Recommendation 6-5: Install additional energy and utility saving devices throughout the RESCs.** By initiating an energy and utility improvement process, the annual operating costs for utilities for RESCs

will improve. Automated switches (including direct digital controls on HVAC equipment) and valves lower utility consumption. Lower utility consumption will reduce costs.

- **Recommendation 6-6: Pursue outside renters of RESC space, if certain criteria are met.** Facilities use should be determined by submitting a three-part annual utilization report showing facility use and effort. Service centers should periodically determine the utilization of their facilities.

One type of useful utilization survey would include three parts:

- Part 1 is the use by the center and its member districts.
- Part 2 is the use by all others.
- Part 3 is unused time.

If rent for space is ultimately determined to be the appropriate course of action since facilities space is underutilized, the proceeds from rent should first be used to offset the prorated utilities and secondly should be placed in a sinking fund to pay for future facility improvements. (See the Finance and Funding Adequacy Chapter for a discussion and related recommendations on reserve funds for capital expenditures and facility renewal.)

- **Recommendation 6-7: Develop a long-range facility master plan for each RESC.** A comprehensive long-range facility master plan is an essential component to a strategic plan for any educational agency, especially one that is experiencing programmatic and enrollment changes. Each RESC should take steps to create a formal, written, long-range facility master plan to guide future facility decisions in the organization.

- **Recommendation 6-8: Install Web cameras to improve security measures in key areas of the RESC facilities.** The improvement of security measures in key areas of each facility will reduce risk. These measures might be as simple installing inexpensive Web cameras in sensitive areas with a monitor located in the receptionist’s office.

DETAILED ACCOMPLISHMENTS

CLEAN FACILITIES

Each RESC is served by custodians who keep the facilities clean and in good working order. Some centers hire their own custodians as employees, some use contracted custodial services, and some use a combination of employees and contractors. In addition to their cleaning responsibilities, most custodians provide light maintenance services and many assist with grounds services.

MGT found that the RESC buildings generally were very clean and well maintained. The grounds were mowed and trimmed. Bushes and shrubs were pruned and in good shape. Lighting, HVAC systems, and plumbing systems were reported in good shape. In those RESCs where the custodians were employees, they were considered a part of the staff and were very knowledgeable about the building operations.

Accomplishment: RESCs have clean and well-maintained facilities.

OUTSOURCING MAINTENANCE WORK

Electrical, plumbing, heating, ventilation, and air conditioning (HVAC) services are contracted out in all service centers, at a lower cost than in-house personnel. Outsourcing these functions has kept the centers from hiring personnel for these “higher-cost, lower-

incidence” services. This outsourcing effort has reduced risk for the centers by having highly skilled specialists as contractors. Historically, contracting out for maintenance services has kept operating costs down in governmental organizations.

Accomplishment: RESCs outsource most maintenance work for which specialized licensing is required and for which there are high levels of liability exposure.

DETAILED FINDINGS

CUSTODIAL ALLOCATIONS

Some RESCs are not allocating custodians consistently with the national best practices of one custodian per 18,000–20,500 square feet, resulting in higher costs for cleaning services. Some centers have 1 FTE custodian for 15,000 – 16,000 square feet. Some centers that have outsourced custodial services may not have information about how many square feet of space should be cleaned with a typical FTE, and may be paying more than necessary to service the facilities. **Exhibit 6-2** provides information on the number of custodians employed by each RESC and the square feet of space per custodian.

RESCs should adjust the number of custodians to a minimum custodian per square foot ratio of one custodian per 19,000 square feet. To adjust the number of custodians per square feet of space, each service center should complete a short review of their own practice. For those centers that contract custodial services, it may require the contractors to submit the number of hours worked each week so that the custodian per square foot ratio can be calculated. Some centers include significant grounds maintenance work under the label of “custodial.” In those cases, only time spent on light custodial services on the grounds (e.g. picking up litter) should be included in the calculations. This will ensure accuracy and fairness in the ratios.

**Exhibit 6-2
RESC Custodians and Square Footage Maintained per Custodian**

RESC	Name	FTE Custodians	Sq. Ft.	Sq. Ft. per Custodian
1	Edinburg	5.00	112,587	22,517
2	Corpus Christi	5.00	127,500	25,500
3	Victoria	1.85	38,781	20,963
4	Houston	5.00	155,999	31,200
5	Beaumont	2.50	56,473	22,589
6	Huntsville	2.50	66,743	26,697
7	Kilgore	4.00	132,040	33,010
8	Mt. Pleasant	2.55	42,496	16,665
9	Wichita Falls	2.00	48,918	24,459
10	Richardson	9.00	137,000	15,222
11	Fort Worth	4.00	100,651	25,163
12	Waco	2.25	49,750	22,111
13	Austin	6.00	96,492	16,082
14	Abilene	2.00	39,997	19,999
15	San Angelo	Outsourced	48,925	NA
16	Amarillo	6.00	175,962	29,327
17	Lubbock	4.00	70,912	17,728
18	Midland	2.50	52,120	20,848
19	El Paso	65.50	1,520,820	23,219
20	San Antonio	7.00	179,032	25,576
Total		138.65	3,253,198	
	Average	7.30		23,099

Source: Individual RESCs, 2004.

Once the ratios have been calculated, RESC administrators should adjust staffing accordingly. Having custodian staffing levels adjusted to industry standards will enhance the image of service centers operating in an efficient manner.

The fiscal impact of this recommendation would be savings in operating costs due to a

reduction in the number of custodians in four Centers. To achieve a custodial staffing level of one custodian per 19,000 square feet, the four Centers identified in **Exhibit 6-3** would need to reduce the custodial staff by 3.29 FTE positions.

**Exhibit 6-3
Suggested Custodian Reductions**

Region	Name	Existing Custodians	Sq. Ft. per Custodian	Suggested Custodians	Suggested Reduction
Region VIII	Mt. Pleasant	2.55	16,665	2.24	0.31
Region X	Richardson	9.00	15,222	7.21	1.79
Region XIII	Austin	6.00	16,082	5.08	0.92
Region XVII	Lubbock	4.00	17,728	3.73	0.27
Totals		21.55		18.26	3.29

Source: MGT of America, 2004.

The average wage is assumed to be \$21,000 per year and benefits are 33 percent of the wage. The savings from reducing 3.29 FTE custodians, times \$28,000 (\$21,000 wage plus \$7,000 benefits) equals \$92,120.

FACILITIES STAFF TRAINING

At least three service centers are not providing periodic training for their custodial employees to ensure that the custodians are aware of current best practices and have access to information that will improve their services. Some contracts with service providers do not have language that requires periodic training for outsourced custodians. Without periodic training, custodial staff likely would not be aware of new methods or products that provide efficiencies. In addition, the risk of injury decreases when employees are trained in the latest methods, and in the hazards of certain custodial products currently in wide use. Most custodians use a variety of waxes and cleaning products that range from the “very safe” to those that are hazardous (e.g. organic acids). Although most products have corresponding Materials Safety Data Sheets (MSDS) that provide some product safety information, additional structured training of custodians should occur. As a side benefit, some insurance providers reduce rates when employees are adequately trained.

Formal training programs for facilities custodial and maintenance staff should include the following subject areas:

- time management;
- professional skill development for each trade;
- effective work scheduling;
- quality control;
- personnel management strategies;
- interdepartmental communication skills;
- customer communication skills; and
- work habits.

Many product sales representatives are willing and eager to provide additional seminars and training sessions to help custodians provide

improved service. This not only helps the custodian, but the improved cleanliness and safety record reflects on their company. Some insurance companies even provide small premium reductions when training of custodians is documented.

Each RESC should provide a comprehensive training program for the custodial and maintenance staff to improve their effectiveness and productivity. The center administration should develop a training program for all facilities staff. The program should have annual goals and objectives and budget, if necessary. The administration, in conjunction with human resources, should develop a training program curriculum, schedule, and budget. After development, the training program should be submitted for board approval. Once approved by the board, the administration manager should initiate the training program and provide an annual report of progress to the executive director and board.

By providing periodic custodial training sessions, the custodians and vendor employees will deliver services in a more safe and efficient manner. The risk of injury decreases when employees are highly trained in their areas of responsibility. When providing the training, records should also be kept to provide to local inspection officials and insurance representatives.

With careful planning and the use of vendor and local agency personnel, this recommendation can be implemented with existing resources, and likely will result in fewer workers’ compensation claims and reduced insurance costs.

COST COMPARISONS

All RESCs use employees or contract with private companies to perform custodial and maintenance-related services for their buildings without conducting any cost-comparison studies for these services to determine the most cost-effective delivery approach. Although there is a common belief that outsourcing always saves money,

sometimes that is not the case. There are circumstances when hiring an employee is more cost-effective than outsourcing.

Some of the circumstances that may lead to this efficiency include:

- lack of private sector vendors that inflate their costs due to undersupply;
- a benefits package as part of the total employee compensation package that is especially lucrative for employees; or
- poor quality work by private vendors.

RESCs should conduct periodic cost-comparison studies between “in-house” services and “outsourced” services. By conducting these studies periodically, each RESC will be able to monitor the service market in their communities. Conducting periodic cost-comparison studies between in-house and outsourced services enables each RESC to better judge which form of service is most cost effective. This action should keep costs down by bringing market forces to bear. Since this is a common best practice in the business community, RESCs will be seen by the public as effective and efficient stewards of public funds.

This recommendation can be implemented with existing resources, and will result in long-term savings as each RESC carefully evaluates the most cost-effective method of providing custodial services.

RESOURCE CONSERVATION MANAGER

Although many RESCs have installed energy savings devices in their facilities, there are still a number of areas that provide opportunities for significant utility savings. The RESC “system” does not have an individual who is assigned the responsibility of resource conservation manager. Moreover, there is no

aggressive program to affect the energy conservation behavior of staff in the centers.

A review of selected organizations using a Resource Conservation Manager (RCM) found they were satisfied with the program and that savings equaled or exceeded the costs of the Resource Conservation Manager. One small school district reported that after five years, the energy conservation culture in the district had become so ingrained that the maintenance director assumed the responsibilities of training after the Resource Conservation Manager resigned his position and left the district.

RESCs should employ a Resource Conservation Manager to lower utility costs. Although no one RESC can justify a full-time Resource Conservation Manager, the centers could employ one RCM as a joint venture and share the RCM’s services. One center would have to be designated as the fiscal agent for the program. Alternately, the Commissioner could employ an RCM to act as the resource for the RESCs and for school districts.

A Resource Conservation Manager can act as a resource to RESC managers and to the school districts they serve regarding energy conservation. Through this role, the Resource Conservation Manager can affect behavioral change in center staff and perhaps the staff and students in member districts.

Through careful monitoring of utility bills, the Resource Conservation Manager can provide guidance to each executive director on which utility cost intervention programs would have the best payback. The Resource Conservation Manager can also be directly involved in obtaining grants and incentives from utility companies. **Exhibit 6-4** is an example of some utility savings features. A sample job description for a Resource Conservation manager is provided in **Exhibit 6-5**.

Exhibit 6-4
Examples of Energy Saving Features

- In addition to the insulating value of the wall construction, R-19 insulation is provided at all exterior walls and roof.
- Vestibules are provided at all doors besides the main entry to provide a barrier to outside air infiltration.
- Vestibule area provided at the loading dock coiling door.
- Tinted and etched glass at all exterior fenestration cuts light transfer up to 40%
- Horizontal Louver Blinds at all office windows to cut light and heat transfer.
- All HVAC units are a minimum of 10 S.E.E.R.
- Motorized Dampers provided at all outside air intakes for all HVAC units to prevent the infiltration of unwanted outside air.
- All plumbing fixtures are low flow consumption.
- All heating is gas with no re-heat.
- All workspace lighting has dual level switching for energy conservation.
- All 2' x 4' lighting are electronically ballasted T8 fixtures.
- Building is equipped with an energy management system that schedules HVAC unit runtime based on occupation and provides a night/summer adjustable temperature setback.
- Canopy overhangs to shade entries.
- Light-colored ballasted roof to reflect radiant heat.

Source: RESC 10, Division of Administration, 2004.

Exhibit 6-5
Sample Job Description for a Resource Conservation Manager

Resource Conservation Manager (RCM)
Performance Responsibilities

1. Monitor and report resource use habits and trends.
 - Establish a resource accounting database using compatible software.
 - Coordinate with the facility operator to identify conservation opportunities.
 - Complete walk-through surveys of each facility during and after normal operating hours using standardized survey forms.
2. Report base year consumption data to management and building staff. Coordinate with the building staff conservation opportunities and review the heating and lighting procedures at the facility. Direct development and implementation of Resource Conservation management plans.
3. Prepare monthly status reports that include an assessment of conservation savings for review by management, building staff and occupants.
4. Coordinate with management to provide resource efficiency information and training for all staff and occupants through such means as newsletters, presentations and workshops.
5. Develop a recognition program that encourages actions toward savings goals and provides financial rewards for each building when goals are met.
6. Coordinate with interested staff to develop conservation teams to assist with implementation of program initiatives in their buildings.
7. Develop a recognition program that encourages monthly monitoring of conservation savings and provides incentives for individual buildings to achieve beyond minimum threshold levels.
8. Establish a bulletin board at each facility that tracks the progress of the organization's conservation savings.
9. Consult with the Business Office regarding the administration of the conservation *share-the-savings* rebates to the organization.
10. Coordinate with interested staff the development and implementation of conservation groups to monitor and reduce energy and natural resource consumption in their buildings. Establish "energy patrols".
11. Encourage the use of the building as a learning laboratory to model energy conservation and environmental stewardship practices that may apply at work and at home.
12. Cooperate with the Curriculum Department to integrate energy and environmental education into the curricula and facilitate teacher workshops.
13. Work closely with representatives of local utilities.

Source: MGT of America, 2004.

Both costs and savings determine the fiscal impact of this program for RESCs. The cost of a Resource Conservation Manager is estimated to be \$53,860 (\$42,000 plus 33% benefits). Based on utility savings reported by other organizations, the utility savings realized through staff behavioral changes alone is estimated at 5 percent. Therefore, the hiring of a Resource Conservation Manager and implementing his/her recommendations is estimated to equal \$325,320 (5% of total square footage of 3,253,198 times \$2.00 per square foot). The net savings are estimated to be \$271,460 per year (\$325,320 minus \$53,860).

ENERGY EFFICIENCY

In most RESCs, there are a number of areas where energy efficiency can be improved. With few exceptions, there were numerous light fixtures with older T-12 lights using magnetic ballasts. Light switches in many buildings have a sign asking users to “please turn out the lights.” However, MGT personnel found numerous rooms that were unoccupied for extended periods of time with the lights switched on.

Many sinks do not have motion activated water faucets. Urinals and toilets lack motion activated flush valves. Motion activated water faucets and flush valves have been shown to save water. Conservation of water during a time of drought in some West Texas centers is especially important. Examples of equipment that are commonly used to reduce the bulk of garbage include gallon can crushers, small compactors, and recycling bins. Also, vending machines can be a significant user of electricity. The vending machines in the most centers lacked motion activated electrical switches.

Energy and utility management methods range from sophisticated, centralized, computer controls over HVAC systems and other resource consumption devices to simple manual procedures for turning thermostats down and lights off during periods of minimal building or room utilization.

RESCs should install additional energy and utility saving devices throughout the RESCs. By initiating an energy and utility improvement process, the annual operating costs for utilities for RESCs will improve. Automated switches (including direct digital controls on HVAC equipment) and valves lower utility consumption. Lower utility consumption will reduce costs.

The installation of utility conservation equipment is estimated at \$2.25 per sq. ft. (\$1.00 per sq. ft. for HVAC controls, and \$1.25 for lighting improvements, valves, crushers, occupancy sensors, etc.) The total building square footage for all RESCs is 3,253,198 sq. ft. The cost for the energy saving equipment is estimated at \$7,319,695 (3,253,198 sq. ft times \$2.25).

Installation of utility conservation equipment described above is estimated to save at least 30 percent per year, based on results in school districts and in universities. With the assumption that utility costs are \$2.00 per sq. ft., (which includes electricity, gas, water, sewer, and garbage services), the savings would be \$1,951,919 (3,253,198 sq. ft. X \$2.00 per sq. ft. x 30%). With the first savings being used to pay for new equipment, the payback period is approximately four years. Because the implementation of this plan will take approximately six months, the full savings will be realized in fiscal year 2005–06.

RENTING FACILITIES

Facility usage varies widely across the different service centers. Some report high levels of utilization that include evenings and weekends. Others report that their programs are being “pushed out” in to the member districts to bring the services closer to the clients. This “pushing out” of services has left some centers with under-utilized space. Those RESCs, realizing that they have excess space, have embarked on a program of recruiting groups that are willing to pay for this space. In some instances this may be in direct competition to the private sector.

Typical utilization rates for classrooms are in the 75 percent to 85 percent range. The “un-utilized” time is often spent with instructor preparation time, setup time, breakdown time, and facility upkeep. Utilization rates that are less than 75 percent are typically, although not always, an indication of lowering demand, over building, or a combination of these and other factors.

To the extent possible, each RESC should pursue outside renters of RESC space, if certain criteria are met. Facilities use should be determined by submitting a three-part annual utilization report showing facility use and effort. Service centers should periodically determine the utilization of their facilities. One type of useful utilization survey would include three parts:

- Part 1 is the use by the center and its member districts.
- Part 2 is the use by all others.
- Part 3 is unused time.

If rent for space is ultimately determined to be the appropriate course of action since facilities space is underutilized, the proceeds from rent should first be used to offset the prorated utilities and secondly should be placed in a sinking fund to pay for future facility improvements. (See the Finance and Funding Adequacy Chapter for a discussion and related recommendations on reserve funds for capital expenditures and facility renewal.)

This recommendation can be implemented with existing resources. The fiscal impact for additional revenue for RESCs can only be determined after utilization studies are completed.

FACILITIES MASTER PLAN

Approximately 90 percent of the RESCs do not have formal long-range facilities plans. An estimated 10 percent of the RESCs have a needs assessment process in place for facilities issues, but the centers do not convert the identified needs into a formal plan that can be benchmarked, monitored, and evaluated. This situation creates an inherent gap in overall

center-wide facility planning and creates the potential that current or future facilities configurations and conditions will not align with programmatic planning.

RESCs should develop a long-range facility master plan for each RESC. A comprehensive long-range facility master plan is an essential component to a strategic plan for any educational agency, especially one that is experiencing programmatic and enrollment growth. Each RESC should take steps to create a formal, written, long-range facility master plan to guide future facility decisions in the organization.

Information available to each RESC that can be of use in the development of long-range facility plans include:

- the number of employees housed in the RESC;
- the square footage or area of each building and the different spaces within that building;
- the use of the staff development spaces (based on the information available in the MIS system used in each RESC);
- the anticipated use based on historical MIS use information;
- the anticipated growth of the various programs based on feedback from state and federal officials; and
- space standard information can be gathered from several sources (e.g., Texas Education Agency, the Whole Building Design Guide Web site at www.wbds.org, local architectural firms, etc.).

The following information serves as a guideline for the comprehensive development of an effective facilities plan.

Components of a Sound Facilities Planning and Budgeting System

Addition of new facilities or renovation of older buildings requires a detailed evaluation of needs and the development of a facilities plan. To be effective, facility evaluations and plans must be detailed, specific, efficient, and defensible.

Evaluation and plans should include the following components:

- **Development of reliable projections of future growth.** Once constructed, a building is likely to be in place for at least 30 to 40 years. It is critical that reliable growth projections be established for each program for at least 10 years into the future.
- **Development of reliable projections of future educational programs.** Educational programs are not the same and different programs require different types and amounts of space. It is essential that reliable projections of future programs and their growth be established. It also is important to establish guidelines for space that can be easily adapted as program needs change.
- **Establishment and use of facility planning standards.** Establishment of facility planning standards tailored to the center's unique needs is critical to ensuring that an adequate amount of the right type of space is built. Standards typically include the types of spaces necessary for each type of program, the sizes of those spaces, critical adjacencies, utilities necessary in each space, storage requirements, and equipment.
- **Determination of the current inventory of each type of space for each program area.** Once future need for each type of space is known, it is essential to know the current

inventory of each type of space for each program area. Space inventory data should be accurate, up-to-date, easily updated, and in the same format as the needs data.

- **Comparison of current inventory to need for each type of space.** Offices do not make good classrooms and vice versa. It is critical that the amount of each type of space in each building and for each program be compared to the current inventory to identify shortages and overages. Shortages can often be solved by remodeling areas with overages (e.g. converting excess training room space to solve a shortage of computer lab space). Comparisons of the total amount of current space to the total amount of space needed shows which areas have shortages of space and which have surpluses. Comparisons are also necessary in the sizes of those spaces, critical adjacencies, utilities necessary in each space, storage requirements, and equipment.
- **An evaluation of the condition of current facilities.** Because maintenance has often been deferred, the repair and renovation of existing facilities represent major needs in most education agencies. Thus, a systematic and reliable assessment of the condition of existing facilities is a very critical component of facilities planning. The evaluations should include not only an evaluation of the condition of current building components but also improvements needed to meet Americans with Disabilities Act (ADA) requirements, all safety codes, updates to accommodate new technology, and changes to make the space suitable for the program being housed.
- **Development of a highly efficient, comprehensive, and long-range facilities plan.** After the development

of detailed growth projections, specific facility guidelines, estimates of the amounts of each type of space needed, comparisons of standards to current inventories, and measures of the condition of each facility, the next essential component is the development of a specific facilities plan that includes some or all of the following:

- renovations of older buildings;
 - remodeling of some buildings or spaces;
 - addition of space to some buildings;
 - closing some buildings;
 - building new buildings;
 - changing facility utilization practices; and
 - estimating the cost for each building and space.
- **Development of a funding plan.** The final component involves the development of a funding plan that may include funds from any or all of the following sources:
 - sale or lease of existing properties;
 - allocations from operating funds/reserves;
 - state capital funds (if available);
 - lease back/purchase from private developers;
 - federal funds (where available); and
 - other sources, such as private gifts and grants.

The overall process provides the level of detail necessary to make sound, efficient facility improvement decisions and to justify those decisions to those responsible for funding, such as the executive director, the Board of Directors, or state officials.

This recommendation can be implemented with existing resources, but in the long-term will save resources that may have been expended for capital items.

INSTALL WEB CAMERAS

Most RESCs do not have updated building security equipment and systems. The RESCs play key roles with their member school districts, which receive assistance in personnel, business, and instructional issues of significant sensitivity. In addition, a RESC hosts students, certified staff, and non-certified staff from throughout each service area. The result is that on many occasions, there are significant numbers of unfamiliar faces in the RESC. This, coupled with the sensitive nature of the materials that RESCs handle, create a security issue. The ability to monitor main entrances and hallways with Web cameras is a simple method of monitoring the building.

Each RESC should Install Web cameras to improve security measures in for facilities. The improvement of security measures in key areas of each facility will reduce risk. These measures might be as simple installing inexpensive Web cameras in sensitive areas with a monitor located in the receptionist's office.

The installation of Web cameras is estimated to be \$200 per service center for a total of \$4,000 (\$200 X 20 service centers).

FISCAL IMPACT

Recommendation		2004-05	2005-06	2006-07	2007-08	2008-09	5-Year (Costs) or Savings	One-Time (Costs) or Savings
6-1	Reduce 3.29 custodian FTEs.	\$0	\$92,120	\$92,120	\$92,120	\$92,120	\$368,480	
6-4	Employ a Resource Conservation Manager.	\$0	\$271,460	\$271,460	\$271,460	\$271,460	\$1,085,840	
6-5	Install energy and utility savings devices.	\$0	\$1,951,919	\$1,951,919	\$1,951,919	\$1,951,919	\$7,807,676	(\$7,319,695)
6-8	Install Web cameras.	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,000)
Total		\$0	\$2,315,499	\$2,315,499	\$2,315,499	\$2,315,499	\$9,261,996	(\$7,323,695)

CHAPTER 7:
HUMAN RESOURCE MANAGEMENT

CHAPTER 7**HUMAN RESOURCE
MANAGEMENT**

This chapter reviews the human resource management functions of the Texas RESCs. Issues related to personnel policies, professional development, employee appraisal and job descriptions, and recruitment and employment are addressed.

Human resource management is responsible for planning, implementing, and maintaining a sound system of personnel services and human resource management that complies with local, state, and federal regulations. It also must act consistently with the mission and policies of the organization. The major functions of a human resources department typically include:

- interpreting and recommending personnel policy and procedures;
- conducting recruitment activities;
- handling all applications for employment;
- processing new hires for employment;
- tracking employee qualifications, certifications, assignments, promotions, transfers, resignations, and retirements;
- implementing competitive salary schedules;
- conducting employee training;
- handling employee complaints and grievances;
- monitoring employee appraisals;
- maintaining personnel records;
- administering employee assistance programs; and
- tracking workers' compensation claims and unemployment benefits.

Professional personnel administrators in the private and public sector, as well as findings resulting from prior MGT studies, recognize that there are generally eight essential functions incorporated into a comprehensive and effective human resource program. R. W. Rebores, Jr., in *Personnel Administration in*

Education: A Management Approach (6th Edition), cites the following dimensions:

- human resource planning;
- recruitment;
- selection;
- placement and induction;
- staff development;
- appraisal;
- rewards; and
- employee relations.

Policies and procedures are integral to the effective and efficient operation of an organization. The development of policy and procedures constitutes the means by which organizations can communicate expectations to their constituents. Policy development authorities agree that well-crafted policies and procedures should meet certain criteria, including:

- establishing the board's expectations and what may be expected from the board;
- keeping the board, administration, and other employees out of trouble;
- establishing an essential division between policy making and administrative roles;
- creating guidelines within which people operate;
- providing reasonable assurances of consistency and continuity in decisions; and
- providing the legal basis for the allocation of resources.

Specifically, effective personnel policies and procedures address several important areas, including:

- recruitment, screening, and selection of the most qualified and best candidates;
- assignment of personnel to appropriate areas of performance;

- provisions for positive programs of staff training and professional development;
- development of a climate for optimum employee performance, morale, and satisfaction;
- staff involvement in planning, decision making, and evaluation;
- guidelines for attractive compensation and benefits programs as well as for staff welfare; and
- appropriate guidelines for assessment of personnel performance with provisions for positive processes that contribute to staff improvement and recognition.

Policies and procedures, therefore, reveal the philosophy and position of the board and should be stated in sufficient detail to provide for direction for employees.

A well-qualified workforce is necessary to meet the needs of a rapidly changing work environment. Instant communications resulting from technological advancements, increased demands brought about by an aging employee population, and demands created by political forces drive educational improvement initiatives. Each of these factors contributes to a need for organized, coordinated, and effective staff and professional development programs that are based on documented needs.

ACCOMPLISHMENTS

- RESCs maintain current personnel policies and comprehensive personnel procedures.
- RESCs have developed a positive work environment that supports employee satisfaction and dedication.
- RESCs are providing a variety of quality staff development opportunities reflected by strong customer support.

FINDINGS

- There is no statewide RESC job description development and update process, although the Texas Association of School Boards (TASB) has conducted job description updates in connection with compensation studies.
- Some employee performance assessment instruments are not aligned with job descriptions.
- Some RESCs have not taken full advantage of the opportunities available to create greater efficiency of operation and reduce costs by expanding to the full potential the use of their Web site.
- Salaries for comparable positions vary among the RESCs.
- RESCs are having difficulty hiring minority staff members.
- RESCs are providing staff and school district employees access to staff development through the numerous trainings made throughout the year; however, survey results indicate that training related to student behavior management and conflict resolution needs to be improved.

RECOMMENDATIONS

- **Recommendation 7-1: Issue a Commissioner’s Rule to implement a statewide RESC job description development and updating process.** The Commissioner should direct the RESC executive directors to appoint a task group composed of RESC staff representatives involved in human resources. The task group should be charged with developing processes for review and approval, which then would be incorporated into the Commissioner’s rule. The processes should then be implemented during the next annual employee appraisal cycle. Following the process, each RESC should develop and maintain up-to-date job descriptions for all identified positions.

Comprehensive and up-to-date job descriptions should serve as effective tools for evaluation and strategic planning, and provide current staff with a clear understanding of their roles and responsibilities. Job descriptions can be used as tools to clearly identify responsibilities and expectations, conduct or prepare for staff evaluations, develop professional development plans, and structure new positions. Finally, job descriptions can help illustrate the structure and expectations of an organization and be useful tools in the creation of program policies and procedures.

- **Recommendation 7-2: Develop and implement performance assessment instruments that are aligned with job descriptions and include provisions for supervisor and employee self-evaluation.**

Performance assessment instruments aligned with job descriptions will contribute useful information for updating job descriptions and will ensure that employees fully understand the criteria that are to be used in evaluating performance, and, ultimately, for determining promotions and employment continuance.

To provide appropriate performance assessments of employees, the first step is for the employee to understand their job responsibilities, duties, and what factors will be evaluated during the performance assessment. This can be accomplished through the job description, which includes job duties, responsibilities, and qualifications. If the employee is evaluated on factors that are not identified in the job description, the RESC can be subject to legal liability and possible legal action.

The employee self-evaluation process can be a valuable tool when used in

conjunction with the performance assessment process. Through self-evaluations, employees can view their performance introspectively and recognize areas needing improvement while gaining a sense of empowerment and responsibility for their own individual performance.

- **Recommendation 7-3: Develop a Web site template that expands available online human resource functions to RESC personnel and applicants for RESC and school district positions.** Human resource information on Web sites provides additional value for RESC employees and client school districts and schools. For RESCs that currently do not have the capacity for online position application and other online services, the template will ensure that consistent information is available and will reduce time spent addressing routine questions.

As a result, human resource staff will be able to focus on other critical job functions. RESC 3, for instance, does not have a human resource department, and the sophisticated status of their Web site information has permitted them to fulfill essential human resource needs without additional staff. An existing site that is organized appropriately and reflects the needed ingredients for the suggested template approach is the site at RESC 3. Once the information is available on the Web site, an email notice should be sent to staff and clients with an instruction sheet on Web site use to obtain information, and complete and file forms.

- **Recommendation 7-4: Continue the current practice of maintaining RESC salary schedules, separate from state schedules and conduct compensation studies at least once every three years with cost-of-living-adjustment data reviewed annually.** RESC compensation schedules should be appropriately structured to reflect local conditions. Compensation studies like those recommended can be conducted either in-house or by an outside firm or association.

The following resources are available to facilitate completion of these reviews:

- the *Salaries and Benefits in Texas Public Schools Administrative/Professional Report* published annually by the Texas Association of School Boards;
 - the *National Compensation Survey for Dallas/Ft. Worth* published by the U.S. Department of Labor, Bureau of Labor Statistics;
 - Social Security Online, *Cost-of-Living-Adjustments*; and
 - data from comparable positions within regions' school districts, private sector employers, and other RESCs.
- **Recommendation 7-5: Develop a master RESC recruitment plan, with emphasis on minority recruitment.** The implementation of this recommendation should result in a master recruitment plan imbedded with multiple, tested recruitment strategies. By intensifying the recruitment of qualified minority populations for job openings by RESCs, the staff composition should more accurately reflect the ethnic mix of the regions served. Because there are language differences in the

communities, more bilingual staff will have better communication that likely will reduce misunderstandings and provide an environment where minority students have the best possible opportunities to succeed. A more diverse staff is more likely to have better communication skills and an improved professional image within the community. Furthermore, the master plan should be of assistance to client school districts and schools that require assistance with recruiting personnel.

The RESC executive directors should appoint a task group assigned the responsibility for developing a master recruitment plan. The task group can collect recruitment information from other RESCs, the state's universities, school districts, and other organizations that may have successfully developed and implemented recruitment strategies. The proposed plan should be reviewed and approved by the executive directors and utilized by RESCs that have placed a high priority on recruitment.

- **Recommendation 7-6: Assess the statewide need for student discipline management and conflict resolution training and prepare needed programs.** An assessment of the statewide need for student discipline management and conflict resolution training should provide the state and TEA with supporting data that encourages the legislature and TEA to fund core training services for school district personnel.

A detailed survey should be developed, incorporated into other annual survey instruments and completed by school principals, teachers, and other staff who have student control and management responsibilities. Additionally,

guidance counselors and social workers should be surveyed for additional information related to conflict resolution training needs. This survey should be conducted and the results analyzed by TEA in collaboration with RESC personnel. Analyzed results should be provided to all RESCs along with TEA commitments to support comprehensive training program(s) identification and/or development and subsequent deployment.

DETAILED ACCOMPLISHMENTS

PERSONNEL POLICIES AND PROCEDURES

Most RESCs have up-to-date personnel policies and procedures documents and handbooks.

MGT found that 25 percent of the RESCs use “best practices” in their procedures for maintaining comprehensive, well-organized personnel policies and procedures manuals. Typically these documents are available to employees on the RESC’s Web site. An up-to-date reference hard copy is maintained at the RESC for employees who do not have ready access to computers.

The manuals examined contained complete information on:

- hiring and employment procedures;
- employee compensation and benefits;
- performance assessment process;
- complaint procedures;
- job requirements; and
- conclusion of employment.

Typically these policies and procedures documents include sample forms for job applications and references, instituting leaves-of-absence, accident reporting, and other personnel related matters.

Accomplishment: RESCs maintain current personnel policies and comprehensive personnel procedures.

POSITIVE WORK ENVIRONMENT

The RESCs maintain an exceptionally positive work environment.

Nearly all interviewed employees volunteered that they are extremely pleased with their jobs and co-workers, and that they enjoy coming to work at their RESC each day. While many staff reported working long hours, they indicated that they are willing to “go the extra mile” because they are all working together toward a common mission and purpose.

Exhibit 7-1 provides results of a survey administered to RESC employees, with returns from 615 employees.

Ninety-seven (97) percent of the respondents agreed or strongly agreed with the statements, “I find my RESC to be an exciting, challenging place to work”, and “I feel that I have the authority to adequately perform my job responsibilities”, while 94 percent of the respondents agreed or strongly agreed with the statements, “I feel that my work is appreciated by my supervisor(s)”, and “I feel that I am an integral part of the RESC team.” These are extremely high approval ratings.

Research on healthy organizations (See Richard Beckhard *The Organization of the Future*) emphasizes a number of characteristics. Important among them are conditions related to the attitude and morale of personnel. The survey results, interviews with RESC personnel, and examination of work products provide an image of exceptionally healthy organizations, not at all typical of contemporary institutional organizations.

Accomplishment: RESCs have developed a positive work environment that supports employee satisfaction and dedication.

**Exhibit 7-1
Survey of RESC Personnel Perceptions about Work Environment**

Statement	Percentage (SA+A)/(D+SD)
1. I find my RESC to be an exciting, challenging place to work.	97/2
2. RESC officials enforce high work standards.	96/2
3. RESC employees who do not meet expected work standards are disciplined.	72/7
4. I feel that I have the authority to adequately perform my job responsibilities.	97/2
5. I have an up to date and comprehensive job description.	96/2
6. I have adequate facilities in which to conduct my work.	94/4
7. I have adequate equipment and computer support to conduct my work.	97/2
8. No one knows or cares about the amount or quality of work that I perform.	4/94
9. I am very satisfied with my job.	96/2
10. I plan to continue my career in my RESC.	94/2
11. I am actively looking for a job outside of my RESC.	5/89
12. Salary levels at my RESC are competitive.	61/26
13. I feel that my work is appreciated by my supervisor(s).	94/3
14. I feel that I am an integral part of the RESC team.	94/2

Source: MGT of America, July 2004.

PROFESSIONAL DEVELOPMENT

Regional Education Service Centers are providing staff and school district employees access to staff development through numerous training opportunities.

Several RESCs (RESCs 6, 13, and others) have completed construction of state-of-the-art training facilities and another (RESC 2) has remodeled an old downtown building and converted the third floor into a model facility for training and conferences. Others also have committed extensive resources to provide client school districts and schools with high-quality professional development. Examination of RESC Web sites and program and services handbooks reveals that a full complement of training opportunities are available to member school districts and school personnel.

Exhibit 7-2 displays the results of the survey of school district superintendents concerning training initiatives.

Responses are very positive. The strongest responses were for training related to “PDAS training and support, training and support for Texas Essential Knowledge and Skills (TEKS), Leadership training and development programs and services, and school board training services,” all with 90 percent or more of the respondents indication that they agreed or strongly agreed with the statements. The weakest responses were to the statement “Training and assistance in discipline management and conflict resolution” with only 78 percent agreeing or strongly agreeing.

Accomplishment: RESCs are providing a variety of quality staff development opportunities reflected by strong customer support.

**Exhibit 7-2
Survey of School District Superintendents on RESC Training**

Statement	Percentage (SA+A)/(D+SD) ¹
1. Training and assistance for campus planning	84/5
2. PDAS training and support	90/1
3. Training and support for Texas Essential Knowledge and Skills (TEKS)	90/2
4. Training and support for aligning the curriculum and instruction with TEKS	86/3
5. Leadership training and development programs and services	91/3
6. Training and assistance to help improve student performance	87/5
7. Training and assistance in using new teaching methods and strategies	85/4
8. Training and assistance in the use of technology	85/4
9. Training and assistance in discipline management and conflict resolution	78/4
10. School board training services	90/3
11. Teacher Certification	84/5
12. Professional/Para-Professional Certifications	86/3

Source: MGT of America, July 2004.

¹SA = Strongly Agree, A = Agree, N = Neither Agree/Disagree, D = Disagree, SD = Strongly Disagree

DETAILED FINDINGS

JOB DESCRIPTIONS

There is no statewide RESC job description development and update process, although the Texas Association of School Boards (TASB) has conducted job description updates in connection with compensation studies. Furthermore, job description formats are not standardized. While one-third of the RESCs maintain complete and current job descriptions, the majority do not have complete and/or up-to-date job descriptions for each employment category.

Some job descriptions are outdated and others are missing. Some job descriptions do not provide all-important information such as identifying the distinction between essential job responsibilities that an employee must carry out, as opposed to those responsibilities that simply may be desirable. Other job descriptions did not reference physical requirements for the position. Job descriptions for RESC employees holding similar positions vary in other ways for numerous reasons, including specific requirements for meeting client needs and historical necessity.

Failure to include and or identify essential job responsibilities, physical requirements, and other elements can lead to employees’

misunderstandings of the real nature of employer expectations. Lack of specific essential job responsibilities jeopardizes the performance appraisal process; and inadequate descriptions of the physical requirements can result in avoidable injuries for which the employer must assume responsibility.

Typically, job descriptions are updated when a vacancy occurs and the need to post the position arises. RESCs use a variety of means for updating job descriptions. For example, one RESC updates job descriptions and evaluates employees in a timely fashion. As part of an annual process, employees evaluate their own job performance and then meet with their supervisors to receive feedback. One part of these meetings involves reviewing the employees’ job descriptions and making any necessary modifications. The employees then sign the descriptions, indicating that they are accurate. Another RESC follows a similar pattern and obtains employee input in the development and updating of job description processes. Other RESCs contract with the TASB to update job descriptions in conjunction with compensation studies.

Human resource professionals indicate that there are several methods for effectively updating position descriptions. The key elements are a periodic review of the specific

assigned responsibilities by employee and supervisor. Each of the cited RESC examples contains these best practice procedures.

Exhibit 7-3, Template for Job Description Form, is an example of one means by which job descriptions could be standardized to ensure that all important elements are incorporated.

This format permits individual RESCs latitude to include all information specifically applicable to their situation.

The Commissioner of Education should issue a Commissioner’s rule to implement a statewide RESC job description development and updating process. The Commissioner should direct the RESC executive directors to appoint a task group composed of RESC staff representatives involved in human resources. The task group should be charged with developing processes for review and approval, which then would be incorporated into the Commissioner’s rule. The processes should then be implemented during the next annual employee appraisal cycle.

**Exhibit 7-3
Template for Job Description Form**

<div style="border: 1px solid black; width: 80%; margin: 0 auto; padding: 5px;"> <p align="center">(Job Title)</p> </div>
<p>QUALIFICATIONS:</p>
<p>KNOWLEDGE, SKILLS AND ABILITIES:</p>
<p>REPORTS TO:</p>
<div style="border: 1px solid black; height: 40px; margin-top: 10px;"> <p>JOB GOAL: To ...</p> </div>
<p>SUPERVISES:</p>
<p>PERFORMANCE RESPONSIBILITIES: (Begin each function with plural verb; asterisk (*) essential responsibilities)</p> <ul style="list-style-type: none"> * (1) * (2) (3) (4) <p align="center">Add additional sheets as needed for performance responsibilities.</p>
<p>PHYSICAL REQUIREMENTS:</p> <p>___ Light work: Exerting up to 20 pounds of force occasionally and/or up to 10 pounds of force as frequently as needed to move objects.</p> <p>___ Medium Work: Exerting up to 50 pounds of force occasionally, and/or up to 20 pounds of force frequently and/or up to 10 pounds of force as needed to move objects.</p> <p>___ Heavy work: Exerting up to 100 pounds of force occasionally, and/or up to 50 pounds of force frequently and/or up to 20 pounds of force as needed to move objects.</p>

Source: Prepared by MGT of America, July 2004.

Following the process, each RESC should develop and maintain up-to-date job descriptions for all identified positions. Comprehensive and up-to-date job descriptions should serve as effective tools for evaluation and strategic planning, and provide current staff with a clear understanding of their roles and responsibilities. Job descriptions can be used as tools to clearly identify responsibilities and expectations, conduct or prepare for staff evaluations, develop professional development plans, and structure new positions. Finally, job descriptions can help illustrate the structure and expectations of an organization and be useful tools in the creation of program policies and procedures.

This recommendation can be implemented by modeling procedures that have worked effectively and cost efficiently, such as the processes employed by RESC 6 or 12. These processes involve employee and supervisor reviews of job descriptions in conjunction with annual performance reviews. This approach offers the advantage of a routine annual review process coupled with a required performance assessment and, consequently, uses a labor-efficient methodology.

During the development process, the RESC task group should standardize the job description format to facilitate the update of information or development of new job descriptions. Additionally, this process should ensure that each RESC has all of the important elements included in each job description.

Key elements include:

- Job Title
- Supervisor
- Salary grade
- Division/component
- Position's primary purpose
- Required and desirable qualifications
- Major responsibilities and duties
- Specific responsibilities unique to the position, by category
- Supervisory responsibilities
- Equipment and software used

- Working conditions (mental and physical demands and environmental factors).

This recommendation can be implemented with existing resources at no additional cost to the RESCs. Communications among the members of the task group and task force meetings could be held using existing teleconferencing media, therefore eliminating potential travel expenses. The results will be more efficient and effective operations, and improved employee morale.

PERFORMANCE ASSESSMENT

Some RESC employee performance assessment instruments are not aligned with job descriptions; some RESCs use standardized evaluation forms that do not tailor the evaluation to individual employment situations and do not provide for employee self-evaluation. **Exhibit 7-4** provides an example.

Some centers use one form for professional personnel and another for support staff.

A sampling of these forms reveals similar shortcomings: no provisions for employee input and, typically, overly generic criteria or rubrics that fail to provide adequate specificity to result in performance improvement if needed. **Exhibits 8-5** and **8-6** are examples.

Evaluation forms, schedules for assessment of performance, and other related matters vary among the RESCs.

The Commissioner of Education and Board of Directors of each RESC conduct performance reviews of the executive directors. The variations reported for many of the RESCs are reflected in the instruments used by RESC board members. For example, the RESC 12 instrument lacks the detail of other RESC executive director's evaluation instruments. The evaluation instrument does not require any documentation and has only 15 non-specific (non-ranking) statements in which the board member is instructed to check if the executive director is meeting expectations.

**Exhibit 7-4
Report of Performance Evaluation**

Name of Employee: _____ Position Title: _____
 Department: _____ Position/Pay Grade: _____
 Longevity in Present Position: yrs _____ mths _____ Date of Employment: _____
 Report Performance from ___ to _____

I. A BRIEF SUMMARY OF JOB DESCRIPTION—Summarize the major job functions for which the employee is responsible in this assignment. Do not limit your summary to the title of the employee's position. Describe the actual duties performed by the person being evaluated. _____

II. PERFORMANCE EVALUATION—Beside each description indicate the employee's level of performance in terms of individual job assignment. Feel free to insert descriptions unique to this particular job in the blank spaces.

	Not Applicable	Unsatisfactory	Expectations				Not Applicable	Unsatisfactory	Expectations		
			Below	Meets	Exceeds				Below	Meets	Exceeds
Tact						Skill in planning and laying out work					
Judgement						Skill in guiding and organizing					
Quality of Work						Handling of subordinates					
Attitude						Skill in developing employee morale					
Work Habits						Skill in preventing & handling employee problems					
Cooperation						Ability to work with peers					
Dependability						Personal dress & grooming					
Attendance						Knowledge of work					
Punctuality						Ability to work under pressure					
Initiative						Amount of supervision required					
Adaptability						Quantity of work					
Accuracy											

III. LEVEL OF OVERALL PERFORMANCE—Describe this employee's overall performance in relation to the job description. This might include statements regarding employee's strengths and weaknesses and a plan for employee improvement. (Use additional pages as necessary.) _____

IV. COMMENTS OF EMPLOYEE REGARDING EVALUATION—After you have completed your discussion with the employee, describe briefly the reaction and general attitude toward this evaluation by the employee. _____

 Evaluator's Initials: _

V. COMMENTS OR CONCERNS OF EMPLOYEE REGARDING EVALUATION AND/OR SUPERVISION—Employee must complete this section by placing a (x) in the appropriate space. If employee indicates a concern or comment, he/she should record such in the space provided. Should additional space be needed attach additional page(s). Each additional page must be signed and dated by employee and evaluator.

Employee has comments or concerns _____ Employee has no comments or concerns _____

Employee's Initials: _

Signature of Employee: _____ Date: _____

Signature of Reviewer: _____ Date: _____

Signature of Evaluator: _____ Date: _____

Signature of Executive Director: _____ Date: _____

Source: RESC 10, Human Resource Department, July 2004.

Exhibit 7-5
Sample Rating Scale from an RESC Professional Staff Evaluation Form

Domain I. Leadership/Management	Rubrics (Circle The Appropriate Number)
<p>Effectively uses strategies to perform tasks in:</p> <ul style="list-style-type: none"> • Decision making/problem solving • Personnel supervision • Fiscal management • Appropriate goal setting practices program leadership (design, planning, organization, implementation, assessment) <p>Criterion 1. Program Planning/Organization</p> <p>Criterion 2. Fiscal Management</p> <p>Criterion 3. Leadership</p>	<p>4 The performance of leadership/management tasks and the use of leadership/management strategies exceed the expectations of the ESC and promote the organization’s mission. There is evidence of exceptional performance of most or all of the tasks. There are few, if any, tasks that are not exceptionally accomplished. In addition, creative and inventive strategies may be effectively used to accomplish tasks.</p> <p>3 The performance of leadership/management tasks and the use of leadership/management strategies meet the expectations of the ESC and promote the organization’s mission. Strategies are effectively utilized to accomplish most, if not all, of the tasks. There may be some tasks that are not fully accomplished: however, they do not interfere with the total effectiveness of the job performance.</p> <p>2 The performance of leadership/management tasks and the use of leadership/management strategies do not completely meet the expectations of the ESC and promote the organization’s mission. Strategies are ineffectively utilized, or not utilized, to accomplish some of the tasks to the extent that they may seriously interfere with the total effectiveness of job performance. Some serious, or potentially serious, discrepancies between ESC expectations and job performance exist.</p> <p>1 The performance of leadership/management tasks and the use of leadership/management strategies do not meet the expectations of the ESC and promote the organization’s mission. Tasks are absent or are minimally/ineffectively accomplished to the extent that they seriously interfere with the total effectiveness of the job performance.</p>

Source: RESC 17 Education Service Center Professional Staff Evaluation Form, 2003–04.

Exhibit 7-6
Standard Staff Evaluation Criteria

- Observes designated work hours
- Adheres to the policies and procedures of the Service Center.
- Displays a pleasant, courteous, and helpful manner.
- Establishes and maintains effective working relationships with colleagues.
- Establishes and maintains effective working relationships with clients.
- Meets project deadlines established by supervisor.
- Accepts responsibility for individual workload.
- Assists others with overflow tasks.
- Effectively uses technology appropriate for the job assignment,
- Maintains accurate and up-to-date records in area of responsibility and submits them in a timely manner.
- Produces accurate products (use of proper grammar, spelling, and punctuation).
- Plans and schedules work effectively.
- Demonstrates effective public relations skills with Service Center partners.
- Is self-directed and can be relied upon to do the job with minimal supervision.
- Provides effective leadership in planning, developing, implementing, and evaluating programs in area(s) of responsibility.
- Designs and delivers staff development and training for clients in area of responsibility.
- Effectively supervises and evaluates personnel assigned to department/division.
- Prepares budget and supervises expenditures in area of responsibility.

Source: RESC 12 Employee Appraisal Form, 2004.

RESC 3's instrument is divided into three domains: Managerial, Delivery of Services, and Individual and Professional Competencies. Each domain contains three criteria and indicators for each criterion. The board members "x" out those that do not apply and circle each indicator that meets expectations. Comments can be entered by each indicator and at the end of the instrument. No provision is made for "board as a whole" to report; only individual evaluations are provided.

In contrast, RESC 2 has a much more thorough executive director instrument as shown in **Exhibit 7-7**.

RESC 2's evaluation instrument includes more detail in 10 specific criteria areas. The governance chapter presents a more detailed discussion of the executive directors' performance review and a related recommendation (see Governance, Recommendation 1-8).

The failure to reconcile performance review criteria with job description information can result in a flawed performance evaluation that cannot be successfully used if an employee challenges the outcome. Failure to involve employees in a portion of the process neglects an important element that promotes the employee's active engagement in the process. Furthermore, such inconsistencies lead employees to believe that they are not all being treated alike and fairly. Weak employee performance reviews can lead to serious misunderstanding and erosion of employee moral.

The process of examining possible evaluation systems and instruments will benefit from the best practices of RESC 13 and 16. The RESC 13 instrument and system include self-evaluation, supervisor evaluation, and professional development plans. RESC 16 uses a standard set of evaluation criteria that is structured to provide the employee feedback based on the center's values. **Exhibit 7-8** displays the criteria used in RESC 16.

**Exhibit 7-7
RESC 2 Executive Director’s Annual Performance Evaluation**

Executive Director’s Name _____

The Executive Director of Education Service Center (ESC), Region 2 will be evaluated annually on the following items. In order to provide additional information regarding the performance being rated, a list of examples of activities is located under each item. Examples of documentation evidence are provided. On the scale to the right of each item, circle one of the four numbers to indicate your assessment of the Executive Director’s performance. Space is provided on the fourth page for additional comments and/or recommendations.

1. Works effectively with the ESC-2 Board of Directors:

- Keeps the Board informed about ongoing operations of the ESC
- Provides periodic reports regarding ESC activities
- Provides annual evaluation of ESC by regional superintendents
- Provides reports (annual audit, budget/amendments, investments etc.) to board in a timely manner
- Supports the performance of the Board in its role
- Reports to the Board on activities and accomplishments of the Center at Board meetings
- Responds to requests from Board members in a professional and timely manner
- Provides monthly highlights of executive director’s activities

Improvement Needed	Fair	Good	Excellent
1	2	3	4

(Documentation evidence: Board meeting agendas; Board briefs, email, telephone, written communications, and ESC publications)

2. Performs all duties and functions as required by the ESC-2 Board of Directors:

- Responds to directions/suggestions/recommendations
- Keeps the Board informed concerning areas where policy should be developed
- Brings policy proposals to the Board for review and approval
- Provides the Board with information about professional development opportunities

Improvement Needed	Fair	Good	Excellent
1	2	3	4

(Documentation evidence: Board meeting agendas/ minutes, Board policies, administrative procedures, email and written communications)

3. Develops and implements procedures and practices for all facets of the ESC’s operation:

- Develops, implements, and maintains an organizational design to facilitate the effective operation of the ESC
- Develops, implements, and maintains administrative structures, guidelines, and procedures to facilitate the effective and efficient operation of the ESC

Improvement Needed	Fair	Good	Excellent
1	2	3	4

(Documentation evidence: Strategic Plan (Vision 2005); Annual Regional Improvement Plan; and ESC 2 organizational chart)

4. Establishes priorities for the most efficient use of available resources:

- Operates programs/services based on the Vision 2005 Strategic Plan, the Regional Improvement Plan and resultant action plans (e.g., goals, activities, timelines etc.)
- Empowers center directors to establish goals for departmental functions
- Facilitates associate input into program practices and implementation

Improvement Needed	Fair	Good	Excellent
1	2	3	4

(Documentation evidence: Vision 2005 Strategic Plan; Regional Improvement Plan; Program Action Plans; Reporting and Planning (RAP) meeting agendas; general staff meeting agendas; Cabinet meeting minutes)

**Exhibit 7-7 (continued)
RES C 2 Executive Director’s Annual Performance Evaluation**

5. Designs and implements systems for measuring the effectiveness of the ESC and for making improvements based on acquired information:

Improvement Needed	Fair	Good	Excellent
1	2	3	4

- Plans and conducts a regionwide evaluation/needs assessment
- Conducts an ongoing evaluation of ESC programs and services
- Utilizes regional advisory committees, stakeholder and contact groups
- Utilizes external surveys and audits (e.g., annual customer satisfaction survey, TEA desk audit, program audits,

(Documentation evidence: Annual regional survey; contact groups and advisory group meetings and stakeholder meetings; external reports from the Texas Education Agency (TEA) and other sources)

6. Administers Personnel Management System according to board policy, state/federal law, and other legal requirements:

Improvement Needed	Fair	Good	Excellent
1	2	3	4

- Maintains an active recruitment process ensuring equal opportunities for employment
- Makes staff assignments to fulfill program needs and appropriately serve ESC member schools
- Attracts, retains and terminates staff which ensures an efficient and effective ESC operation in meeting district needs
- Maintains personnel files according to Board Policy

(Documentation evidence: Human Resources (HR) records, Board agenda items/minutes; advertising in newspaper and ESC-2 HR Web site; internal and external written communications)

7. Manages the financial resources of the ESC to support its programmatic goals:

Improvement Needed	Fair	Good	Excellent
1	2	3	4

- Secures funding from federal, state, and local sources
- Develops an annual budget to allocate the available financial resources
- Utilizes fund balance to meet the most critical needs of the ESC
- Conducts budget reviews/analyses with appropriate staff to determine the needs for budget amendments
- Submits applications for funds in a timely manner
- Recommends to the Board a compensation plan to maintain competitive salaries and benefits
- Maintains adequate documentation of financial records

(Documentation evidence: SAS Application to the TEA; competitive grants; annual budgets; contracted services, salary market analysis reports, investment reports, board agenda/minutes)

8. Works effectively with regional school districts:

Improvement Needed	Fair	Good	Excellent
1	2	3	4

- Keeps regional school districts informed about ESC programs and services
- Meets the instructional and non-instructional needs of the client districts/campuses
- Works with local district personnel in providing up-to-date information as appropriate

(Documentation evidence: ESC publications; email and written communications; ESC 2 web site, regional advisory committees and contact groups, and regional meetings)

Exhibit 7-7 (continued)
RESC 2 Executive Director’s Annual Performance Evaluation

9. Works effectively with regional and state agencies:

- Participates with Texas Education Agency staff to promote the general welfare of Region 2 schools and of the ESC
- Cooperates with other ESCs to promote the interests and functions of the ESC system
- Maintains and promotes effective relationships and partnerships with local universities, school districts, charter schools, private schools, and non-education entities

Improvement Needed	Fair	Good	Excellent
1	2	3	4

(Documentation evidence: Agendas/minutes of regional and statewide meetings; quarterly report of executive director activities; contracted services arrangements; annual self-assessment report; Regional Improvement Plan; Strategic Plan for the System of ESCs)

10. Provides effective leadership for the ESC and local districts

- Stays abreast of federal and state laws and policies affecting education
- Serves in an advisory capacity to local school districts
- Works with the Regional Advisory Committee (RAC) of Superintendents
- Serves as a liaison between personnel of the district, region, and state

Improvement Needed	Fair	Good	Excellent
1	2	3	4

(Documentation evidence: Record of professional development; attendance of state/regional meetings; agendas/minutes of RAC meetings; and onsite school district visits)

Overall Evaluation (Please circle one)

Improvement Needed Fair Good Excellent

Comments: _____

Recommendations: _____

Signature _____

Date _____

Source: RESC 2 Executive Director’s office, July 2004.

**Exhibit 7-8
Standard Evaluation Criteria**

Evaluation Criteria
Planning and Organization
Delivery of Services
Human Relations / Communication
Professionalism

Source: RESC 16 staff evaluation forms.

RESCs should develop and implement performance assessment instruments that are aligned with job descriptions and include provisions for supervisor and employee self-evaluation. Performance assessment instruments aligned with job descriptions will contribute useful information for updating job descriptions and will ensure that employees fully understand the criteria that are to be used in evaluating performance, and, ultimately, for determining promotions and employment continuance.

To provide appropriate performance assessments of employees, the first step is for the employee to understand their job responsibilities, duties, and what factors will be evaluated during the performance assessment. This can be accomplished through the job description, which includes job duties, responsibilities, and qualifications. If the employee is evaluated on factors that are not identified in the job description, the RESC can be subject to legal liability and possible legal action. The employee self-evaluation process can be a valuable tool when used in conjunction with the performance assessment process. Through self-evaluations, employees can view their performance introspectively and recognize areas needing improvement while gaining a sense of empowerment and responsibility for their own individual performance.

The RESC 16 evaluation process also includes a *Supervisor Evaluation* form, by which staff can evaluate the communication and leadership skills of their supervisor, commend

them for their strengths, and recommend areas for improvement. Finally, to ensure the quality of the evaluation process, staff is asked to complete an *Evaluation of ESC Evaluations* form. This form is designed to gather feedback on the evaluation instrument and process. In response to staff feedback, Human Resources Services staff updates the evaluation forms annually.

This recommendation can be implemented with existing resources and at no additional cost to the RESCs, and will result in more effective operation and improved employee morale.

WEB-BASED HUMAN RESOURCE FUNCTIONS

Some RESCs have not taken full advantage of the opportunities available to create greater efficiency of operation and reduce costs by expanding to the full potential the use of their Web site. Although some RESCs are using advanced Web site technology to support primary human resource functions and promote a user-friendly employment environment, some do not use the medium to its full advantage.

Each RESC has a Web site that includes human resource information. Sites include listings of regional job openings, processes for applying for positions, and other related information. Some sites include application forms that can be completed and submitted online. **Exhibit 7-9** lists some of the information, forms, and services that are contained in various RESC Web sites.

Exhibit 7-9**Human Resource-Related Information on RESC Web Sites**

- Employment Application Form
- Change of Address Form
- Direct Deposit Form
- W-4 Form
- Beneficiary Designation Forms
- Family Medical Leave Act Request Forms
- Standard Operating Procedures Manual (Employee Handbook)
- Organization Chart and Phone List
- Request for Estimating Retirement Benefits
- Worker’s Compensation Procedure
- Employee Procedures
- Employee Responsibilities
- Leave and Absences
- Time and Effort
- Grievance Procedures
- Employee Benefits
- Annuities
- Medical insurance eligibility requirements
- Disability insurance eligibility requirements
- Cancer insurance
- Dental insurance & applications
- Texas Retirement System Buyback service
- Texas Tomorrow Fund
- Long-term care
- Workers’ Compensation
- Disability, term life & life and voluntary accident insurance
- Doctors or pharmacies in their area
- Retirement eligibility
- New HR legislation
- Co-pay requirements
- Employee Assistance Plan (EAP) resources
- Grievance processes
- Leave policies
- Employee handbook (region policies and procedures)
- Worker’s compensation insurance
- W-4 forms
- Payroll information
- Wellness activities

Source: Prepared by MGT of America from RESC Web sites, July 2004.

These Web sites can provide a positive and active means of informing potential job applicants of the benefits available to employees of RESCs and school districts.

In some RESCs, interested job applicants can download and electronically submit applications for positions and obtain

information on certification exams, including ExCET, TE_xES, TE_xMAT, TASP, TOPT, TASC and TASC-ASL. The Web sites provide information that online registration is available for at least some of these certification exams. Additionally, many, but not all RESCs, provide substantial information. For example, 25 percent of the

RESCs have placed many procedural documents including the personnel manual online and have saved the cost of producing large quantities of hardcopy editions.

Many well-developed Web sites for human resource support now include a listing of all personnel benefits, forms, and such matters with hot links to forms that can be completed and filed online, therefore reducing time lost by both the employee needing the service and the human resources personnel. Conducting business in this manner expedites the processes thus making providing related services more efficient and economical. These are actions supported by best practices.

RESCs should develop a Web site template that expands available online human resource functions to RESC personnel and applicants for RESC and school district positions. Human resource information on Web sites provides additional value for RESC employees and client school districts and schools. For RESCs that currently do not have the capacity for online position application and other online services, the template will ensure that consistent information is available and will reduce time spent addressing routine questions. As a result, human resource staff will be able to focus on other critical job functions. RESC 3, for instance, does not have a human resource department, and the sophisticated status of their Web site information has permitted them to fulfill essential human resource needs without additional staff. An existing site that is organized appropriately and reflects the needed ingredients for the suggested template approach is the site at RESC 3.

Once the information is available on the Web site, an email notice should be sent to staff and clients with an instruction sheet on Web site

use to obtain information and complete file forms. **Exhibit 7-9** above lists the many types of human resource related matters that should be included on the template.

This recommendation could be implemented with existing resources and at no additional cost to the RESCs, and will result in time savings.

RESC EMPLOYEE SALARIES

Salaries for comparable positions vary among the RESCs.

The State Council on Competitive Government (CCG) produced a Regional Education Service Center Review report in January 2004 that states that RESC executive salaries are significantly higher than their state agency counterparts. The CCG report concluded that positions should fall under the state's Position Classification Act. The report states that almost 10 percent of the RESC workforce earn \$65,000 per year or more. The report concludes that an excessive number of RESC personnel earn more than they would if the RESCs fell under the state's Position Classification Act.

Exhibit 7-10 shows the average salary per FTE as reported in the CCG study. Note that the only RESC with salary averages near the cited \$65,000 per year level is RESC 4, located in Houston, a high cost area. Furthermore, the cited RESC 4 salary figure of \$67,517 has been disputed by both RESC 4 and RESC 6 personnel, stating that the accurate number is actually \$45,795. A closer examination of the figures reveals that the actual overall salary averages for all RESC personnel are about \$44,000 per year.

**Exhibit 7-10
RESC Salary Averages**

Region	Average Salary per FTE
1	\$46,477
2	\$44,526
3	\$39,131
4	\$67,517*
5	\$38,956
6	\$41,640
7	\$29,188
8	\$45,523
9	\$35,746
10	\$43,948
11	\$45,945
12	\$47,662
13	\$46,932
14	\$43,688
15	\$39,697
16	\$30,438
17	\$45,691
18	\$45,239
19	\$32,294
20	\$43,404

* Should be \$45,795

Source: State Council on Competitive Government, Regional Education Service Center Review, January 2004.

The CCG study does not appear to consider that a majority of RESC staff are professional personnel who are recruited and employed in specialized positions and must be paid competitively with the school districts served by the RESC. Additionally, the CCG study does not consider that RESCs are in competition for personnel who have been superintendents and other professionals who may have equivalent experience and are paid at much higher rates than state agency “counterparts.” However, salaries for comparable positions do vary among the RESCs as **Exhibit 7-10** shows.

Most RESCs have conducted compensation studies and market surveys using one or more of the following sources:

- the *Salaries and Benefits in Texas Public Schools*

Administrative/Professional Report published annually by the Texas Association of School Boards;

- the *National Compensation Survey for Dallas/Ft. Worth* published by the U.S. Department of Labor, Bureau of Labor Statistics;
- Social Security Online, *Cost-of-Living-Adjustments*; and
- surveys of comparable positions within regions’ school districts and other RESCs.

Typically the RESC human resources staff or other administrators consult these documents in developing a compensation schedule that is equitable for all employee groups. This process also is useful in developing a classification system that defines different employee groups, qualifications, and related career ladders where applicable.

RESCs have defined compensation schedules that establish salaries and create limits on raises. This procedure creates equity among all employee groups and also assists the RESC in planning and allocating salary increases. However, not all RESCs have used extensive, formalized comparison processes for determining compensation schedules.

A statewide, standardized RESC compensation schedule with an adjustment for regional or area cost-of-living disparity would be extremely difficult to devise because of the extreme differences throughout the state of Texas. The state's geography, urban and rural interspersions, as well as varying issues associated with recruitment of professional personnel, all seem to contribute to the conclusion that a statewide system is impractical. More important, it would remove local control over a significant portion of RESC fiscal resources, since 50 percent or more of the revenue is devoted to personnel. In addition, the area cost-of-living adjustments that are included in the general school finance allocation formula have not been updated for more than ten years, and are too out-of-date to be used for the RESCs.

As reported in the Governance Chapter, local control of centers, cooperatives or like organizations is a cardinal principle of effective and efficient operation and is a factor consistently cited by service centers throughout the United States.

RESCs should continue the current practice of maintaining RESC salary schedules separate from state schedules and conduct compensation studies at least once every three years with cost-of-living-adjustment data reviewed annually.

RESC compensation schedules should be appropriately structured to reflect local conditions. Compensation studies like those recommended can be conducted either in-house or by an outside firm or association. The

following resources are available to facilitate completion of these reviews:

- the *Salaries and Benefits in Texas Public Schools Administrative/Professional Report* published annually by the Texas Association of School Boards;
- the *National Compensation Survey for Dallas/Ft. Worth* published by the U.S. Department of Labor, Bureau of Labor Statistics;
- Social Security Online, *Cost-of-Living-Adjustments*; and
- data from comparable positions within regions' school districts, private sector employers, and other RESCs.

This recommendation could be implemented with existing resources and at no additional cost to the RESCs if conducted by existing personnel using data from other RESCs and local sources. Additionally, cost-of-living-adjustment data are available at no cost from the Social Security Administration. Costs for outsourcing such studies vary, depending on the number of positions to be surveyed, currency of job descriptions, and the company or organization obtained to provide the services. School districts have contracted such services for as little as \$4,000 to over \$200,000 depending upon circumstances.

MINORITY RECRUITMENT

RESCs are having difficulty hiring minority staff members. **Exhibit 7-11** provides data on the student ethnic composition of the 20 RESC areas.

Statewide, Hispanic students comprise 42.7 percent of enrollments, and African American students 14.3 percent. All but four RESCs have more than 20 percent Hispanic students and five have over 50 percent Hispanic.

Exhibit 7-12 shows the student composition figures for 2001-02, two years earlier.

**Exhibit 7-11
Student Ethnic Composition of Each RESC
2002-03**

ESC Region	Regional Student Membership	Percent African American	Percent Hispanic	Percent White	Percent Other
1	328,518	0.2	96.1	3.3	0.4
2	106,986	3.7	67.6	27.4	1.4
3	54,982	10.8	44.0	43.8	1.3
4	924,052	21.5	39.3	33.7	5.6
5	84,875	31.2	8.4	57.6	2.7
6	142,153	13.9	19.4	64.9	1.8
7	159,855	21.2	15.7	62.2	0.9
8	55,911	23.0	10.9	65.1	1.1
9	40,289	9.1	16.9	71.7	2.3
10	635,621	20.8	33.1	41.1	5.0
11	446,247	13.4	24.2	58.3	4.2
12	138,152	23.2	21.9	52.7	2.2
13	288,335	9.6	36.3	51.0	3.1
14	45,834	6.7	27.5	64.7	1.0
15	49,286	3.6	49.4	46.2	0.7
16	77,449	5.5	36.6	56.1	1.7
17	78,236	8.2	48.9	41.9	1.0
18	76,139	5.6	54.4	39.0	1.0
19	163,170	2.7	87.2	9.1	1.0
20	343,821	7.0	64.9	26.6	1.5
State Total	4,239,911	14.3	42.7	39.8	3.2

Source: TEA 2003–04 AEIS RESC reports.

**Exhibit 7-12
Student Composition of Each RESC
2000-01**

ESC Region	Regional Student Membership	Percent African American	Percent Hispanic	Percent White	Percent Other
1	302,528	0.2	95.6	3.8	0.3
2	107,634	3.7	66.3	28.7	1.3
3	55,629	11.1	42.5	45.1	1.3
4	876,901	21.9	36.8	36.0	5.3
5	85,644	31.1	7.4	58.8	2.7
6	135,913	14.4	17.4	66.8	1.2
7	157,696	21.6	13.5	64.1	0.8
8	55,223	23.6	9.3	66.3	0.9
9	40,745	8.4	15.4	74.1	2.2
10	597,160	21.2	30.3	43.8	4.7
11	416,544	13.1	21.4	61.7	3.9
12	134,507	23.1	20.2	54.7	2.0
13	273,492	9.6	34.0	53.5	2.5
14	47,518	6.5	26.0	66.5	1.0
15	50,399	3.7	47.7	48.0	0.7
16	78,250	5.5	34.3	58.4	1.7
17	79,121	8.3	47.9	43.0	0.8
18	77,553	5.5	52.4	41.1	0.9
19	157,337	2.9	85.8	10.4	1.0
20	329,825	6.9	63.6	28.2	1.4
State Total	4,059,619	14.4	40.6	42.0	3.0

Source: TEA 2000–01 AEIS RESC reports.

As a comparison of the exhibits shows, the percentage of Hispanic students has grown from 40.6 percent of the membership to 42.7 percent, or by 2.1 percentage points. Projections related to student demographics indicate that this trend will continue and, in fact increase, creating an increasing demand for bilingual educators.

A major difficulty in recruitment is related to the lack of a trained pool of certified bilingual personnel. This lack of personnel creates major problems in teaching the growing numbers of Hispanic students attending Texas schools.

One region (RESC 4) has a best practices program that provides training for and effectively recruits minority personnel. Over the past ten years this program has graduated over 500 bilingual teachers. This RESC recruits potential bilingual teachers through various methods including online, and applications are accepted from the spring through June of each year. In the 2004 cycle, more than 1,400 interested individuals attended information sessions about the program. This program provides necessary courses for teacher certification in which applicants pay to participate.

The program’s activities include:

- an application process that requires passing the TOEFL and a minimum of three courses offered by universities (English composition, mathematics, and United States history);
- pre-assignment training in Mexico, which includes intensive weekend studies with the same content as that provided in the United States, through agreements with the Autonomous University of Guadalajara, Regiomontana University, Iberoamericana University, and Intercontinental University;
- immigration filing;
- relocation assistance;
- internships at participating districts; and
- Bilingual EC-4 certification.

MGT’s survey of district superintendents undertaken as part of this study shows that 100 percent of superintendents in one region rated their satisfaction with the assistance provided in teacher certification as strong or very strong. Statewide, only 84 percent of the superintendents rated their satisfaction with teacher certification support as strong or very strong.

While teacher certification encompasses more than the recruiting of bilingual teachers, it does play a significant role. Other RESCs (RESC 3 and 6) have developed excellent systems for advertising vacancies and recruiting new personnel. One of the many advantages of this process has been the RESC’s ability to employ increasing percentages of minority employees.

RESCs should develop a master RESC recruitment plan, with emphasis on minority recruitment.

The implementation of this recommendation should result in a master recruitment plan imbedded with multiple, tested recruitment strategies. By intensifying the recruitment of qualified minority populations for job openings by RESCs, the staff composition should more accurately reflect the ethnic mix of the regions served. Because there are language differences in the communities, more bilingual staff will have better communication that likely will reduce misunderstandings and provide an environment where minority students have the best possible opportunities to succeed. A more diverse staff is more likely to have better communications skills and an improved professional image within the community. Furthermore, the master plan should be of assistance to client school districts and schools that require assistance with recruiting personnel.

The RESC executive directors should appoint a task group assigned the responsibility for developing a master recruitment plan. The task group can collect recruitment information from other RESCs, the state’s universities, school districts, and other organizations that may have successfully developed and

implemented recruitment strategies. The proposed plan should be reviewed and approved by the executive directors and utilized by RESCs that have placed a high priority on recruitment.

This recommendation could be implemented with existing resources and at no additional cost to the RESCs.

STUDENT BEHAVIOR MANAGEMENT TRAINING

RESCs are providing staff and school district employee access to staff development through the numerous trainings made throughout the year; however, survey results indicate that training related to student behavior management and conflict resolution received the lowest positive responses.

Exhibit 7-2 (see page 7), statewide survey of school district superintendents, shows their responses to statements concerning training initiatives. As can be seen responses overall are very positive. However, the weakest responses were to the statement “training and assistance in discipline management and conflict resolution” with only 78 percent agreeing or strongly agreeing. This response rate is consistent with reports in media of general circulation, *Education Week*, and various education journals citing student behavior issues as having high priority.

RESC 19 has organized an excellent selection of training opportunities for teachers and administrators. Topics for training include:

- Girls and Boys Town Specialized Classroom Management;
- On-site discipline Training;
- Custom Classroom/School Behavior Management;
- Dealing with Bullying;
- AD/HD for Elementary Teachers;
- District Behavior Network;
- Strategies and Best Practices for Interrupting Severe Behavior in the Classroom;

- CHAMPS – A Proactive and Positive Approach to Classroom Management;
- Region 19 Positive Behavior Support Conference;
- Texas Behavior Support Initiative (TBSI) Train the Trainers Modules;
- Functional Behavior Assessment and Behavior Intervention Planning;
- Foundations Institute Cycle 1;
- Common sense Parenting; and
- Nine other topics.

Best practices behavior management training programs include training and support for behavior specialists in school districts, training in instruction of students with behavior issues, individual student observation and recommendations and other staff development opportunities in classroom management, crisis intervention, and cooperative discipline. Such training also includes topics of contemporary interests that may involve dealing with bullying, cult activity, gang behaviors, dealing with weapons and drugs.

RESCs should assess the statewide need for student discipline management and conflict resolution training and prepare needed programs. An assessment of the statewide need for student discipline management and conflict resolution training should provide the state and TEA with supporting data that encourages the legislature and TEA to fund core training services for school district personnel.

A detailed survey should be developed, incorporated into other annual survey instruments and completed by school principals, teachers, and other staff who have student control and management responsibilities. Additionally, guidance counselors and social workers should be surveyed for additional information related to conflict resolution training needs.

This survey should be conducted and the results analyzed by TEA in collaboration with RESC personnel. Analyzed results should be provided to all RESCs along with TEA

commitments to support comprehensive training program(s) identification and/or development and subsequent deployment.

cost to the RESCs since the survey questions could be incorporated into other surveys conducted annually.

This recommendation could be implemented with existing resources and at no additional

FISCAL IMPACT

N/A

CHAPTER 8:
MANAGEMENT INFORMATION
SYSTEMS

CHAPTER 8**MANAGEMENT INFORMATION SYSTEMS**

This chapter evaluates the Management Information Systems (MIS) functions of the Regional Education Service Centers (RESCs) in the following sections:

- Computer Cooperatives
- Technology Services
- PEIMS Data Process

MIS functions are broadly defined as the processes of planning, organizing, staffing, leading, directing, coordinating and controlling the resources and activities associated with acquiring, deploying and supporting information and information technology so that information can be effectively and efficiently utilized within organizations. MIS functions are needed to allow for seamless and accurate reporting and gathering of data.

Technology is a dynamic force affecting both the administrative functions of an RESC and its delivery of educational services to school districts. An emphasis on technology is much in evidence at the state and national level, related to plans for instructional use of technology and grants for upgrading technology at all levels of school district operations. This chapter assesses MIS uses for administration of the RESCs and for delivering instructional technology.

Computer Cooperatives

There are five computer cooperatives housed at RESCs: the Texas Computer Cooperative (TCC), which includes the Internet-based Texas Computer Cooperative Software (iTCCS) and the Regional Service Center Computer Cooperative (RSCCC) housed at Region 20; the Data Management and Assessment Cooperative (DMAC) at Region 7; and the Information Management System (Mainframe) Cooperative (IMSMC) and Administrative Micro Cooperative (AMC) housed at Region 10.

TCC. TCC was formed by RESCs and has been in existence for 36 years. TCC provides a very comprehensive administrative software for Texas schools through two cooperatives: iTCCS and RSCCC. While the two cooperatives operate on different platforms, focus on different audiences, and vary somewhat in specific functionality offered, both provide school districts with highly integrated administrative software, addressing student information needs, business office functions, and PEIMS reporting. Region 20 Education Service Center in San Antonio serves as the fiscal agent for both cooperatives. Neither cooperative receives any state funding. All costs are covered by fee-for-service plans paid by participating school districts and RESCs.

Systems are constantly being modified with new functionality to meet the educational needs of school districts. The TCC Management Committee consists of RESC executive directors and school district superintendents and meets to identify and establish software requirements based on school districts needs. The sharing of resources, products, and expertise assists the TCC committee fine-tune software needs for optimum availability and performance. TCC provides service to 95 percent of the RESCs for its RSCCC products and to 50 percent of the RESCs for the iTSCC products. Currently over 700 school districts throughout the state are existing clients of RSCCC.

The iTTCS is a comprehensive, state-of-the-art Application Service Provider (ASP) solution with applications for business, human resources, and student programs written specifically for Texas school districts and charter schools. The product is primarily tailored to the needs of larger school districts (current users include districts with an average daily attendance of over 70,000). A PEIMS software product complements the primary systems. iTCCS is a Web-based real time system that is accessed via private networks and the world wide web. iTCCS is Open Database Connectivity (ODBC) compliant, which allows districts to query/develop reports

utilizing their query tool of choice. The iTCCS cooperative includes ten RESCs. **Exhibit 8-1** outlines RESC participation in the iTCCS cooperative. Participants with an “X” are currently active. All remaining regions are either “not active” or do not participate (denoted by regions left blank in the exhibit).

The RSCCC is a state-of-the-art micro-based real-time solution with applications for business, human resources, and student programs written specifically for Texas school districts and charter schools. The districts using the RSCCC are generally smaller (those with average daily attendance under 14,000), although some larger districts (ADA 20,000 – 30,000) use the RSCCC PEIMS application. A PEIMS software product complements the primary systems. RSCCC software is designed for a Structured Query Language (SQL)

Anywhere database and runs on Microsoft Windows 2000 Professional stand-alone or Microsoft Windows 2000 Server. RSCCC is ODBC compliant, which allows districts to query/develop reports utilizing their query tool of choice. The RSCCC cooperative consists of all RESCs except Region 4. **Exhibit 8-2** summarizes the participation of RESCs in the RSCCC cooperative.

Exhibit 8-3 displays a list of iTCCS and RSCCC applications. These are some of the functional characteristics of both the iTCCS and RSCCC software. In addition, each also has a PEIMS reporting application that extracts and maintains business and student data for reporting to the Texas Education Agency (TEA) according to the PEIMS data standards.

Exhibit 8-1
iTCCS Cooperative Participants by Region
2003-04

Region	Business Package	Student Package
Region 1	X	X
Region 2	X	X
Region 3*	Not active	Not active
Region 4		
Region 5		
Region 6		
Region 7		
Region 8		
Region 9		
Region 10		
Region 11		
Region 12		
Region 13	X	X
Region 14*	Not active	Not active
Region 15	X	X
Region 16		
Region 17*	Not active	Not active
Region 18	X	X
Region 19*	Not active	Not active
Region 20	X	X

Source: RESC 20 Management Information Systems Group, 2004.

**These regions are active on the TCC Management Committee but do not have active consultants working with school districts.*

**Exhibit 8-2
RSCCC Cooperative Participants
2003–04**

Region	Business Package	Student Package
Region 1	X	X
Region 2	X	X
Region 3	X	X
Region 4		
Region 5	X	X
Region 6	X	
Region 7	X	X
Region 8	X	X
Region 9	X	X
Region 10	X	X
Region 11	X	X
Region 12	X	X
Region 13	X	X
Region 14	X	X
Region 15	X	X
Region 16	X	
Region 17	X	X
Region 18	X	X
Region 19*		
Region 20	X	X

*Source: RESC 20 Management Information Systems Group, 2004.
Region 19 is active on the TCC Committee but do not have active consultants working with school districts.

**Exhibit 8-3
iTCCS and RSCCC Applications**

Student	Business
Attendance	Accounts Receivable (iTCCS only; Planned RSCCC)
Course Scheduling	Asset Management (Fixed Assets)
Discipline Management	Budget
Grade Reporting	Cafeteria (iTCCS only)
Graduation Plan (iTCCS only; Planned for RSCCC)	Finance
Historical (iTCCS only; Planned for RSCCC)	Human Resources (iTCCS has Position Management)
Registration (Student Enrollment)	Requisition
Special Education	Tax Collections / Appraisals (iTCCS only)
Student Health	Warehouse (iTCCS only)
Test Scores (iTCCS only; Planned for RSCCC)	Work Order (iTCCS only)
Federal Lunch Application System (iTCCS only)	

Source: RESC 20 Management Information Systems Group, 2004.

DMAC. DMAC, offered by Region 7, began in 1993 as an effort to provide schools with affordable database applications for curriculum management and assessment data analysis. About 100 school districts participate in the cooperative. In 2001, DMAC began development of the Compass online data management suite including the following products:

- TAG – a TEKS assessment generator that is an online tool for creating benchmark assessments, includes an item bank, and also allows users to create their own items;
- TEKScore – a scanning and scoring database for benchmarking that works in conjunction with TAG to complete the benchmarking process;
- TPRI – a tool that permits users to collect and analyze data for the Texas Primary Reading Inventory assessment of K-3 students, and which is available in Spanish;
- Class Notes – a database that facilitates teacher and parent communication by allowing teachers to create assignment and class information records that can then be accessed by students and parents from home;
- PGP – Personal Graduation Plan allows users to create and maintain a personal graduation plan for any at risk student, as well as a credit acquisition plan, as is now required for all students at risk of not graduating;
- State Assessment – includes TAKS, SDAA, LDAA, RPTE, and observation protocols that allow district personnel to create a series of reports that range from district accountability information to diagnostic data for individual students in a teacher’s classroom; and
- CIA Alignment – allows users to build online curriculum maps.

Although commercial applications exist to address data analysis needs, the advantage of DMAC is price, which is less than can be obtained elsewhere. DMAC passes along to its members discounts in Internet access, software licenses, and equipment purchases. DMAC also is committed to unlimited training and technical support for all member districts for any application. No district is ever charged additional fees for support services or for participation in training sessions. In-region districts and out-of-region districts within 100 miles of Region 7 are not charged travel expenses for any support.

Region 10 Cooperatives. Region 10 operates two computer cooperatives: the Administrative Micro Cooperative (AMC), and a main frame cooperative (IMSMC). The IMSMC provides a full range of application systems and support to school districts in Regions 10, 11, and 12. Application software systems and support are available for user districts and are constantly maintained to be compliant with TEA, Teacher Retirement System (TRS), and other governmental requirements, including those of No Child Left Behind (NCLB). Over 500 requests for special programming services are completed each year. Application systems include both business and student accounting applications such as fixed asset accounting, automated requisitions, Web-based benefits, grade and transcript reporting, and PEIMS reporting.

All application systems are Web-enabled and accessible. A data extraction and reporting system provides on-demand and efficient access to local data. Training and support for district personnel is ongoing with over 1,300 district users of the products. A web applicant system allows candidates for employment to complete applications online, and a benefit enrollment system provides school district employees the ability to enroll in district benefits via the Internet. District users have the ability to create W-2s and other documents electronically, reducing printing and paper costs.

AMC provides through the use of microcomputers and networks administrative data processing for 57 public school districts and 16 charter schools. Business services applications include budget preparation and tracking systems, assets management, TRS reporting, and check reconciliation. Student services applications include student registration, attendance recording, master schedule building, and discipline tracking and reporting systems. Currently, the AMC is using the WinSchool student information system. Over 226 campuses in 63 districts use this service.

A Cooperative Management Council (CMC) consisting of 12 superintendents elected to represent their county/group has the responsibility for budget oversight, policies, procedures, and the determination of services and systems to be offered and supported by AMC.

Technology Services

RESCs work to create safe and healthy learning environments, introduce educators to the latest research and creative ways of teaching and learning, and provide business, technology and support services to school districts in a cost-efficient manner. RESCs establish and nurture partnerships that move towards embracing the goal of supporting education both in and outside the classroom.

The RESCs and school districts recognize the importance of technology as an educational tool for innovative teaching and learning. Technology is necessary to encourage an environment in which students, teachers, administrators, RESC staff and the community can utilize technology as a tool for finding information, learning, and communicating with others.

PEIMS Data Process

The Public Education Information Management System (PEIMS) is a database that contains information about schools and teachers. The database is housed on servers linked to the Texas Education Agency (TEA). PEIMS data submissions occur four times a

year and the process starts about 60 days before each submittal is due. The first submission in October consists of student demographics and programs, staff demographics and assignments, and dropout information. The second report date is in February, containing financial information. The third report is in June and deals with student attendance, completion records, and discipline records. The final report is made in September and deals with extended year information. The same process occurs for the four re-submittals per year.

During MGT's on-site interviews, the RESC staff indicated that they provide support to the school districts in the form of helping districts with transmitting the data to TEA, training, error correction, and other matters. The RESCs do not own the data that are reported; rather, RESCs only support and assist the school districts with PEIMS reporting.

ACCOMPLISHMENTS

- The computer/technology cooperative programs offered by RESCs provide efficient and effective technology services and are self-supporting.
- RESCs offer a full range of technology services and technical support to schools and school districts.
- RESCs assist school districts in achieving a PEIMS error rate of 2.0 percent or less.

FINDINGS

- RESCs are using different software programs, with different school districts, to collect and report some of the same data.
- The Texas Computer Cooperative software products iTCCS and RSCCC run on different platforms and vary in the specific functionality and data access offered.
- The RESCs will not be able to upgrade their existing technology if state funding continues to decrease, unless each RESC establishes a

reserve for technology improvement in the general fund.

- RESCs do not market technology services effectively.
- The PEIMS Coordinator's role is not consistent across the RESCs.

RECOMMENDATIONS

- **Recommendation 8-1: Evaluate all software programs currently being used and school district needs to determine if a limited number of software programs could be used to meet school district data collection and reporting needs.** RESCs supports multiple software programs that produce similar data. The RESCs should analyze the different software programs presently being used, including the software offered by all of the cooperatives. This will help determine which programs may be producing the same or duplicate data. Formal meetings should be held with representatives from the RESCs to discuss and study the feasibility of all RESCs using a limited number of software programs. A determination should be made as to which programs can most effectively and efficiently be used.
- **Recommendation 8-2: Collaborate closely with all RESCs to create products for release of future software systems.** RESCs, working with TEA staff and school district personnel, should establish a committee to develop a business plan that will support integrated products. The products should be designed to meet the needs of both large and small school districts. The combined goal of the RESCs should be to educate school districts on the benefits of having integrated products. If the school districts are properly educated to the advantages, benefits, functionality, compliance and cost efficiencies of scalable products, there

may be no need to mandate a statewide software solution in the future, but rather allow the progression to occur naturally.

- **Recommendation 8-3: Establish a reserve in each RESC's general fund to plan for technology improvement.** A budgeted amount for technology improvement allocated early in the budget planning process would be used to support planned updates to equipment and systems. A reserve also should provide for emergency repairs and replacement, when equipment breaks down. The current decrease in state funding will make it more difficult to establish reserves, but establishing a budget for technology improvement is critical. The reserve should include new technology and product development funds to allow the RESCs to remain competitive in the market with products and services.
- **Recommendation 8-4: Develop RESC marketing plans for technology services to advertise new products and system enhancements to school districts and other external users.** It is important for the RESCs to determine and promote procedures they want to make more visible. A marketing plan would not only outline the benefits of the products/services, the quality service the RESCs deliver to the school districts, and the best practices utilized across RESCs, but also identify target audiences, timing of marketing, and media to be used. Plans should incorporate multiple venues for marketing. Besides product/services promotions at Texas statewide conventions, the Internet is another useful tool to market programs and services and can assist in drawing potential clients. Field support specialists on staff can launch marketing plans. The field support

specialists currently are responsible for interfacing with the school district superintendents for day-to-day concerns. The field support specialist role should be re-evaluated to include assisting with the marketing effort of the RESCs’ products/services to school districts.

- Recommendation 8-5: Evaluate the PEIMS Coordinator’s and PEIMS Facilitator’s roles at each RESC to determine if there is a need for both positions, and if the PEIMS Coordinator should be given other assigned duties.** A determination should be made of the continued need for staff assigned full-time to PEIMS. The PEIMS Coordinator’s role can be reduced and centralized by taking advantage of existing training modules. The districts and all RESCs must have full access to the FTP server where the training modules exist. Updates to the training module on the FTP server must include “frequently asked questions” and important reminders to the district to streamline the current training process. Centralized district PEIMS Coordinator training update sessions could be held for those who will continue to need hands-on training. In addition, to accommodate training on demand, making the training modules available on the Internet should provide sufficient access. In addition, the RESCs could use TET-N to have one “instructor” provide the training sessions instead of requiring school district personnel to travel to a central location. This would reduce travel time and costs to school districts.

DETAILED ACCOMPLISHMENTS

TECHNOLOGY COOPERATIVE

The computer/technology cooperative programs offered by RESCs provide efficient and effective technology services that are completely supported by user fees.

The two cooperatives housed at RESC 20, RSCCC and iTCCS, provide applications for business, human resources, and student programs written specifically for Texas school districts, charter schools, and RESCs. Services are provided at reasonable costs compared to other system providers.

DMAC located at RESC 7 provides schools with affordable database applications for curriculum management and assessment data analysis. Although commercial applications exist to address data analysis needs, the advantage of DMAC is price, which is less than can be obtained from most service providers. DMAC passes along to its members discounts in Internet access, software licenses, and equipment purchases.

The two cooperatives housed at Region 10, IMSMC and AMC, provide a full range of application systems and support to school districts and charter schools. Systems are web-enabled and accessible. A data extraction and reporting system provides on-demand and efficient access to local data.

Accomplishment: The computer/technology cooperative programs offered by RESCs provide efficient and effective technology services and are self-supporting.

TECHNOLOGY SERVICES

RESCs offer a wide range of technological services. The type of services include are but not limited to the following:

- Core Information Technology
- Management Information Services
- Infrastructure and Network Services
- Systems and Operations

A variety of technical assistance is given to schools and school districts in these areas. MIS departments provide technology support to program services groups. These areas in turn provide direct support to the school districts. The types of programs related to such services are administrative services, instructional services, and education technology.

Some RESCs use software tools to minimize their need to travel to district sites and improve their response time to clients' ad hoc training and technical support needs. RESCs use password-enabled remote desktop communication tools to provide technical support and training without having to be on-site. Virtual Network Computing (VNC) and Microsoft NetMeeting allow staff to provide prompt guidance on how to accomplish software-related tasks or troubleshoot server and network problems.

Network Services departments provide support for school district computers with the aid of technical support specialists. One of the benefits of these services is a greater level of quality support to users. Some staff members are certified on all the equipment they support.

RESCs have taken significant steps to ensure the security of their systems. Firewall appliances are in place for filtering Web content. Virus protection and other security measures are actively in place.

Most of the MIS system and operations units at RESCs provide 24/5 operations coverage, 12-hour shift coverage on Saturdays, and maintenance updates on Sundays. These units also provide system administration, configuration, and management for high performance computing systems, workstations, and servers.

The MGT survey of school district superintendents found that 81 percent of the survey participants indicate that they are satisfied or very satisfied with RESC computer network and telecommunication services.

Accomplishment: RESCs offer a full range of technology services and technical support to schools and school districts.

PEIMS ERROR RATE

RESCs have assisted school districts on achieving a PID error rate of 2.0 percent or less as reported in PEIMS. The systems are designed to help ensure the accurate and

efficient reporting of PEIMS information. Data do not have to be collected manually, nor manipulated through crosswalks for PEIMS reporting. PEIMS edits are built into the software to ensure data accuracy at the point of entry. Districts are less subject to on-site audits due to the accuracy of the data being submitted to the state. Since the data are district-based, iTCCS and RSCCC users do not have to spend the weeks consolidating and reconciling data that districts that have purchased campus-based systems do.

According to survey results from the school district superintendents, the services and support for PEIMS reporting is exceptional. The survey results showed that 91 percent of survey participants rated this service as a significant value-added service provided by the RESCs to school districts.

It is the responsibility of RESCs to collect the PEIMS data from the school districts. The districts are responsible for submitting data that are free from fatal errors. A fatal error is a data error that does not conform to the conditions established in EDIT+, the TEA system for PEIMS data editing.

TEA holds the school districts to a maximum error rate of 2.0 percent. Most RESCs put their error threshold at 1.0 percent.

Accomplishment: RESCs assist school districts in achieving a PEIMS error rate of 2.0 percent or less.

DETAILED FINDINGS

EVALUATION OF SOFTWARE

RESCs are using different software programs, with different school districts, to collect and report some of the same data. Most RESCs are using the Texas-based product RSCCC. Some RESCs have adopted software packages provided by private sector suppliers such as Win School, a Canadian-based product developed by Chancery. **Exhibit 8-4** lists the number of school districts in each region using a combination of RSCCC, Win School, and other software products.

**Exhibit 8-4
Win School and Other Software Participants by Region
2003–04**

Region	Number of Districts in the Region	Number of Districts Using One or More RSCCC and/or iTCCS Applications	Number of Districts Using One or More Win School Applications	Number of District Using At Least One Other Software Package
Region 1	38	17	1	20
Region 2	49	29	2	28
Region 3	40	36	11	9
Region 4	54	7	10	37
Region 5	30	14	0	10
Region 6	56	34	33	12
Region 7	104	44	13	47
Region 8	48	38	1	9
Region 9	40	29	28	7
Region 10	81	51	51	30
Region 11	78	48	53	25
Region 12	78	66	70	26
Region 13	76	41	5	30
Region 14	43	32	1	11
Region 15	43	36	0	1
Region 16	63	53	58	18
Region 17	58	24	21	13
Region 18	38	32	3	4
Region 19	12	0	0	12
Region 20	75	61	1	20

Source: All RESCs.

Several functional characteristics of both the iTCCS and RSCCC software distinguish these packages from other software designed for school district use:

- Texas-Based:** Product development has focused solely on Texas schools. The software is geared to what information and processes are required of Texas schools, both for daily operations and for reporting to state and federal agencies. For example, the Student Health applications produce the screening and immunization reports districts are required to provide to the Texas Department of Health. Any application changes needed because of changes to reporting requirements, such as those in the Financial Resource Guide and the Attendance Handbook, are included in new releases of the software at no additional charge to districts.

- PEIMS Compliance:** The systems are designed to help ensure the accurate and efficient reporting of PEIMS information. Data do not have to be collected manually, nor manipulated through crosswalks for PEIMS reporting. PEIMS edits are built into the software to ensure data accuracy at the point of entry. Districts are less subject to on-site audits due to the accuracy of the data being submitted to the state. Since the data are district based, iTCCS and RSCCC users do not have to spend weeks consolidating and reconciling data that districts that have purchased campus-based systems do. No other product complies as closely to the PEIMS Data Standards. In fact, a number of districts using products other than iTCCS or RSCCC for student information and business functions prefer to use the RSCCC

PEIMS application for PEIMS reporting purposes.

- **Data Access and Accuracy:** The systems are designed around relational databases that are ODBC compliant. As a result, users can access data through other ODBC compliant software (e.g., ACCESS, EXCEL, Crystal Reports, etc.). This integration provides users a higher level of data access. In addition, RSCCC contains an easy-to-use, user-created reports feature. The databases are designed as real time systems, meaning that data entered into the applications are recorded instantly. This translates into more accurate data for queries and reporting. The databases have been normalized, so that the data are entered only once and stored only once. This feature permits districts to realize cost savings in staff time and data are more accurate.
- **Feature Rich, Integrated Systems:** All applications are “feature rich,” meaning they are designed around the ways districts perform school business, thereby providing greater staff efficiency. This includes providing hundreds of stock reports that support the daily operation, data analysis, and state reporting needs of the districts. Other vendors marketing in the state offer query products and each district must develop their own reports. The iTCCS and RSCCC stock reports translate into huge savings in staffing costs and replication of effort among districts in the state. Further, unlike many vendors marketing products in this state, these products offer student, business, and PEIMS applications on a common integrated database. With this integrated database and applications, districts can support combining employee human resource information with student information

to respond to NCLB reporting requirements.

- **Web Access:** The iTCCS product currently is accessed through the Web browser on the user workstation. RSCCC is currently modifying its programs to allow Web browser access through Citrix. This will be operational in the 2004-2005 school year. Giving districts the option of running the RSCCC in either a client-server environment or through the Web allows them the choice of local control or an ASP solution.

The use of multiple software products requires that a few personnel be knowledgeable in multiple software packages. In addition, RESCs have to train and work with personnel in different school districts using different programs. In most cases, these products need modification to meet the needs of the districts. These products often do not have accompanying technical support and are more costly than the RSCCC package. Overall, RSCCC complies with all state and federal guidelines and reporting standards including the PEIMS database. The strength of the RSCCC software is that the software is Texas specific.

RESCs should evaluate all software programs and school district needs to determine if a limited number of software programs could be used to meet data collection and reporting needs.

The RESCs should analyze the different software programs presently being used, including the software offered by all of the cooperatives. This will help determine which programs may be producing the same or duplicate data. Formal meetings should be held with representatives from the RESCs to discuss and study the feasibility of all RESCs using a limited number of software programs. A determination should be made as to which programs can most effectively and efficiently be used.

The financial impact of this recommendation should be minimal. Expenses would be limited to meals and travel, with each RESC paying their own expenses. There is a potential positive fiscal impact that would be achieved by not purchasing as many software programs and allowing for fewer training sessions.

FUTURE SOFTWARE PRODUCTS

The Texas Computer Cooperative software products iTCCS and RSCCC run on different platforms and vary in the specific functionality and data access offered. This is in part due to the history of how these products were developed and the transition information technology needs of each school district. While there is communication and sharing between the iTCCS and RSCCC staffs, the longer-term goal has to be a single product running on a single platform that would address the needs of all districts.

These software packages are used in varying degrees in all 20 RESCs. The end user community has direct input to strategies for handling common concerns and recommending the optimal solutions. New product releases or hot packs should be released to the end user community as soon as major product enhancements are complete.

The iTCCS product, geared for larger school districts, has additional functionality that the RSCCC product does not. This includes such capabilities as a Position Management module within Human Resources and a data warehouse application. However, a high level of functionality that has been tailored to the Texas school environment characterizes both systems.

RESCs should collaborate closely with each other to create products for release of next generation software systems.

RESCs, working with TEA staff and school district personnel, should establish a committee to develop a business plan that will support integrated products. The products should be designed to meet the needs of both large and small school districts. The

combined goal of the RESCs should be to educate school districts on the benefits of having integrated products. If the school districts are properly educated to the advantages, benefits, functionality, compliance and cost efficiencies of pooled products, there may be no need to mandate a statewide software solution in the future, but rather allow the progression to occur naturally.

GENERAL FUND RESOURCES

The RESCs will not be able to upgrade their existing technology if state funding continues to decrease unless each RESC establishes a reserve for technology improvement in the general fund.

The core of any technology program is the hardware. RESCs and school districts must be able to purchase state-of-the-art hardware and other needed equipment to allow teachers, administrators, and students to make use of the newest educational technologies and to ensure that systems are secure. This process has been complicated by the loss of state funding in 2003–04. Loss of state funding has resulted in the shifting of priorities, and expenditures for equipment replacement are among the first cuts. Dependability of computer equipment deteriorates in a short time. Most regions will need to rely heavily on grants or external resources to maintain and replace existing equipment or face reducing services and reliability.

Each RESC is required to develop a technology plan as part of its long-range plan that is submitted to TEA; each technology plan is reviewed by a peer review team when submitted. This technology plan is also required for e-rate qualifications. The technology plan should provide for replacement of equipment, usually done by establishing a reserve in the general fund.

The equipment at many RESCs is at or near the end of its depreciation cycle and some are approaching projected end of life cycle. The effect of aging equipment is first a loss of dependability. In addition, outdated equipment may not allow the use of newer

software packages needed for up-to-date instruction for teachers and students.

Each RESC should establish a reserve in its general fund to plan for technology improvement.

A budgeted amount for technology improvement allocated early in the budget planning process would be used to support planned updates to equipment and systems. A reserve also should provide for emergency repairs and replacement when equipment breaks down. The current decrease in state funding will make it more difficult to establish reserves, but establishing a budget for technology improvement is critical. The reserve should include new technology and product development funds to allow the RESCs to remain competitive in the market with products and services.

This recommendation requires the earmarking of funds for technology, but does not increase or decrease total funds.

TECHNOLOGY SERVICES MARKETING

RESCs do not market technology services effectively. The lack of marketing of technology services has a negative effect on both districts and RESCs, because school districts as well as external users are not aware of the services available from RESCs. For the districts, many times the software purchase decision is driven by a superficial knowledge of a vendor's product. District staff can be swept up in the glitz and look of a system or an attractive feature without a diligent investigation of the functionality or compliance of the underlying code.

Often, there are many hidden costs in vendors' pricing packages. Hidden costs could include training, data conversion, and support, and the most basic of reporting functions could only be developed at additional costs. By not being fully aware of the benefits offered by the RESCs, districts may make decisions that are financially and functionally detrimental.

The lack of marketing also means that the RESCs are not able to effectively counter rumors that one or the other of the products are "going away" or that the cooperatives are going out of business. Unlike private vendors, cooperatives are not allowed to lobby legislative and state government officials. Therefore, private vendors are able to promote actions that benefit them without decision makers being aware of alternatives the various cooperatives have to offer.

RESCs should develop marketing plans to advertise new products and system enhancements to the districts and other external users.

It is important for the RESCs to determine what they want to make more visible. The marketing plan would not only outline the benefits of the products/services, the quality service the RESCs deliver to the school districts, and the best practices utilized across RESCs, but also identify target audiences, timing of marketing, and media to be used.

Plans should incorporate multiple venues for marketing. Besides product/services promotions at Texas statewide conventions, the Internet is another useful tool to market program and services and can assist in drawing potential clients.

Field support specialists on staff can launch marketing plans. The field support specialists currently are responsible for interfacing with the school district superintendents for day-to-day concerns. The field support specialist role should be re-evaluated to include assisting with the marketing effort of the RESCs products/services to school districts.

This recommendation can be implemented with existing resources. However, if field support specialists need to be hired, the estimated cost of hiring an additional field support specialist with the required skills would be \$60,000 per year for salary and benefits. It is not anticipated that additional specialists would be hired.

ROLE OF PEIMS COORDINATOR

The PEIMS Coordinator's role is not consistent across the RESCs. Some RESC PEIMS Coordinators have multiple roles besides PEIMS, which would seem to indicate that there no longer is a need for a full-time PEIMS Coordinator at that RESC. However, some RESCs also have PEIMS Facilitators to assist in ensuring that submittals meet the TEA accuracy standard.

PEIMS support is one of the core services of the RESCs and includes training on data standards, updates on standards, and assistance to districts. The PEIMS Coordinator's role involves a critical and intensive process required by TEA, since accurate data input is one of the primary responsibilities of the RESCs. It should be a high priority for the RESCs, but may require less than one FTE for roles associated with PEIMS.

When the RESCs were originally assigned the responsibility for PEIMS data accuracy, there was need for substantial training programs for school district personnel entering PEIMS data. Now that the data system has been used for more than a decade, in those school districts whose PEIMS Coordinators have been employed for over a year, the process does not require additional training or significant assistance from the RESC. When districts hire new PEIMS Coordinators, the RESC still will need to train, but for the most part, the training needs have declined. In addition, the EDIT+ program has now evolved to the point that districts can correct their own information with a minimum of assistance from the RESC. Consequently, there no longer may be a need for a full-time PEIMS Coordinator, let alone for a coordinator and a PEIMS Facilitator.

The PEIMS Coordinator provides workshops in multiple subject areas, which are repeated based on demand throughout the year. Several

region PEIMS Coordinators developed Web based training modules. For example, in Region 20, the training module that was developed is placed on an FTP server with training documentation for all districts and other RESCs to access. The availability of training modules also has reduced the workload of PEIMS Coordinators.

Each RESC should evaluate the PEIMS Coordinator's and PEIMS Facilitator's roles to determine if there is a need for both positions, and if the PEIMS Coordinator should be given other assigned duties.

A determination should be made of the continued need for staff assigned full-time to PEIMS. The PEIMS Coordinator's role can be reduced and centralized by taking advantage of existing training modules. The districts and all RESCs must have full access to the FTP server where the training modules exist. Updates to the training module on the FTP server must include "frequently asked questions" and important reminders to the district to streamline the current training process. Centralized district PEIMS Coordinator training update sessions could be held for those who will continue to need hands-on training. In addition, to accommodate training on demand, making the training modules available on the Internet should provide sufficient access. In addition, the RESCs could use TET-N to have one "instructor" provide the training sessions instead of requiring school district personnel to travel to a central location. This would reduce travel time and costs to school districts.

An elimination of PEIMS Facilitator positions will result in savings of \$43,750 per position, calculated as a salary of \$35,000 and 25 percent fringe benefits. If 10 positions are eliminated, the resulting savings across the 20 RESCs would be \$437,500 per year.

FISCAL IMPACT

Recommendation		2004-05	2005-06	2006-07	2007-08	2008-09	5-Year (Costs) or Savings	One-Time (Costs) or Savings
8-2	Consolidate PEIMS positions.	\$0	\$437,500	\$437,500	\$437,500	\$437,500	\$1,750,000	
	Total	\$0	\$437,500	\$437,500	\$437,500	\$437,500	\$1,750,000	

CHAPTER 9:
PURCHASING AND CONTRACT
MANAGEMENT

CHAPTER 9

PURCHASING AND CONTRACT MANAGEMENT

This chapter reviews the purchasing and contract management functions at the Regional Education Service Centers (RESCs) in the following sections:

- Purchasing Cooperatives
- Purchasing Systems and Contract Management

Purchasing Cooperatives

The Purchasing and Contract Management function is critical to ensuring that goods and services are acquired to support the operations of each RESC. Equally as valuable are the goods and services cooperatives, and food purchasing and processing cooperative programs that are primarily used by school districts. Purchasing is a major function of RESCs and school districts. The purchasing function requires careful adherence to the principles and methods of good management as outlined by the Texas Education Code (TEC) and other state and federal statutes. Best practice purchasing procedures should result in two outcomes:

- fostering of public trust and confidence that taxpayer dollars are being expended efficiently; and
- ensuring that quality goods and services are being delivered through the most effective means.

Most of the regions have complete purchasing procedures and are using business modules (iTCCS or RSCCC) developed by Region 20 as a system for supporting the requisition to purchase order process. This type of system is a means for submitting a requisition (request form) by internal customers who have identified a need to purchase a good or service. The use of effective procedures and efficient systems are essential tools to building a best practice purchasing process.

Regions and school districts throughout Texas are taking advantage of purchasing

cooperative programs. The cooperatives offer a wide range of commodities, services and food products for purchase including office supplies, furniture, trucks, information technology, software, dry foods, meat, and food processing services.

Many RESCs managing cooperative programs periodically host seminars or fairs to allow suppliers to display their products to customers within school districts. These forums provide an opportunity for customers to receive education on the range and quality of services available, available delivery options, quality controls, and the level of savings that can be achieved through participating in a cooperative program.

Exhibit 9-1 displays the RESCs that currently manage a cooperative program; the highlighted RESCs are in formal partnership with one of the managed programs. This exhibit does not reflect the purchasing areas for regions that have agreements to participate in managed cooperative programs.

While several RESCs partner in cooperative programs managed by other RESCs, some also manage a Multi-Regional Cooperative with RESCs that are geographically adjacent. The Multi-Regional Cooperatives may be active for an entire year or may be used to purchase items (e.g., paper, office supplies, computers) in bulk once a year. The general goal of these cooperatives has been to purchase items that meet special customer needs and are not usually available from existing cooperative programs.

To support the cost of managing the cooperative programs, managing RESCs have cost structures that range from charging the participating supplier a fee to charging participating regions or districts a fee based on their size as measured by the number of students enrolled in the district. The RESCs charge the fees required to ensure cost recovery for managing the various cooperative programs. **Exhibit 9-2** provides an example of the range of fee structures used by some of the RESCs that manage a cooperative program.

**Exhibit 9-1
RESC Managing Cooperative Purchasing Programs**

Region	Commodities	Food Products	Food Processing
Region 1	X	X	
Region 2	X	X	
Region 3	X	X	
Region 4	X	X	X
Region 5	X	X	X
Region 6		X	
Region 7	X	X	
Region 8	X	X	
Region 9	X	X	X
Region 10	X	X	X
Region 11			
Region 12			
Region 13	X	X	X
Region 14	X	X	X
Region 15			
Region 16	X		
Region 17	X	X	X
Region 18	X		
Region 19	X		
Region 20	X	X	X
Total	16	14	8

Source: Data from each RESC, 2004.

**Exhibit 9-2
Examples of Cooperative Program Fee Structures**

Cooperative Program	Fee Structure
Region 4- Cooperative Purchasing Network	2% charge to participating suppliers
Region 2/3/11- Region Purchasing Cooperative	\$550-\$2,750 based student enrollment
Region 20- Food Service Program	\$1,000 for purchasing & \$340 for processing
Region 10- Food Service Program	\$250 for student enrollment under 1,385 & .18 cents per student for enrollment over 1,385
Region 18 – Cooperative Purchasing Program	\$500 per school district

Source: Regions 2, 4, 10, 11, 18 and 20.

Purchasing System and Contract Management

Efficient and effective automated purchasing systems can be vital tools required for supporting a successful purchasing organization. RESCs use a variety of purchasing systems that have the capability of processing a requisition and creating a purchase order. Many of the RESCs use a requisition purchasing system that is available in business packages (iTCCS and RSCCC) developed by Region 20. While this

requisition purchasing system does not allow for users to receive an automatic notification for requisitions awaiting approval, the system does provide many other features that add value if fully utilized.

Maximizing the use of an automated purchasing system can minimize the risk of purchasing errors or non-compliance with purchasing procedures. **Exhibit 9-3** outlines the type of systems that are currently being used to automate purchasing.

**Exhibit 9-3
Purchasing Systems Used by RESCS**

Regions	iTCCS	RSCCC	Other
Region 1	X		
Region 2	X		
Region 3	X		
Region 4			X
Region 5			X
Region 6			X
Region 7		X	
Region 8		X	
Region 9		X	
Region 10			X
Region 11		X	
Region 12		X	
Region 13	X		
Region 14		X	
Region 15		X	
Region 16		X	
Region 17		X	
Region 18		X	
Region 19			X
Region 20	X		
Total	5	11	4

Source: Data obtained for each RESC, 2004.

Region 20 is developing a requisition purchasing system that serves as a model in meeting the needs of RESCs and school districts. The purchasing system in iTCCS and RSCCC allows for employees to electronically submit a requisition, receive approvals, issue purchase orders, and receive a good or service. Currently, the IT Department is testing the capability of adding an approval notification feature to the current purchasing system in iTCCS and plans on adding the same capability to RSCCC.

ACCOMPLISHMENTS

- RESCs manage, participate in, and market quality cooperative purchasing programs that are beneficial for school districts and RESCs.

FINDINGS

- Not all school districts participate in cooperative purchasing programs.
- More than one cooperative program provides the same goods or services.
- While many of the RESCs are using parts of the requisition purchasing

system in iTCCS or RSCCC, most purchasing systems being used are still manual.

- Texas law requires school districts to advertise Requests for Proposals (RFPs) in a district’s central administrative office or local newspapers when expenditures are expected to exceed \$25,000.

RECOMMENDATIONS

- **Recommendation 9-1: Encourage school districts to participate in a cooperative program by developing a statewide campaign to advertise the benefits of cooperatives.** The implementation of this recommendation will require the RESCs to develop materials to send to districts and charter schools not participating in existing cooperatives. The materials should illustrate the economies of scale to be derived from the group purchase of goods, services, food, and food processing.

- Recommendation 9-2: Minimize the number of cooperative programs providing the same goods or services by creating “super” regional cooperative programs that specialize in purchasing specific goods and services.** The results of this recommendation should be the creation of cooperative programs that maximize economies of scale, provide quality goods and services, and improve customer service to school districts. The type of service and goods provided, the capacity of existing vendors under contract, geographical location, and quality standards are all factors that should be considered during the analysis to consolidate selective cooperative programs. Advisory councils should be established with representatives from the various regions and school districts to manage each regional cooperative program; quarterly activity reports that include savings should be sent to participating customers.
- Recommendation 9-3: Use a requisition purchasing system from the point of creating a requisition, issuing a purchase order to a supplier, to electronically receiving a good or service against the original purchase order.** Fully using a requisition purchasing system will ensure that there is a measurable and repeatable process in place for customers to use when submitting a request for a good or service. The systems produced by Region 20 or similar systems will have features that include a customer requisition tracking system, a warehouse and receiving system, and other features that can assist regions with developing and maintaining best practices.
- Recommendation 9-4: Conduct a statewide effort to amend state laws to allow school districts the option to advertise requests for proposals that exceed \$25,000 through alternative means.** The implementation of this recommendation should result in identifying an alternative means such as the *Texas Marketplace*, which is maintained by the Texas Building and Procurement Commission. Currently, state and local governments can post on the electronic marketplace at no cost.

DETAILED ACCOMPLISHMENTS

QUALITY PURCHASING COOPERATIVES

Purchasing cooperative programs have enabled RESCs, schools districts, and charter schools to combine purchasing needs and leverage spending power.

RESCs are committed to participating in cooperative programs that add value to Texas school districts. While every RESC managing a cooperative program does not generate a savings or cost avoidance report for participating school districts, there is evidence the programs are creating savings and efficiencies. For example: Region 11’s leadership in cooperative programs has assisted school districts in achieving significant cost savings on items such as computer hardware, software, HVAC supplies, office supplies, custodial supplies, job order contracts, school buses and others goods and services. The data in **Exhibit 9-4** reflect the results of participation from Region 11 school districts in Region 4’s Purchasing Cooperative Network between 2001 and 2004.

Accomplishment: RESCs manage, participate in, and market quality cooperative purchasing programs that are beneficial for school districts and RESCs.

**Exhibit 9-4
Region 4 Purchasing Cooperative Network Program
2000–02 to 2003–04**

Fiscal Year	Purchase Amount	Participation Fee (1%)	Estimated Savings (23%)
2001–02	\$3,137,433	\$31,374	\$721,609
2002–03	\$3,809,932	\$38,099	\$876,284
2003–04 (as of 6/30)	\$1,964,728	\$19,647	\$451,887

Source: Region 11, 2004.

DETAILED FINDINGS

ADVERTING COOPERATIVES

Not all school districts participate in cooperative purchasing programs. Approximately 50 percent of the districts actively participate in a purchasing cooperative. School districts do not participate for a variety of reasons, including comfort level with existing suppliers, historical performance, quality issues, or resistance to change. Other districts are large enough to benefit from economies of scale in their own purchasing operations.

Exhibit 9-5 provides an example of the magnitude of savings that could have been achieved by a large school district if they would have participated in Region 10’s Multi Region Cooperative. The school district had

saved \$1,791,479 for the 2001–02 school year on food products. Additional savings result from not having to manage the bid solicitation process or the tabulation, award, and contract management process. For example, if a business manager spent only 44 days (320 hours) annually dealing with purchasing issues, the staff cost based on an hourly rate of \$13.25 would be \$4,240. If one person in the 1,225 school districts and charter schools could spend less time managing purchasing issues through participation in cooperative programs, the savings would equal \$5,194,000 annually. It should be noted that much of these savings are currently being recognized by the number of districts that do participate in the cooperative programs that ensure the delivery of quality goods and services.

**Exhibit 9-5
Examples of Savings in the Region 10 Food Purchasing Cooperative Program**

Item Description	Co-op Case Bid Price	Independent District Case Price	Percent Difference
Charbroiled Hamburger Patty	\$20.49	\$24.86	17.5 %
Chicken Nugget	\$12.43	\$14.36	13.4 %
4106 Pepperoni Pizza	\$28.99	\$34.60	16.2 %
6 Compartment Styro Tray	\$19.26	\$20.67	6.8 %

Source: Region 10, 2004.

RESCs should encourage school districts to participate in a cooperative program by developing a statewide campaign to advertise the benefits of cooperatives.

The implementation of this recommendation will require the RESCs to develop materials to

send to districts and charter schools not participating in existing cooperatives. The materials should illustrate the economies of scale to be derived from the group purchase of goods, services, food, and food processing.

This recommendation can be implemented with existing resources, and likely would result in significant savings to school districts that currently do not participate in purchasing cooperatives.

ESTABLISHING SUPERCOOPERATIVES

More than one cooperative program provides the same goods or services. With the large number of available cooperative programs, RESCs may participate in multiple programs offering the same goods or services. For example, there are 14 cooperatives that deal in food products, with significant overlap in the types of products: almost all offer pizza, hamburger patties, and chicken nuggets, for example. In some cases, because of geographical barriers, unacceptable quality, the availability of just-in-time delivery of goods, or the uniqueness of the good or service being purchased, managing separate but like cooperatives may make good business sense. But, in most cases, this is a duplication of effort and not the best practice for managing purchasing cooperatives.

The state should minimize the number of cooperative programs providing the same goods or services by creating “super” regional cooperative programs that specialize in purchasing specific goods and services.

The results of this recommendation should be the creation of cooperative programs that maximize economies of scale, provide quality goods and services, and improve customer service to school districts. The type of service

and goods provided, the capacity of existing vendors under contract, geographical location, and quality standards are all factors that should be considered during the analysis to consolidate selective cooperative programs. Advisory councils should be established with representatives from the various regions and school districts to manage each regional cooperative program; quarterly activity reports that include savings should be sent to participating customers.

The fiscal impact for implementing this recommendation will vary based on the number of cooperative programs that are consolidated. As an example, if a purchaser spent only 120 days (960 hours) each year managing cooperative programs, the staff cost based on an employee cost of \$40 per hour, including benefits and other overhead costs, would be \$38,400 annually for managing a cooperative program. Assuming the results from the analysis supported consolidating at least half of the cooperatives, 18 cooperative programs would be eliminated, resulting in \$691,200 annual savings.

This estimated cost savings does not include additional savings that would be created from reducing the number of publication/newspaper advertisements, mailing, and copying, for example, that are associated with cooperative programs. Exhibit 9-6 displays estimated cost factors. The number of contracts managed by each cooperative program would impact these cost factors.

**Exhibit 9-6
Estimated Administrative Cost Savings/Avoidance
Per Cooperative Program**

Co-op Program Cost Factors	Small Bid	Medium Bid	Large Bid
Estimated cost of newspaper advertisement per bid	\$200	\$200	\$200
Estimate cost of paper, mailing, copying etc.	\$100	\$200	\$300
Estimate number of hours to manage a cooperative program	90 hours	120 hours	180 hours

MANUAL PURCHASE REQUISITIONS

While many of the RESCs are using parts of the requisition purchasing system in iTCSS or RSCCC, most purchasing systems being used are still manual. Region 19 has the capacity for a fully automated process that all RESCs could use.

Many RESC employees wanting to purchase a good or service manually fill out a requisition, and manually submit the requisition for required approvals. Once approvals are received, the purchasing process is completed, solicitations are sent to suppliers and proposals are received, evaluated and a tentative award is made based on the dollar value of the good or service being purchased. Then the requisition is entered into a system for a purchase order to be issued by the Business Office, Finance, or Purchasing, depending on the RESC.

Both requisition purchasing systems in iTCSS and RSCCC have the capability of creating a virtually paperless system. This type of system improves tracking, expedites the process for approvals, and stores information without having to use traditional filling methods. A few RESCs are attempting to move in this direction. For example, one RESC converted to a totally paperless Requisition/Purchase Order system. This has given the RESC the ability to have real time financial information available to the management team while increasing efficiency by reducing cost and eliminating the risk of documents being misplaced or lost.

Fully automated purchasing systems are in use in many Texas school districts, in colleges and universities, and in city, county, and state offices. Georgia Perimeter College estimated that it saved \$300,000 or 1.25 percent per year on a purchasing volume of \$24 million by using an automated purchasing system. These are significant savings, but involve a totally automated purchasing system, from requisition through delivery and entry into inventory for those items that must be inventoried. There was no cost to the purchasing system itself

because it was one component of the PeopleSoft® systems being installed in the University System of Georgia.

RESCs should use a requisition purchasing system from the point of creating a requisition, issuing a purchase order to a supplier, to electronically receiving a good or service against the original purchase order. Fully using a requisition purchasing system will ensure that there is a measurable and repeatable process in place for customers to use when submitting a request for a good or service. The systems produced by Region 20 or similar systems will have features that include a customer requisition tracking system, a warehouse and receiving system, and other features that can assist regions with developing and maintaining best practices.

This recommendation can be implemented with existing resources because most of the RESCs are using parts of a system produced by Region 20 that provides the capability to implement this recommendation. Savings will vary from RESC to RESC based on the volume of requisitions processed through the automated purchasing process by each RESC. If the RESCs achieved a 1 percent savings on all purchases by using an automated system, the total savings are estimated to be over \$400,000 based on total purchases of \$40.1 million during FY 2001-02 (Source: TEA Special Data File).

WEB-BASED ADVERTISING

Texas law requires school districts to advertise requests for proposals in a district's central administrative office or local newspapers when expenditures are expected to exceed \$25,000. RESC 2 spent more than \$4,700 on 20 ads for school districts over a six-month period. The cost of the advertisements varied from \$70 to \$700 and averaged \$237. The average yearly amount spent by a school district was \$474. There are 1,042 districts in the State of Texas. If all districts averaged \$474 annually on this required advertising, almost \$500,000 would be spent statewide to meet the requirement. Options for RESC advertising for bids are not limited to

electronic bidding. However, some local vendors may be less likely to utilize an Internet-based system.

The *Texas Marketplace* is an Internet-based notification board where state agencies and local governments can post solicitations, requests for information (ROIs) and requests for proposals (RFPs) at no cost. The State of Virginia uses an electronic procurement system called eVA that has been estimated to save school districts and other agencies over \$1 million per year in advertising costs. However, when the Virginia Community College System began to use eVA’s Internet advertising capability, community colleges in rural areas found that they did not get sufficient bids on eVA. This necessitated advertising in local newspapers and other local media, which reduced some of the savings.

RESCs should conduct a statewide effort to amend state laws to allow school districts the option to advertise requests for proposals that exceed \$25,000 through alternative means. The implementation of this recommendation

should result in identifying an alternative means such as the *Texas Marketplace*, which is maintained by the Texas Building and Procurement Commission. Currently, state and local governments can post on the electronic marketplace at no cost.

The fiscal impact would depend upon the actions of state and local officials and use of the system. If every district in the state spent the average of \$474 on advertising the amount allocated for advertising would be \$493,908 a year (\$474 x 1,042). Over a five-year period this total would amount to \$2,469,544 (\$493,908 x 5) of school district money in RESCs being allocated for advertising. Based on past expenditures for newspaper advertising (**See Exhibit 9-6** for the estimated cost to advertise a bid.) by school districts, there could be significant savings by using the *Texas Marketplace* Web site or some other similar means. Recognizing that school districts and RESCs spend about \$493,908 a year in advertisements, the implementation of this recommendation likely would create at least 50 percent annual savings, or \$246, 945.

FISCAL IMPACT

Recommendation		2004–05	2005–06	2006–07	2007–08	2008–09	5-Year (Costs) or Savings	One-Time (Costs) or Savings
9-2	Consolidate cooperatives.	\$0	\$691,200	\$691,200	\$691,200	\$691,200	\$2,764,800	
9-3	Use automated purchasing/ Requisitioning.	\$0	\$400,000	\$400,000	\$400,000	\$400,000	\$1,600,000	
9-4	Use Web-based advertising.	\$0	\$246,945	\$246,945	\$246,945	\$246,945	\$987,780	
Total		\$0	\$1,338,145	\$1,338,145	\$1,338,145	\$1,338,145	\$5,352,580	\$0

CHAPTER 10:
ASSET AND RISK MANAGEMENT

CHAPTER 10**ASSET AND RISK MANAGEMENT**

This chapter reviews the overall Asset and Risk Management functions at RESCs in the following sections:

- Asset Management
- Risk Management

These areas are concerned with the practices and processes that RESCs have in place to comply with federal and state laws, maintain and protect assets (both cash and property), and minimize exposure to undue risks. Asset management involves the management of the RESC's cash balances and the issuance and management of debt. Risk management involves the identification, analysis, and reduction of risks and procurement of insurance against such risks. Insurance against risk includes protection both for the RESC as a whole and for individual employees.

Asset Management

Asset management involves managing cash and cash equivalents in a cost effective and efficient manner. This includes establishing an internal control process whereby the use of cash as well as accounting for assets is safeguarded against theft and obsolescence.

The major assets found at most RESCs include physical plants (used for offices and training centers), computers and other technology-related equipment, and cash. It is critical that all RESCs appropriately track the valuation, location, and condition of all property and equipment assets. It is sound practice for RESCs to maintain a cash reserve equivalent of approximately two months salary costs. With such substantial reserves, sound cash management is essential. The RESCs must both ensure that there is adequate cash flow to support daily operations, and also that surplus resources are invested wisely.

The practices at RESCs to support the management of assets vary from place to

place. Some RESCs have implemented sophisticated automated asset management systems while others rely on paper-based tracking systems. Similarly the management of cash varies. The following findings and related commendations and recommendations highlight general areas of strength and areas in need of improvement. Specific commendations and recommendations for each RESC are provided in Chapters 1 through 20 of Volume III.

Risk Management

An effective risk management process involves minimizing the risks to assets by establishing proper insurance levels and safety programs. With an effective risk management process in place, RESCs can minimize exposure to losses and litigation.

Three types of insurance typically are found in governmental organizations: property insurance to protect real property assets which include buildings, equipment, and automobiles; liability insurance to protect the organization from errors and omissions; and workers' compensation, unemployment, life and health insurance to protect the personnel from loss.

Most RESCs provide training at RESC owned or leased property. The RESCs with training facilities are used extensively, with a constant flow of people in and around the buildings. While the high level of activity at each site is a good sign that RESCs are actively engaged in supporting training and development in their regions, there are certain safe guards that RESCs must take to protect their property, employees, and visitors. Similar care should also be taken to limit the RESC's exposure to litigation and property damage or loss.

Risk management is an essential business practice in which all RESCs must participate. Most RESCs do not have a formal risk management program, but evidence of some level of attention to risk management can be found at all RESCs. All RESCs have some level of property and liability insurance, but many are without adequate security plans.

This section addresses findings and related commendations and recommendations in the area of risk management that apply to all RESCs.

ACCOMPLISHMENTS

- RESCs invest cash reserves to minimize risk and maximize yield.
- RESCs have implemented practices that meet or exceed the GASB 34/35 reporting requirements.
- RESCs handled adjustments in staffing levels due to recent budget reductions in a manner that minimized grievances by employees.

FINDINGS

- The majority of RESCs do not have a cash forecasting process nor strategies for addressing the investment of surplus cash.
- Some RESCs do not have electronic and automated asset management systems, nor has the Commissioner of Education issued rules related to asset management for RESCs.
- Several RESCs have only partial or no long-range facility replacement or repair mechanisms, and the Commissioner of Education has not issued rules applicable to facility replacement, renovation, or repair.
- Adequate insurance is held by all RESCs, but review processes are limited.
- Some RESCs have not adopted security protocols and safety plans for their buildings and operations.

RECOMMENDATIONS

- **Recommendation 10-1: Develop policies and procedures to assess and forecast cash flow and fund balances monthly.** All RESCs need to ensure that there is sufficient cash on hand to meet fiscal obligations. There are many RESCs that do not have any process in place to assess cash flow on a regular basis. As RESCs have become more reliant on

local resources, which represent a more variable flow of funding than state funds, awareness of cash flow is critical. Furthermore, assessment of cash flow can help RESCs better manage resources by allowing them to select investment opportunities that are appropriate given the amount of time between receiving funds and needing them to meet expenditures. An analysis of routine cash activities for the previous two years should be conducted to provide the basis for the projection of cash needs for future periods. Based on projected cash needs, and anticipated changes in interest rates, decisions can be made on the amount and maturities for investments.

- **Recommendation 10-2: Issue Commissioner's rules on systemwide standards that all RESCs must follow for asset management.** Current asset management practices vary from RESC to RESC. A standard policy for asset management across the system will help ensure that practices are adequate and reflect good stewardship of public resources. The policy should address minimum standards to which all RESCs should conform.

The new rule or policy could be developed as part of a meeting of executive directors and/or business officers with the Commissioner or designee. The RESCs should bring their current policies for asset management and draw from such policies to develop systemwide standards. The group also should share with one another information about automated tools that may facilitate accurate record keeping and asset management. The Commissioner of Education or designee should participate in such meetings to inform the establishment of rules to create

minimum standards for asset management.

- **Recommendation 10-3: Issue a Commissioner’s rule that requires the establishment of a sinking fund in each RESC to accumulate fees for use of space.** The establishment of a sinking fund at each RESC will enable that RESC to accumulate funds to pay for future building renovation or replacement costs. This is a best practice used by most businesses that charge for facility use. When the fee dollars are placed in a sinking fund, the earnings on investments as well as the principal amount can be used to “pay-as-you-go” rather than borrowing principal and paying interest on the borrowed money. The Commissioner can issue the rule after discussions with RESC directors and TEA staff on the appropriate levels of the funds and other language.
- **Recommendation 10-4: Require that all RESCs implement policies and procedures for an annual review of risk tolerance, insurance premiums, and coverage levels.** Given the recent trend for insurance premiums to rise at a rate above inflation, management of insurance coverage is a necessary business function. The RESCs and their boards should be regularly reviewing insurance premiums and coverage to ensure that coverage is adequate and rates are competitive.
- **Recommendation 10-5: Develop safety and security plans that address the safety and security needs of all employees, visitors, and RESC assets.** Protecting the safety and security of employees, visitors, and assets must be a high priority for all RESCs. All staff must be aware of the requirements of the plans and processes supporting the plans should be implemented and enforced. There

are many approaches to developing plans, including forming a safety committee or assigning responsibility to the facility director or other staff person. Forming a safety committee that includes representative forums throughout the organization offers many benefits. The committee can solicit safety issues forums throughout the organization and committee members can provide training and assistance to their unit.

Regardless of what method is chosen to formulate safety and security plans, all RESCs that currently do not have such plans should develop plans within the next six months. Those that do have plans should evaluate them on an annual basis for completeness, relevance, and accuracy.

DETAILED ACCOMPLISHMENTS

CASH INVESTMENTS

RESCs employ a variety of investment approaches to prudently maximize yield on cash reserves. Sound cash management involves the maintenance of a balance between retaining an adequate amount of available cash for daily operations and investing idle cash for longer periods at higher rates to yield the highest aggregate return. The goal is to ensure smooth operations while attaining the highest possible return on the cash investments. Effective projections of cash requirements over time enhance the ability to maximize the earnings from the investment of surplus cash.

Effective cash management requires:

- a sound cash management program that involves cash forecasting;
- a system for monitoring cash as it moves within the district;
- surplus cash investment strategies and mechanisms; and
- effective banking and investment relationships.

Overall, RESCs throughout the state have maintained adequate and healthy cash reserves. It is desirable to have the equivalent of two months of salary costs in reserve to maintain positive cash flow. The RESCs were found to use a variety of types of accounts to invest cash reserves. Most common among the account options were the following:

- TEXPOOL account – a state based investment pool account that complies with the Public Funds Investment Act. Funds may be transferred in or out of the pool at anytime, thus there are no term limits.
- Interest bearing checking account or savings accounts – local accounts maintained with area financial institutions. Generally, these accounts are interest-bearing and insured.
- Certificates of Deposit (CDs) – longer-term, fixed length investments of resources that are not expected to be needed in the short-term. CDs provide a higher interest rate than other types of investments, but funds remain accessible for the time period specified in the CD.

Accomplishment: RESCs invest cash reserves to minimize risk and maximize yield.

GASB 34/35 REPORTING

The RESCs comply with the capital asset and inventory components of the Governmental Accounting Standard Board (GASB) 34 and 35. In 1999 GASB introduced new financial reporting requirements for government agencies—GASB 34 and 35. The new requirements called for changes to the ways that state and local government agencies report financial information. They require that all government entities and publicly funded universities:

- report on the overall state of the government's financial health, not just individual funds;

- provide the most complete information available about the costs of delivering services;
- include information about public infrastructure assets; and
- prepare an introductory narrative section analyzing financial performance.

By June 15, 2003 all government entities were to be reporting financial information in compliance with both GASB 34 and 35. The state of Texas outlined its expectations for agencies within Texas to meet all GASB 34 and 35 requirements.

Based on the review of financial reports and records, all RESCs appear to be complying with GASB 34/35 requirements in the areas of financial reporting and asset management.

Accomplishment: RESCs have implemented practices that meet or exceed the GASB 34/35 reporting requirements.

LACK OF GRIEVANCES

With the change in state funding formulas, most RESCs had to make significant reductions in staff with very few grievance filings.

Very few of the RESCs reduced their organizational head count by almost 50 percent. Both part-time and full-time staff were affected by the reduction in force (RIF). Each RESC established its own process to assess which positions to RIF based on their unique situations. Actions taken that affect personnel raise many potential risks. Organizations must maintain appropriate documentation, follow due process, and maintain the morale of remaining staff. Without exception, those RESCs that underwent a RIF reported very few grievance filings. The process reflected adherence to policies and procedures.

Accomplishment: RESCs handled adjustments in staffing levels due to recent budget reductions in a

manner that minimized grievances by employees.

DETAILED FINDINGS

FORECASTING CASH FLOW AND FUND BALANCES

The majority of RESCs do not have a cash forecasting process or strategies for addressing the investment of surplus cash. When interest rates are low, as they have been for the last several years, investment strategies for surplus cash are less important than when rates of return are higher for different types of investments. In times when interest rates are higher, the current cash management strategies at some RESCs may not maximize the use of resources.

Each RESC should have a cash flow model that recognizes all sources of revenue, and include payroll and accounts payable expenditures. Some RESCs operate without such a model in place. **Exhibit 10-1** is an example of a simple cash flow model that can be adopted for RESC use. For each RESC, the fund balance allows the RESC to cover any cash demands required by annual operations. Most funds are expenditure driven, thus requiring the expenditure of cash before TEA will reimburse the RESC. RESC financial personnel are unable to tell how close the cash demands come to exhausting the cash balance, but are confident that adequate cash supplies are always available. In addition, RESC business offices may be able to improve earnings on investment if they have a cash flow model that helps predict excess cash as well as cash requirements.

The RESCs vary in their level of sophistication with respect to cash flow management. Some RESCs have chief financial officers who are well versed in all areas of asset management. With the changes in the state funding formula, most RESCs now must rely more heavily on local funds to operate. In most cases, the flow of such funds

is less consistent than the flow of state funds. Hence, cash flow to RESCs is less consistent and can put RESCs at risk of not having enough cash on hand to meet immediate obligations. Cash flow models can be used to predict cash requirements for a year in advance.

At most RESCs, “cash” is usually kept in interest bearing checking accounts, certificates of deposit, or in one of two investment pools established for the use of governmental entities in Texas. Cash can be transferred in and out of these pools on a daily basis. With the potential for increases in interest rates, it is beneficial for RESCs to consider other investment opportunities. However, to effectively manage cash assets in an environment where greater returns are possible from the use of a variety of investment opportunities, it is necessary to have a process in place that provides a more formal cash planning process.

TEA recognizes the importance of good cash management for investment purposes by providing the following guidance:

Developing an effective cash management program can provide a district with additional revenues to fund essential programs and operations. Maximizing the return on invested funds while ensuring the safety and liquidity of investments has become a high priority. Effective cash management programs:

- provide high rates of return through the use of various investment instruments;
- are based on a comprehensive written investment policy approved by the board; and
- allow personnel to become skilled in investment procedures and techniques and stay abreast of current money markets.

**Exhibit 10-1
Sample Cash Flow Model**

	July	August	September	October
Beginning Balance	\$0	\$1,446,250	\$1,748,750	\$577,750
County Receipts	2,493,750	75,000	75,000	75,000
State Receipts	262,500	1,387,500	0	1,387,500
Federal Receipts	150,000	150,000	170,000	170,000
Total Receipts	2,906,250	3,058,750	1,993,750	2,210,250
Payroll (Gross)	1,050,000	1,050,000	1,100,000	1,100,000
Payables	410,000	260,000	316,000	366,000
Total Expenditures	1,460,000	1,310,000	1,416,000	1,466,000
End Balance	\$1,446,250	\$1,748,750	\$577,750	\$744,250
	November	December	January	February
Beginning Balance	744,250	960,750	(260,250)	2,468,750
County Receipts	75,000	75,000	4,125,000	75,000
State Receipts	1,387,500	0	0	1,575,000
Federal Receipts	170,000	170,000	170,000	170,000
Total Receipts	2,376,750	1,205,750	4,034,750	4,288,750
Payroll (Gross)	1,100,000	1,100,000	1,100,000	1,100,000
Payables	316,000	366,000	466,000	416,000
Total Expenditures	1,416,000	1,466,000	1,566,000	1,516,000
End Balance	\$960,750	(\$260,250)	\$2,468,750	\$2,772,750
	March	April	May	June
Beginning Balance	2,772,750	1,651,750	580,750	1,059,750
County Receipts	75,000	75,000	75,000	75,000
State Receipts	0	0	1,500,000	0
Federal Receipts	170,000	170,000	170,000	170,000
Total Receipts	3,017,750	1,896,750	2,325,750	1,304,750
Payroll (Gross)	1,100,000	1,100,000	1,100,000	1,100,000
Payables	266,000	216,000	166,000	216,000
Total Expenditures	1,366,000	1,316,000	1,266,000	1,316,000
End Balance	\$1,651,750	\$580,750	\$1,059,750	(\$11,250)

Source: MGT of America, 2004.

RESCs should develop policies and procedures to assess and forecast cash flow and fund balances monthly. All RESCs need to ensure that there is sufficient cash on hand to meet fiscal obligations. There are many RESCs that do not have any process in place to assess cash flow on a consistent basis. As RESCs have become more reliant on local resources, which represent a more variable flow of funding than state funds, awareness of cash flow is critical. Furthermore, assessment of cash flow can help RESCs better manage resources by allowing them to select investment opportunities that are appropriate given the amount of time between receiving funds and needing them to meet expenditures. An analysis of routine cash activities for the

previous two years should be conducted to provide the basis for the projection of cash needs for future periods. Based on projected cash needs, and anticipated changes in interest rates, decisions can be made on the amount and maturities for investments.

This recommendation can be implemented with existing resources, and may result in additional investment income in the future. If a one percent additional return on fund balances/investments because of better information on cash flow resulted, the RESCs would have an additional \$520,000 in revenues, calculated as one percent of 20 percent of total state and local revenues.

ASSET MANAGEMENT STANDARDS

All RESCs do not have electronic and automated asset management systems, nor has the Commissioner issued rules related to asset management at RESCs. There is a range in the approach used by individual RESCs to manage assets. Those that have implemented electronic-based systems, where records are managed in a database, are better able to produce accurate lists of current assets, history of asset disposal, location of assets, and value of assets. Those without systems in place were found to often have errors in records, outdated records, and items that had not been tagged or registered.

Furthermore, not all RESCs have an automated fixed asset inventory process. Each RESC purchases items that are considered fixed assets (computers are the most common fixed assets) and which must be tagged to identify the asset and place the asset into the RESC's inventory. This process currently is performed manually in many RESCs. The tag number and other information then must be entered into a database. An annual inventory is conducted, with follow-up on missing items. In a manual system, items in the inventory are checked off on the print-out when the item is located. This is a time consuming process subject to human error.

Bar coding systems are used by many school districts and other governmental agencies. These systems electronically enter items into the database and eliminate the manual process of labeling, identifying, and inventorying fixed assets.

Having an electronic asset management system does not guarantee that assets will be properly managed. The RESCs also must have clear, documented policies and procedures for managing assets. In a number of RESCs procedures were inadequate or lacking. There are currently no rules in place from the Commissioner of Education in this area. Hence, variations in practice are allowable. Given the importance of responsible asset management, it would be reasonable for the

Commissioner of Education to issue rules establishing minimum standards to ensure that there are quality practices in place to manage RESC assets.

The Commissioner of Education should issue Commissioner's rules on systemwide standards that all RESCs must follow for asset management. Current asset management practices vary from RESC to RESC. A standard policy for asset management across the system will help ensure that practices are adequate and reflect good stewardship of public resources. The policy should address minimum standards to which all RESCs should conform.

The new rule or policy could be developed as part of a meeting of executive directors and/or business officers with the Commissioner or designee. The RESCs should bring their current policies for asset management and draw from such policies to develop systemwide standards. The group also should share with one another information about automated tools that may facilitate accurate record keeping and asset management. The Commissioner of Education or designee should participate in such meetings to inform the establishment of rules to create minimum standards for asset management.

This recommendation can be implemented within existing resources, assuming that TET-N or time at an existing meeting is used for the development of rules or standards.

SINKING FUNDS

Several RESCs have only partial or no long-range facility replacement or repair mechanisms, and the Commissioner has not issued rules applicable to facility replacement, renovation, or repair.

To fund building repair, renovation, or replacement, RESCs assess fees for building use in one or more of three ways:

- space usage fees to programs occupying the building,

- indirect cost fees charged to eligible programs, and/or
- rental fees for the use of conference or meeting space.

These fees are used by some RESCs to pay for facility maintenance and debt on their buildings. Each RESC, whether it has this “debt” or not, will someday have to replace the major components of the building or perhaps the building itself. Without a facility replacement or repair plan, RESCs may face unanticipated facility related expenses that put undue pressure on their limited budgets. Presently there is no system of funding those building improvements or renovations. There is no system requiring a sinking fund to hold monies for that purpose. The Commissioner has not issued any rules related to sinking funds or other means of financing improvements.

The Commissioner of Education should issue a rule that requires the establishment of a sinking fund in each RESC to accumulate fees for use of space. The establishment of a sinking fund at each RESC will enable that RESC to accumulate funds to pay for future building renovation or replacement costs. This is a best practice used by most businesses that charge for facility use. When the fee dollars are placed in a sinking fund, the earnings on investments as well as the principal amount can be used to “pay-as-you-go” rather than borrowing principal and paying interest on the borrowed money. The Commissioner can issue the rule after discussions with RESC directors and TEA staff on the appropriate levels of the funds and other language.

This recommendation can be implemented with existing resources, and will result in the more effective use of resources.

INSURANCE REVIEWS

Adequate insurance is held by all RESCs, but review processes are limited.

Three types of insurance are typically found in governmental organizations: (1) property

insurance to protect the real property assets, (2) liability insurance to protect the organization from errors and omissions, and (3) health insurance to protect the personnel from loss. All RESCs have insurance in each of the three areas. Most RESCs are relying on the Texas School Board Association for property, equipment breakdown, liability, fleet liability, crime, workers compensation and unemployment insurance. There are number of providers for health insurance, including the Texas Retirement System (TRS) and RESC Multi-Regional Insurance Cooperative (MRIC).

When policies were compared between RESCs, some variations in insurance levels were noticed. For instance, one RESC maintains a \$25,000 dishonesty bond to protect it from employee dishonesty and another has the same insurance, but at \$10,000 per incident. It may be appropriate for RESCs to hold varying levels of insurance based on the property value, employee payroll, and other factors, but there should be an annual review process of the appropriateness of premium levels, risk tolerance, and coverage amounts. In most cases, RESCs do not have in place processes for annual review of insurance.

RESC boards should establish and adopt a policy for review of insurance coverage adequacy and reasonableness. Currently, all RESC boards rely on TSBA to provide policy suggestions. The TSBA policies do not include a policy in the area of insurance coverage review.

RESCs should implement policies and procedures for an annual review of risk tolerance, insurance premiums, and coverage levels. Given the recent trend for insurance premiums to rise at a rate above inflation, management of insurance coverage is a necessary business function. The RESCs and their boards should be regularly reviewing insurance premiums and

coverage to ensure that coverage is adequate and rates are competitive.

This recommendation can be implemented within existing resources and should result in sound management of insurance costs.

SAFETY AND SECURITY PLANS

All RESCs have not adopted security protocols and safety plans for their buildings and operations . Most RESC facilities are high traffic areas. Not only do they provide a place for staff to work, but they also provide meeting and training space. In addition, several RESCs provide technology services to other RESCs, school districts, and schools. These RESCs maintain hundreds of thousands to millions of dollars worth of equipment at their sites. Although no losses or thefts were reported to MGT during visits to RESCs, it is likely that losses have occurred.

The RESCs generally view their training facility as open to the community. The RESCs do not tend to heavily monitor facilities with video cameras and security patrols. While it is important that RESC offices and meeting spaces maintain a welcoming feeling, the RESCs also must adequately address the safety of employees and visitors, as well as security of assets.

An effective model for addressing safety and security issues is an approach used by RESC 7. This RESC has formed an Ad Hoc Safety Committee to address safety and security issues. The process has been to collectively “brain storm” these issues, then set objectives for the committee, set time lines, and develop a plan of action. Items addressed have ranged from:

- visitor name tags;
- violent intruder;

FISCAL IMPACT

N/A

- building signage;
- vendor visits;
- weekend and evening building use;
- theft;
- security lighting;
- accident prevention; and
- disaster recovery plan.

Several other RESCs have developed security plans and safety programs. However, every RESC should have plans for safety and security on which all staff are trained and procedures are implemented to ensure that employees, visitors, and assets are well protected.

RESCs should develop safety and security plans that address the safety and security needs of all employees, visitors, and RESC assets. Protecting the safety and security of employees, visitors, and assets must be a high priority for all RESCs. All staff must be aware of the requirements of the plans and processes should be implemented and enforced supporting the plans. There are many approaches to developing plans, including forming a safety committee or assigning responsibility to the facility director or other staff person. Forming a safety committee that includes representatives from throughout the organization offers many benefits. The committee can solicit safety issues forums throughout the organization and committee members can provide training and assistance to their unit.

Regardless of what method is chosen to formulate safety and security plans, all RESCs that currently do not have such plans should develop plans within the next six months. Those that do have plans should evaluate them on an annual basis for completeness, relevance, and accuracy.

APPENDICES

APPENDIX A:
COMBINED SURVEY RESULTS
OF SCHOOL DISTRICT
SUPERINTENDENTS

**MANAGEMENT AND PERFORMANCE REVIEW OF
THE TEXAS REGIONAL EDUCATION SERVICE CENTERS**

**SURVEY OF SCHOOL DISTRICT SUPERINTENDENTS
N = 616**

PART B: GENERAL PERCEPTIONS ABOUT SERVICES PROVIDED BY THE REGIONAL EDUCATION SERVICE CENTERS (RESCs).

STATEMENT	(SA+A)/(D+SD)
1. Our district frequently utilizes services provided by our RESC.	98/1
2. The services provided by our RESC are critical to the success of our district's programs and operations.	94/2
3. Many of the current RESC services to districts could be more efficiently and/or effectively provided by TEA.	8/83
4. Many of the current RESC services could be more efficiently and/or effectively provided by other sources such as universities or private vendors.	5/88
5. Many of the current RESC services could be more efficiently and/or effectively provided by allocating the dollars to districts and allowing them to purchase services from the most appropriate sources.	11/78
6. Many of the current RESC services to districts duplicate services provided by TEA.	5/89
7. Many of the services offered by RESCs around the state are critical to the success of many districts.	96/1
8. The RESC in our region is highly efficient and effective.	93/3
9. The RESC role in providing services to districts should be expanded.	69/8
10. The RESC in our region is highly responsive to the service needs of our district.	93/4
11. The RESC in our region provides quality services.	95/2
12. There are adequate channels of communication with the RESC in our region.	94/3
13. The RESC in our region is responsive to complaints.	90/3
14. The RESC in our region is responsive to requests for services.	94/2
15. The RESC in our region listens and tries to meet the needs of the school district.	95/2

PART C: ACCOUNTABILITY

STATEMENT	(SA+A)/(D+SD)
1. TEA should hold each RESC responsible for student performance in all districts within its region.	30/49
2. Each RESC should hold each district in its region responsible for student performance within the district.	32/52
3. Each district Board/Superintendent should hold each school within the district responsible for student performance within the school.	97/1
4. Under the concept of site-based management, only the districts and each school in the district should be held accountable for student performance; the RESCs and TEA should provide services upon demand but not be held accountable.	59/26
5. Each RESC should be held accountable by the districts for providing needed services but not for student performance.	73/16
6. Under the current governance structure, the RESCs are primarily accountable to:	72/14
■ the districts within each region	76/5
■ the Commissioner of Education	79/7
■ both the districts and the Commissioner of Education	79/7

PART E: STATEWIDE ORGANIZATIONAL STRUCTURE

STATEMENT	(SA+A)/(D+SD)
1. In order to effectively execute its responsibilities, the TEA needs regional offices.	50/38
2. The RESCs should be the regional structure used by TEA to provide services to districts.	84/10
3. The RESCs should become more directly linked with TEA and subject to TEA regulations.	31/37
4. The RESCs should be totally independent of TEA.	18/58
5. The RESCs should be the regional structure used by TEA to enforce TEA rules and regulations.	31/53
6. The current number of RESC Board members should be expanded to include representatives from more districts.	20/44
7. The current number of 20 RESCs should be:	16/55
■ expanded	82/3
■ left as is	5/71
■ reduced	5/71
8. The current policy of having RESC directors appointed by local boards subject to approval by the Commissioner of Education is highly effective.	68/10
9. All RESCs should be abolished.	2/95

PART F: GOVERNANCE AND FUNDING

STATEMENT	(SA+A)/(D+SD)
1. The current method of funding the RESCs to provide services to districts and allowing each RESC to charge the districts for other services is highly effective in meeting the needs of the districts.	67/21
2. All funds for services to districts should be allocated to the districts and allow each district to purchase those services it needs from TEA, a RESC, or other sources.	33/48
3. We understand the governance and oversight structure of the RESC in our region.	82/6
4. There are appropriate levels of oversight for the RESC in our region.	78/5
5. The RESC in our region is adequately funded.	15/60
6. RESCs should continue to be funded by the state.	92/2
7. The amount charged to our district by the RESCs is appropriate for the quality and amount of services provided.	78/13
8. Our district has the funding to purchase the services it needs from a RESC.	40/50

PART G: SPECIFIC SERVICES

STATEMENT	(S+VS)/(D+SD)
SUPPORT FOR REGULAR EDUCATION PROGRAMS	
1. Reading and Language Arts	92/2
2. Mathematics	88/4
3. Social Studies	87/3
4. Science	87/5
SUPPORT FOR SPECIAL POPULATION PROGRAMS	
5. Special Education	91/3
6. At-risk and compensatory education	89/4
7. Bilingual Education and ESL	85/6
8. Advanced academics (gifted and talented, AP)	82/6
RESC TRAINING	
9. Training and assistance for campus planning	84/5
10. PDAS training and support	90/1
11. Training and support for Texas Essential Knowledge and Skills (TEKS)	90/2
12. Training and support for aligning the curriculum and instruction with TEKS	86/3
13. Leadership training and development programs and services	91/3
14. Training and assistance to help improve student performance	87/5
15. Training and assistance in using new teaching methods and strategies	85/4
16. Training and assistance in the use of technology	85/4
17. Training and assistance in discipline management and conflict resolution	78/4
18. School board training services	90/3

PART G: SPECIFIC SERVICES (CONT'D)

STATEMENT	(S+VS)/(D+SD)
19. Teacher Certification	84/5
20. Professional/Para-Professional Certifications	86/3
RESC SERVICES	
21. Computer network and telecommunication services	81/7
22. Purchasing cooperatives	84/2
23. Services and support for PEIMS	91/3
24. On-line/Distance Learning classes	66/6
25. On-site technical assistance	75/5
26. Video Conferencing	71/4
RESC SERVICES, CONTINUED	
27. Lending Library	70/2
28. Best Practices Information	79/4
29. Organizational Links	79/3
30. Demonstrations and Equipment	75/4

PART H: GENERAL QUESTIONS

1. How would you rate the facilities of the RESC in your region? (Check [✓] one).

Exceptional	69%
Above average	23
Adequate	7
Needs improvement	1

APPENDIX B:

**SURVEY RESULTS OF
RESC DIRECTORS**

**MANAGEMENT AND PERFORMANCE REVIEW OF
THE TEXAS REGIONAL EDUCATION SERVICE CENTERS**

SURVEY OF REGIONAL EDUCATION SERVICE CENTER DIRECTORS
N = 20

PART B: GENERAL PERCEPTIONS ABOUT SERVICES PROVIDED BY THE REGIONAL EDUCATION SERVICE CENTERS (RESCs).

STATEMENT	(%A+SA)/(%D+SD)*
1. Most districts in our region frequently utilize services used by our RESC.	100/0
2. The services provided by our RESC are critical to the success of our districts' programs and operations.	100/0
3. Many of the current RESC services to districts could be more efficiently and/or effectively provided by TEA.	5/95
4. Many of the current RESC services could be more efficiently and/or effectively provided by other sources such as universities or private vendors.	5/95
5. Many of the current RESC services could be more efficiently and/or effectively provided by allocating the dollars to districts and allowing them to purchase services from the most appropriate sources.	10/85
6. Many of the current RESC services to districts duplicate services provided by TEA.	5/95
7. Many of the services offered by RESCs around the state are critical to the success of many districts.	100/0
8. Our RESC is highly efficient and effective.	100/0
9. The RESC role in providing services to districts should be expanded.	100/0
10. Our RESC is highly responsive to the service needs of member districts.	100/0
11. Our RESC provides quality services.	100/0
12. There are adequate channels of communication with school districts in our region.	100/0
13. Our RESC is responsive to complaints.	100/0
14. Our RESC is responsive to requests for services.	100/0
15. Our RESC listens and tries to meet the needs of the school districts.	100/0

* Percent responding *Agree* or *Strongly Agree*/Percent responding *Disagree* or *Strongly Disagree*.

PART C: ACCOUNTABILITY

STATEMENT	(%A+SA)/(%D+SD)*
1. TEA should hold each RESC responsible for student performance in all districts within its region.	70/15
2. Each RESC should hold each district in its region responsible for student performance within the district.	25/70
3. Each district Board/Superintendent should hold each school within the district responsible for student performance within the school.	100/0
4. Under the concept of site-based management, only the district and each school in the district should be held accountable for student performance; the RESCs and TEA should provide services on demand but not be held accountable.	15/70
5. Each RESC should be held accountable by the districts for providing needed services but not for student performance.	30/55
6. Under the current governance structure, the RESCs are accountable primarily to:	85/15
■ the districts within each region	
■ the Commissioner of Education	92/8
■ both the districts and the Commissioner of Education	95/5

* Percent responding *Agree* or *Strongly Agree*/Percent responding *Disagree* or *Strongly Disagree*.

PART E: STATEWIDE ORGANIZATIONAL STRUCTURE

STATEMENT	(%A+SA)/(%D+SD)*
1. In order to effectively execute its responsibilities, the TEA needs regional offices.	15/80
2. The RESCs should be the regional structure used by TEA to provide services to districts.	95/5
3. The RESCs should become more directly linked with TEA and subject to TEA regulations.	0/90
4. The RESCs should be totally independent of TEA..	5/95
5. The RESCs should be the regional structure used by TEA to enforce TEA rules and regulations.	15/80
6a. The current number of RESC Board members is appropriate.	95/5
6b. The current number of RESC Board members should be expanded to include representatives from more districts.	6/89
7. The current number of 20 RESCs should be:	38/44
■ expanded	
■ left as is	89/11
■ reduced	7/93
8. The current policy of having RESC directors appointed by local boards subject to approval by the Commissioner of Education is highly effective.	100/0
9. All RESCs should be abolished.	0/100

* Percent responding *Agree* or *Strongly Agree*/Percent responding *Disagree* or *Strongly Disagree*.

PART F: GOVERNANCE AND FUNDING

STATEMENT	(%A+SA)/(%D+SD)*
1. The current method of funding the RESCs to provide services to districts and allowing each RESC to charge the districts for other services is highly effective in meeting the needs of the districts.	75/20
2. All funds for services to districts should be allocated to the districts and allow each district to purchase those services that it needs from TEA, a RESC, or other sources.	10/90
3. School districts understand the governance and oversight structure of our RESC.	80/5
4. There are appropriate levels of oversight for our RESC.	95/0
5. Our RESC is adequately funded.	15/80
6. RESCs should continue to be funded by the state.	95/5
7. The amount charged to each district by our RESC is appropriate for the quality and amount of services provided.	90/5
8. Districts have the funding to purchase the services they need from our RESC.	20/70

* Percent responding *Agree* or *Strongly Agree*/Percent responding *Disagree* or *Strongly Disagree*.

PART G: SPECIFIC SERVICES

STATEMENT	(%VS+S)/(%D+SD)*
SUPPORT FOR REGULAR EDUCATION PROGRAMS	
1. Reading and Language Arts	100/0
2. Mathematics	95/0
3. Social Studies	95/5
4. Science	95/0
SUPPORT FOR SPECIAL POPULATION PROGRAMS	
5. Special Education	100/0
6. At-risk and compensatory education	95/0
7. Bilingual Education and ESL	100/0
8. Advanced academics (gifted and talented, AP)	90/5
RESC TRAINING	
9. Training and assistance for campus planning	95/5
10. PDAS training and support	100/0
11. Training and support for Texas Essential Knowledge and Skills (TEKS)	100/0
12. Training and support for aligning the curriculum and instruction with TEKS	100/0
13. Leadership training and development programs and services	95/0
14. Training and assistance to help improve student performance	100/0
15. Training and assistance in using new teaching methods and strategies	95/0
16. Training and assistance in the use of technology	90/0
17. Training and assistance in discipline management and conflict resolution	89/5

PART G: SPECIFIC SERVICES (CONT'D)

STATEMENT	(%VS+S)/(%D+SD)*
18. School board training services	95/0
19. Teacher Certification	90/0
20. Professional/Para-Professional Certifications	95/0
RESC SERVICES	
21. Computer network and telecommunication services	95/0
22. Purchasing cooperatives	95/0
23. Services and support for PEIMS	100/0
24. On-line/Distance Learning classes	90/5
25. On-site technical assistance	100/0
26. Video Conferencing	90/0
27. Lending Library	100/0
28. Best Practices Information	90/0
29. Organizational Links	95/0
30. Demonstrations and Equipment	95/0

* Percent responding *Very Satisfied* or *Satisfied* / Percent responding *Dissatisfied* or *Strongly Dissatisfied*.

PART H: GENERAL QUESTIONS

1. How would you rate your RESC facilities (Check [✓] one).

Exceptional	50%
Above average	35
Adequate	5
Needs improvement	10

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APPENDIX C:
COMBINED SURVEY RESULTS
OF RESC EMPLOYEES

MANAGEMENT AND PERFORMANCE REVIEW OF THE TEXAS REGIONAL EDUCATION SERVICE CENTERS

SURVEY OF REGIONAL EDUCATION SERVICE CENTER EMPLOYEES N = 615

PART A: GENERAL PERCEPTIONS ABOUT SERVICES PROVIDED BY THE REGIONAL EDUCATION SERVICE CENTERS (RESCs).

STATEMENT	(%A+SA)/(%D+SD)*
1. Most districts in our region frequently utilize services used by our RESC.	99/0
2. The services provided by our RESC are critical to the success of our districts' programs and operations.	99/0
3. Many of the current RESC services to districts could be more efficiently and/or effectively provided by TEA.	1/95
4. Many of the current RESC services could be more efficiently and/or effectively provided by other sources such as universities or private vendors.	0/98
5. Many of the current RESC services could be more efficiently and/or effectively provided by allocating the dollars to districts and allowing them to purchase services from the most appropriate sources.	2/92
6. Many of the current RESC services to districts duplicate services provided by TEA.	1/95
7. Many of the services offered by RESCs around the state are critical to the success of many districts.	97/0
8. Our RESC is highly efficient and effective.	98/1
9. The RESC role in providing services to districts should be expanded.	78/3
10. Our RESC is highly responsive to the service needs of member districts.	99/0
11. Our RESC provides quality services.	100/0
12. There are adequate channels of communication with school districts in our region.	95/2
13. Our RESC is responsive to complaints.	98/0
14. Our RESC is responsive to requests for services.	100/0
15. Our RESC listens and tries to meet the needs of the school districts.	100/0

* Percent responding *Agree* or *Strongly Agree*/Percent responding *Disagree* or *Strongly Disagree*.

PART B: ACCOUNTABILITY

STATEMENT	(%A+SA)/(%D+SD)*
1. TEA should hold each RESC responsible for student performance in all districts within its region.	30/51
2. Each RESC should hold each district in its region responsible for student performance within the district.	40/42
3. Each district Board/Superintendent should hold each school within the district responsible for student performance within the school.	91/3
4. Under the concept of site-based management, only the district and each school in the district should be held accountable for student performance; the RESCs and TEA should provide services on demand but not be held accountable.	59/26
5. Each RESC should be held accountable by the districts for providing needed services but not for student performance.	67/21
6. Under the current governance structure, the RESCs are accountable primarily to:	79/10
■ the districts within each region	82/7
■ the Commissioner of Education	89/4
■ both the districts and the Commissioner of Education	

* Percent responding *Agree* or *Strongly Agree*/Percent responding *Disagree* or *Strongly Disagree*.

PART D: STATEWIDE ORGANIZATIONAL STRUCTURE

STATEMENT	(%A+SA)/(%D+SD)*
1. In order to effectively execute its responsibilities, the TEA needs regional offices.	52/37
2. The RESCs should be the regional structure used by TEA to provide services to districts.	91/4
3. The RESCs should become more directly linked with TEA and subject to TEA regulations.	22/48
4. The RESCs should be totally independent of TEA.	13/67
5. The RESCs should be the regional structure used by TEA to enforce TEA rules and regulations.	22/61
6a. The current number of RESC Board members is appropriate.	70/2
6b. The current number of RESC Board members should be expanded to include representatives from more districts.	7/47
7. The current number of 20 RESCs should be:	15/57
■ expanded	87/2
■ left as is	6/75
■ reduced	
8. The current policy of having RESC directors appointed by local boards subject to approval by the Commissioner of Education is highly effective.	76/5
9. All RESCs should be abolished.	0/98

* Percent responding *Agree* or *Strongly Agree*/Percent responding *Disagree* or *Strongly Disagree*.

PART E: GOVERNANCE AND FUNDING

STATEMENT	(%A+SA)/(%D+SD)*
1. The current method of funding the RESCs to provide services to districts and allowing each RESC to charge the districts for other services is highly effective in meeting the needs of the districts.	76/12
2. All funds for services to districts should be allocated to the districts and allow each district to purchase those services that it needs from TEA, a RESC, or other sources.	7/83
3. School districts understand the governance and oversight structure of our RESC.	57/19
4. There are appropriate levels of oversight for our RESC.	77/3
5. Our RESC is adequately funded.	25/59
6. RESCs should continue to be funded by the state.	95/1
7. The amount charged to each district by our RESC is appropriate for the quality and amount of services provided.	78/10
8. Districts have the funding to purchase the services they need from our RESC.	38/38

* Percent responding *Agree* or *Strongly Agree*/Percent responding *Disagree* or *Strongly Disagree*.

PART F: SPECIFIC SERVICES

STATEMENT	(%VS+S)/(%D+SD)*
SUPPORT FOR REGULAR EDUCATION PROGRAMS	
1. Reading and Language Arts	93/1
2. Mathematics	92/1
3. Social Studies	90/1
4. Science	90/1
SUPPORT FOR SPECIAL POPULATION PROGRAMS	
5. Special Education	94/0
6. At-risk and compensatory education	90/1
7. Bilingual Education and ESL	91/1
8. Advanced academics (gifted and talented, AP)	91/1
RESC TRAINING	
9. Training and assistance for campus planning	89/1
10. PDAS training and support	91/0
11. Training and support for Texas Essential Knowledge and Skills (TEKS)	94/0
12. Training and support for aligning the curriculum and instruction with TEKS	94/1
13. Leadership training and development programs and services	90/1
14. Training and assistance to help improve student performance	94/0
15. Training and assistance in using new teaching methods and strategies	93/0
16. Training and assistance in the use of technology	93/1
17. Training and assistance in discipline management and conflict resolution	90/1

PART F: SPECIFIC SERVICES (CONT'D)

STATEMENT	(%VS+S)/(%D+SD)*
18. School board training services	87/0
19. Teacher certification	84/0
20. Professional/Para-Professional certifications	87/0
RESC SERVICES	
21. Computer network and telecommunication services	90/2
22. Purchasing cooperatives	86/1
23. Services and support for PEIMS	91/1
24. On-line/Distance Learning classes	87/1
25. On-site technical assistance	92/1
26. Video Conferencing	88/1
27. Lending Library	72/1
28. Best Practices Information	87/0
29. Organizational Links	81/0
30. Demonstrations and Equipment	83/1

* Percent responding *Very Satisfied* or *Satisfied* / Percent responding *Dissatisfied* or *Strongly Dissatisfied*.

PART G: WORK ENVIRONMENT

STATEMENT	(%A+SA)/(%D+SD)*
1. I find my RESC to be an exciting, challenging place to work.	97/2
2. RESC officials enforce high work standards.	96/2
3. RESC employees who do not meet expected work standards are disciplined.	72/7
4. I feel that I have the authority to adequately perform my job responsibilities.	97/2
5. I have an up to date and comprehensive job description.	96/2
6. I have adequate facilities in which to conduct my work.	94/4
7. I have adequate equipment and computer support to conduct my work.	97/2
8. No one knows or cares about the amount or quality of work that I perform.	4/94
9. I am very satisfied with my job.	96/2
10. I plan to continue my career in my RESC.	94/2
11. I am actively looking for a job outside of my RESC.	5/89
12. Salary levels at my RESC are competitive.	61/26
13. I feel that my work is appreciated by my supervisor(s).	94/3
14. I feel that I am an integral part of the RESC team.	94/2

PART G: WORK ENVIRONMENT (CONT'D)

STATEMENT	(%A+SA)/(%D+SD) *
15. I feel that there is no future for me at the RESC.	4/92
16. My salary level is adequate for my level of work and experience.	63/27
17. Most administrative practices in the RESC are highly effective and efficient.	88/5
18. Administrative decisions are made promptly and decisively.	84/7
19. My RESC administrators are easily accessible and open to input.	91/6
20. Major bottlenecks exist in many administrative processes which cause unnecessary time delays.	12/80
21. My RESC has too many layers of administrators.	8/82
22. Most of RESC administrative processes (e.g., purchasing, travel requests, leave applications, personnel, etc.) are highly efficient and responsive.	87/6

* Percent responding *Agree* or *Strongly Agree*/Percent responding *Disagree* or *Strongly Disagree*.

PART H: GENERAL QUESTIONS

1. How would you rate your RESC facilities (**Check [✓] one**).

Exceptional	63%
Above average	26
Adequate	7
Needs improvement	3

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