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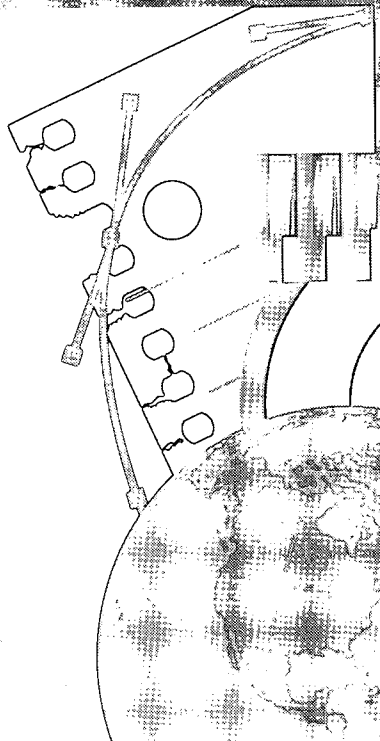
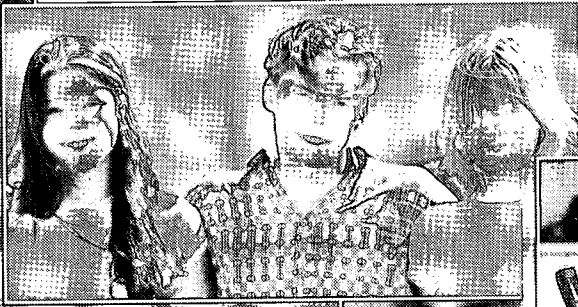
ABSTRACT

This report was prepared by the Texas Education Agency in response to Section 39.183 of the Texas Education Code. In a phase-in approach written into law, the limit of 22 students to 1 teacher applied in the 1985-86 school year through the 1987-88 school year to kindergarten through grade 2 only. The law extended this limitation to kindergarten through grade 4 beginning with the 1988-89 school year. The commissioner of education may grant class-size waivers only in cases where districts are unable to employ qualified teachers, where districts are unable to provide educational facilities, or where the 22:1 class-size ratio is exceeded in kindergarten through grade 4 in districts that budgeted for that particular class-size. Waivers cannot be granted if they relate to essential knowledge or skills, minimum graduation requirements, removal of a disruptive student from the classroom, at-risk programs, or requirements imposed by federal law or rule. By law, waivers can be granted for only one semester at a time. Summary information on regional education service centers includes a brief history, staffing levels, financial positions, programs and services, and regional performance levels. Charts and graphs serve to illustrate textual data. A map showing Regional Education Service centers is also provided. (RT)

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A Report to the 77th Texas Legislature

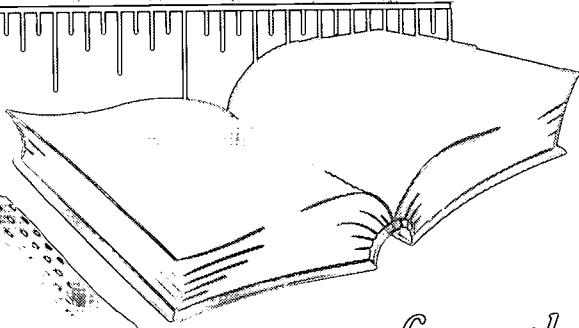


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REGIONAL AND DISTRICT LEVEL REPORT

from the
Texas Education Agency

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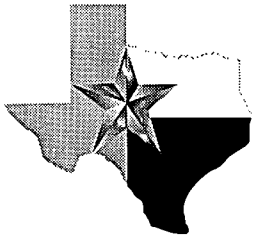
Regional and District Level Report

*A Report to the
77th Texas Legislature
from the
Texas Education Agency*

*Submitted to the Governor,
Lieutenant Governor,
Speaker of the House, and the
Seventy-Seventh Texas Legislature*

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TEXAS EDUCATION AGENCY

Jim Nelson
Commissioner of Education

December 1, 2000

The Honorable George W. Bush, Governor of Texas
The Honorable Rick Perry, Lieutenant Governor of Texas
The Honorable Pete Laney, Speaker of the House
Members of the 77th Texas Legislature

I am pleased to provide to the 77th Texas Legislature the Regional and District Level Report which was prepared in response to Section 39.183 of the Texas Education Code. This report contains a summary of exceptions to the maximum class-size requirements, a summary of the exemptions and waivers granted to school districts under Section 7.056 and Section 39.112, and a summary of services offered by regional education service centers. This report is now transmitted to you as required by state law.

Respectfully submitted,

Jim Nelson
Commissioner of Education

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Introduction

The following report is prepared by the Texas Education Agency in response to Section 39.183 of the Education Code. This report contains the three sections identified below.

Class Size Limitations. A summary of school district compliance with the class size limitations prescribed by Section 25.112, including the number of districts granted an exception from these limitations;

Waivers and Exemptions. A summary of the exemptions and waivers granted to school districts under Section 7.056 or Section 39.112 and a review of the effectiveness of the campus or district following deregulation; and

Regional Education Service Center Services. A summary of the services offered by regional education service centers with an evaluation of the effectiveness of those services.

This report provides summary information with analysis, as specified in statute. The detailed information upon which the summary reports were prepared is available from the Texas Education Agency upon request.

Agency Contact Persons

For information on class size limitations, general state waivers and federal Ed-Flex waivers, Carol V. Francois, Associate Commissioner, Education of Special Populations, (512) 463-8992.

For information on regional education service centers, Virgil (Ed) Flathouse, Associate Commissioner, Finance and Support Systems, (512) 463-5899.

Other Sources of Information

For a list of general state waivers granted by the commissioner of education, see the waiver report included in the agenda for each State Board of Education (SBOE) meeting. For additional information on class size waivers, general state waivers, and federal Ed-Flex waivers, see the agency's home page at www.tea.state.tx.us. For information relating to regional education service centers and links to each ESC's website, see the agency's home page at www.tea.state.tx.us.

Class Size Limitations

The Texas Legislature in 1984 adopted a statutory limitation applicable to the size of classes in certain elementary grades. In a phase-in approach written into the law, the limit of 22 students to one teacher applied in the 1985-1986 school year through the 1987-1988 school year to kindergarten through grade 2 only. The law extended this limitation to kindergarten through grade 4 beginning with the 1988-1989 school year.

Today, it is generally recognized that smaller class size in elementary grades positively affects student achievement. Smaller class size may have contributed to the educational gains in Texas public schools. The limitation on class size supports the state's four public education academic goals as delineated in TEC 4.002:

GOAL 1: The students in the public education system will demonstrate exemplary performance in the reading and writing of the English language.

GOAL 2: The students in the public education system will demonstrate exemplary performance in the understanding of mathematics.

GOAL 3: The students in the public education system will demonstrate exemplary performance in the understanding of science.

GOAL 4: The students in the public education system will demonstrate exemplary performance in the understanding of social science.

It also supports the agency's strategic plan goal of ensuring that each student demonstrates exemplary performance in reading and in the foundation subjects of English language arts, mathematics, science and social studies.

Most school districts in Texas comply with the class size limitations. Because of the continuing growth of the state's student population and its mobility, temporary exceptions from the application of the limitation are still needed by some districts, usually for only a few of their classes. (NOTE: Although statute employs the term "exception," the public is more familiar with the term "waiver." Therefore, "waiver" is used in this report.)

The commissioner of education may grant class-size waivers only in cases of undue hardship. Waivers are granted under the following criteria: (1) a district is unable to employ qualified teachers; (2) a district is unable to provide educational facilities; or (3) a district which has budgeted for a class-size ratio of 22:1 in kindergarten through grade 4 but has a campus (or campuses) with enrollment increases or shifts that result in exceeding this limit by only one or two students in only one section at any grade level on any campus. By law, class size waivers may be granted for only one semester at a time. The following table shows the unduplicated number of class size waivers granted for each semester from 1993-1994 to 1999-2000.

**SCHOOL DISTRICT CLASS SIZE WAIVERS
GRANTED BY THE TEXAS EDUCATION AGENCY
1993-1994 – 1999-2000
(unduplicated count)**

1993-1994	
Fall 1993	92 school districts
Spring 1994	93 school districts
1994-1995	
Fall 1994	88 school districts
Spring 1995	101 school districts
1995-1996	
Fall 1995	86 school districts
Spring 1996	81 school districts
1996-1997	
Fall 1996	133 school districts
Spring 1997	168 school districts
1997-1998	
Fall 1997	148 school districts
Spring 1998	149 school districts
1998-1999	
Fall 1998	147 school districts
Spring 1999	49 school districts
1999-2000	
Fall 1999	141 school districts
Spring 2000	127 school districts

Texas Education Code, Section 37.112, Excellence Exemptions, authorizes the commissioner of education to exempt an exemplary school campus from elementary class size limits under certain conditions. The district must submit to the commissioner a written plan showing steps that the campus will take to ensure that the exemption from the class size limits will not be harmful to the academic achievement of the students enrolled in the campus.

Waivers and Exemptions

The 72nd Texas Legislature granted the commissioner of education the authority to approve or deny all requests for waivers of state law and State Board of Education rules. The purpose of waivers is to set aside a requirement or prohibition imposed by law or rule that inhibits student achievement. A waiver request may apply to one or more campuses in the district, or to the district as a whole. Every waiver request requires the approval of the local board of trustees and must be developed with the involvement of the district or campus site-based decision-making committee, as appropriate.

The 74th Texas Legislature continued this waiver authority and broadened it with the rewrite of the Texas Education Code (TEC). The new code provided in TEC, Section 39.112, Excellence Exemptions, that districts or campuses rated as “exemplary” under the state’s accountability system are automatically exempt from many provisions of law.

According to TEC, Section 7.056, a waiver may not be granted if it relates to any of the following:

- ◆ essential knowledge or skills;
- ◆ minimum graduation requirements;
- ◆ public school accountability;
- ◆ restrictions on extracurricular activities;
- ◆ health and safety;
- ◆ purchasing;
- ◆ elementary school class size limits, except as otherwise provided by law;
- ◆ removal of a disruptive student from the classroom;
- ◆ at-risk programs;
- ◆ pre-kindergarten programs;
- ◆ educator rights and benefits;
- ◆ special education programs;
- ◆ bilingual education programs;
- ◆ conduct that constitutes a criminal offense; and
- ◆ requirements imposed by federal law or rule.

Waivers and exemptions support all four of the state’s academic goals. They also support the strategic plan goal of local excellence and achievement. Waiver initiatives enable local authorities to develop innovative means for assisting all students to demonstrate exemplary performance in reading, and in the foundation subjects of English language arts, mathematics, science, and social studies.

State Waivers

While the new Texas Education Code greatly enhanced local authority, school districts and campuses continue to seek waivers from state laws and rules they believe impede efforts to improve student performance. During the 1999-2000 school year, the commissioner of education granted 1,700 general waivers from state laws.

GENERAL STATE WAIVERS APPROVED IN FISCAL YEAR 2000	
TYPE	NUMBER
STAFF DEVELOPMENT	580
COURSE REQUIREMENT	76
CERTIFICATION	105
MODIFIED SCHEDULE TAAS	132
MODIFIED SCHEDULE AEP	48
STAFF DEVELOPMENT FOR READING/LANGUAGE ARTS	91
GIFTED/TALENTED	25
EARLY RELEASE DAYS	397
TEXTBOOK	154
OTHER MISC. WAIVERS	92
TOTAL GENERAL WAIVERS APPROVED	1,700

The type of waiver most frequently requested allows a district or campus to modify its calendar to make additional time available for staff development. For the 1999-2000 school year, the commissioner of education approved waivers granting a maximum of three days for general staff development. These waivers for general staff development accounted for 34 percent, or 580 of the general state waivers approved in the 1999-2000 school year (fiscal year 2000). To encourage staff development related to reading/ language arts and mathematics, the commissioner approved an additional waiver day for staff development related to reading/language arts and/or an additional waiver day for staff development related to mathematics. One additional day of staff development was approved for districts requesting to participate in eligible conferences, such as the National Conference of Texas. A total of 91 districts requested one or all of these additional days for staff development.

The overall impact of general state waivers may be seen in improved student educational performance statewide, including rising Texas Assessment of Academic Skills (TAAS) scores and gains in the number of campuses and districts achieving exemplary status under the state's accountability rating system. In the 1999-2000 school year, the number of exemplary districts increased to 167 districts, or to 16.0 percent of the total, and the number of exemplary campuses increased to 1,291 or to 18.7 percent of the total campuses. The comparable numbers for the 1998-1999 school year were 122 or 11.7 percent of the districts and 1,120 or 16.5 percent of the campuses.

Education Flexibility Partnership Demonstration Program (Ed-Flex) Status

Ed-Flex is a federal program that grants a state the authority to waive certain federal education requirements that may impede local efforts to reform and improve education.

Ed-Flex is designed to help districts and schools carry out education reforms and raise the achievement levels of all children by providing increased flexibility in the implementation of certain federal education programs in exchange for enhanced accountability in the performance of students.

During the 1999-2000 school year, the commissioner of education used his Ed-Flex authority to grant three administrative statewide waivers to all local education agencies (LEAs). These waivers reduced administrative paperwork for the federal programs covered under Ed-Flex without the need for individual application. Also during the 1999-2000 school year, 770 districts received one or more programmatic Ed-Flex waivers.

The following three programmatic statewide waivers accounted for 94 percent of the programmatic waivers received by districts in 1999-2000:

- 1) **Title I, Part A Program.** This waiver eliminates the 50 percent poverty requirement for Title I, Part A schoolwide eligibility. This waiver applies to campuses that are eligible for Title I, Part A services, but which do not have at least 50 percent of its students from low-income families.
- 2) **Title II, Eisenhower Professional Development Program.** This waiver allows the use of up to 25 percent of Title II Eisenhower Professional Development Program funds reserved for professional development in math and science for professional development in reading/language arts and in social studies.
- 3) **Title II, Eisenhower Professional Development Program.** This waiver eliminates the 33 percent local cost share requirement for the Title II Eisenhower Professional Development Program.

Approximately 70 percent of the LEAs or campuses that were granted the increased flexibility provided in these three programmatic statewide waivers met the waiver evaluation requirements which indicates that the Ed-Flex Program is an important component in the state's reform efforts to improve student performance.

Services Offered by Regional Education Service Centers

The Texas Education Agency's Regional and District Level Report is designed to provide its reader with not only a brief history of the regional education service centers (ESCs, regions, centers) but also background information on the ESCs' staffing levels, financial positions, programs and services, and regional performance levels. The regional education service centers exist to (1) assist school districts in improving student performance, (2) enable school districts to operate more efficiently and economically, and (3) implement initiatives assigned by the legislature or the commissioner of education. Additionally, the ESCs serve as regional planning units providing an opportunity for both local districts and the state to implement these stated purposes. The centers provide a large number of services to their client districts and campuses. Those services include ones that are contracted for and/or mandated by the state. Such services also include information on those programs and services, which have been decentralized from the Texas Education Agency (TEA, agency) in response to directives from the 74th, 75th and 76th Texas Legislatures. The centers also provide services, which are funded by federal and local sources. The evaluation of center services and effectiveness involves analyses of both student achievement measures and client satisfaction measures.¹

NOTE: Access to the twenty ESCs' websites and to their services is available on the Agency's website at www.tea.state.tx.us.

Background:

A Brief History of Regional Education Service Centers

- 1965** Title III of Elementary and Secondary Education Act passed by Congress provided limited funding for instruction-related training and services for teachers. Twenty centers were established by the Texas Legislature to provide Title III funded services.
- 1967** Existing media centers were incorporated into ESEA, Title III-funded service centers. Legislative appropriation of \$1.00 per average daily attendance (ADA) provided funding for media centers and required participating districts to provide matching funds. Scope of centers expanded and the role of centers in the coordination of educational planning was established.
- 1969** Statewide computer services system was established in centers with \$1.00 per ADA funding.
- 1971** Centers receive initial basic state support for regional services to schools, regional coordination in planning, and for center administrative costs.
- 1977** Management and Services audits of centers began.
- 1984** With H.B. 72, centers began a close working relationship with Texas Education Agency in two areas: to raise the quality of school programs, and to bring uniformity and continuity to school district operations. Centers began decentralized technical assistance function in implementation of Public Education Information Management System (PEIMS). Centers took the lead in the training of local school boards.

¹ Staffing, services, and TAAS information is taken from various reports submitted to the Texas Education Agency. Student performance data are from the Academic Excellence Indicator System for 1999-2000. Financial information is taken from ESC audit reports for the period ending August 31, 1999. The centers' Annual Financial Reports for fiscal year 2000 fiscal data will be available by January 2001 and in PEIMS by February 2001.

- 1986** State Board of Education adopts the State Plan for Regional Education Service Centers which defines the roles of the centers and the relationship of the centers to the agency. Essential functions of the centers are defined.
- 1988** State Plan for Regional Education Service Centers is reviewed and updated.
- 1989** Commissioner is authorized to enter into performance contracts with centers for technical assistance and other services related to accreditation, training and curriculum and the implementation of Public Education Information Management System (PEIMS).
- 1990** Price Waterhouse study of agency recommends assigning “operational technical assistance” to the centers.
- 1992** State Board of Education rules revised to provide greater authority of the commissioner in three areas of center operations: (1) selection of center executive director, (2) center budget approval, and (3) annual performance evaluation of the executive director for continued employment. Decentralization of agency certification office and child nutrition program to centers (40 FTEs). Field Service Agent and Partnership Schools Initiative programs created by transfer of 70 FTEs to centers.
- 1995** Section 8 of Senate Bill 1 restructures centers identifying core services and a market-driven structure. Rider 44 to Article III of the General Appropriations Act of 1995 adopted direct-ing decentralization of several agency functions.
- 1996** Commissioner conducts ESC 2000 study in preparation for sunset review of centers by the 75th Texas Legislature.
- 1997** 75th Texas Legislature re-authorizes the centers and adopts a revised Section 8 clarifying the centers’ role and function in improving student performance. Section 8.102 directs the commissioner to develop a uniform system of reporting for the centers, including information on client satisfaction.
- 1998** The commissioner enters into a contract with the Texas Center for Educational Research to develop a third party client satisfaction survey. The survey is piloted in October and November 1998 and fully implemented in the spring of 2000
- 1999** 76th Texas Legislature authorizes 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 ESCs function as the primary administrators of the training.

Education Service Center Location and Governance

The map of the regional education service centers (page 29) shows the location of each of the 20 centers. The ESCs are assigned responsibility for providing basic services to each school district within their respective regional boundaries. Regions are defined as the geographic area encompassing the assigned districts. For services, districts may elect to choose the service center it is assigned or purchase those services from any center within the state. In 1967, the State Board of Education originally assigned school districts to regions based upon county alignments. Following the 75th Legislature’s reauthorization of the ESCs, that responsibility has been placed solely under the authority of the commissioner of education.

Each center is governed by a seven-member board of directors elected by the boards of trustees of school districts within the region. The ESC’s board of directors, with input from and the approval of the commissioner of education, selects an executive director who serves as the chief executive officer of

the center. The center's board establishes policies that govern the operation of the center. In addition to its board of directors, each center has several advisory committees composed of stakeholders in the various service areas. Each center also has a regional advisory committee of superintendents, which provides input to the executive director on programs and services. Eight centers operate satellite facilities in addition to their main center's location.

Education Service Center Staffing

A service center's executive director employs personnel in accordance with the center's policies. An analysis of center personnel data below reveals the following information in regard to gender, ethnicity, and funding patterns of full and part-time (greater than half-time) staff, excluding contract and/or temporary employees. As of September 1, 2000, the centers employed a total of 3,943 full and part-time employees.¹

GENDER AND ETHNICITY	
Male	23.10%
Female	76.90%
White	59.48%
Hispanic	33.09%
African American	06.51%
Asian	00.63%
Native American	00.29%

The analysis also reveals that the funding for center personnel is largely from federal funds followed by local and then state sources. The following chart represents these funding patterns.

Source of Personnel Funding²

PROFESSIONAL STAFF	
State	25.87 %
Federal	37.95 %
Local	36.18 %

SUPPORT STAFF	
State	4.78 %
Federal	52.01 %
Local	33.21 %

Fifty-six percent of the center staff is assigned to programs and activities that are designed to provide instructional and instructional support services to schools. Thirty-five percent work in center programs and activities that provide administrative services to schools. The remaining 9 percent represent the centers' administrative, operations and management functions

¹ This total includes 984 employees (professional and support) in the Head Start Programs operated by Regions 7, 10, 14, 16, 19, and 20.

² Totals may not add to 100% due to rounding.

Revenues¹

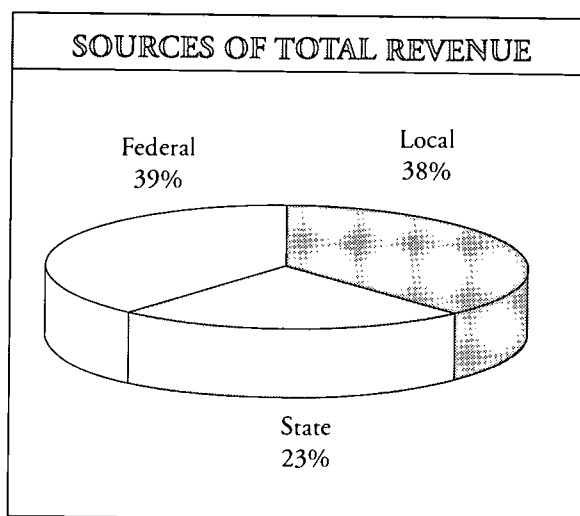
The regional education service centers have access to a combination of financial resources (state, federal, and local) to provide services within each region. In 1998-1999, centers received \$310.0 million in total revenue.

Distribution of these funds ranged from slightly over \$7.2 million in Region VIII (Mt. Pleasant) to over \$46.2 million in Region XX (San Antonio). The three regions (Regions IV, X, and XI) with the largest number of students (comprising 45.85 percent of the total students served in the state) received 27.03 percent of the total revenue. Likewise, the three smallest regions (Regions IX, XIV, and XV) that comprise 3.60 percent of the total number of students served in the state received 7.93 percent of the total revenue.

The lack of an exact relationship between the number of students in a region and its funding results from (1) the uniqueness of the various funding formulas, (2) the fact that not all funding is formula driven, and (3) that some funding results from unique contracts for specialized services. A strict per-student analysis of funding would obscure the uniqueness in regional programs and the methods for financing those programs.

A review of the primary sources of center revenue reveals that eleven centers receive the greatest portion of the revenue from federal sources², eight receive the greatest portion from fees paid by local districts and only one center receives its greatest portion of revenue from state sources. For eight centers, state revenues represent the smallest source of funding. At nine centers, state funds are less than 20 percent of the total revenue, and in one center state funds represent less than nine percent of total revenue.

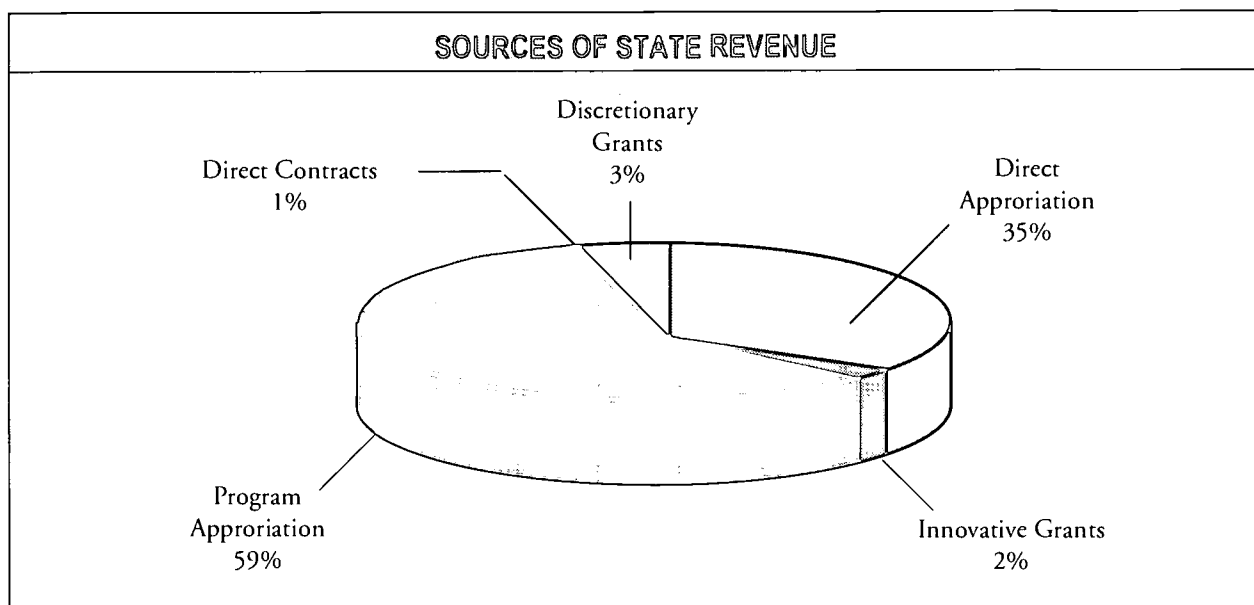
ESC REVENUES ⁴	
State Revenues	23.43%
Federal Revenues	38.76%
Local Revenues	37.81%



¹ Financial data reported herein is from both fiscal years 1999 and 2000.

² Six centers (Regions 7, 10, 14, 16, 19, and 20) serve as prime sponsors for federal Head Start projects. During the 1999-2000 school year, these projects received more than \$37.2 million in Head Start revenues. Of that total, Region 7 received \$7.2 million; Region 10 received \$3.8 million; Region 14 received \$0.5 million; Region 16 received \$6.7 million; Region 19 received \$17.4 million; and Region 20 received \$1.6 million. The total revenues associated with the six Head Start projects are included in those centers' financial position and represent 36 percent of the total federal revenues to service centers during fiscal year 2000. Region 14 is the newest center to assume a role in Head Start. Region 14's program for 1999-2000 did not operate for the entire academic year. Program funding at Region 14 is expected to increase considerably in 2000-2001.

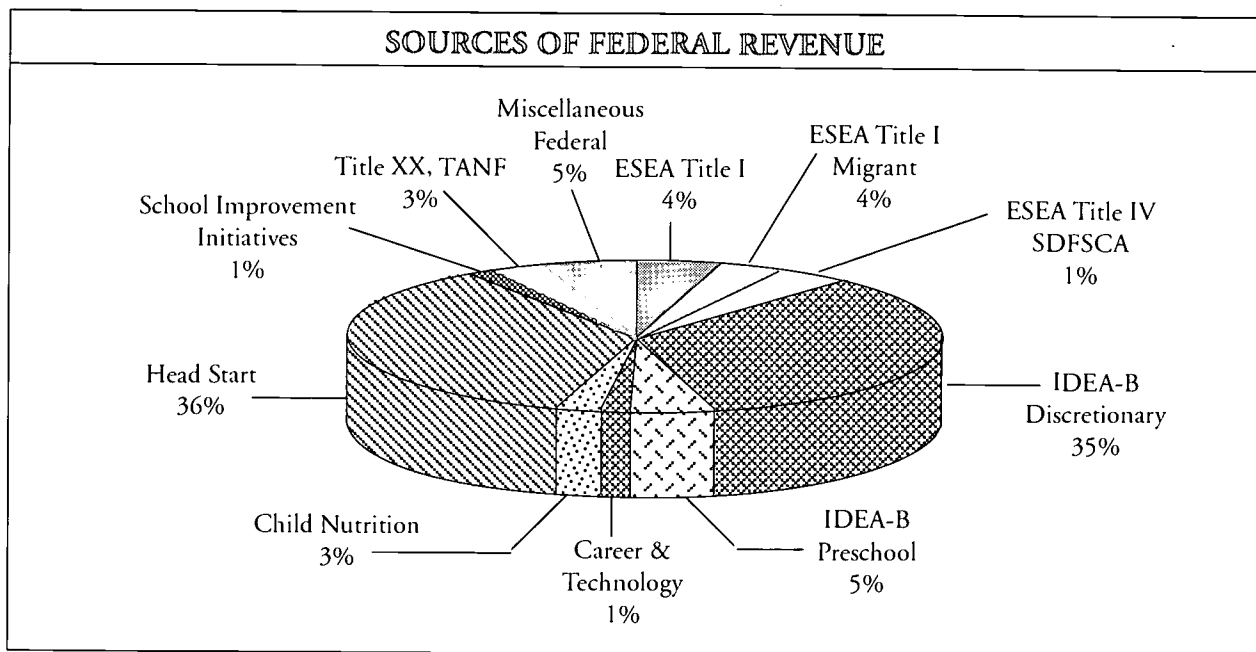
State Revenues: State revenues represent funds flowing from the agency to the centers through several different means. Those means include direct legislative appropriation (TEC Chapter 8 funding); discretionary grants (e.g., School Improvement Initiative); program appropriation (e.g., State Visually Impaired; Pregnancy, Education, Parenting funding); and direct contract (e.g., Texas Integrated Funds Initiative). State funds also flow to the centers through innovative grants funded through provisions in Rider 11 of the 1999 General Appropriations Act. Taken together, direct (state base) and program specific appropriations (e.g. technology; visually impaired) account for 94 percent of the state funding to service centers (contracts with other entities account for the remaining 6%). For 2000-2001 the amount of budgeted state revenues is \$93.7 million (23.4 percent of total revenue).



Among the service center programs funded wholly or in part from state revenues:

- ◇ Accreditation Assistance
- ◇ Adult Education (state)
- ◇ Advanced Academic Services
- ◇ Center Operations
- ◇ Certification Assistance
- ◇ Curriculum and Instructional Support
- ◇ District Effectiveness/Compliance Assistance
- ◇ Field Service Agents
- ◇ Governor's Reading Initiative
- ◇ Media Services
- ◇ Mentor School Program
- ◇ New Teacher Mentoring (TxBESS)
- ◇ PEIMS Support
- ◇ Professional Staff Development
- ◇ Regional Day School for Deaf
- ◇ School Business Operations
- ◇ School Improvement Initiatives
- ◇ Special Education
- ◇ Teacher Recruitment & Retention
- ◇ Technology Preview Centers
- ◇ Technology Services
- ◇ Texas Library Connection
- ◇ Visually Impaired Services

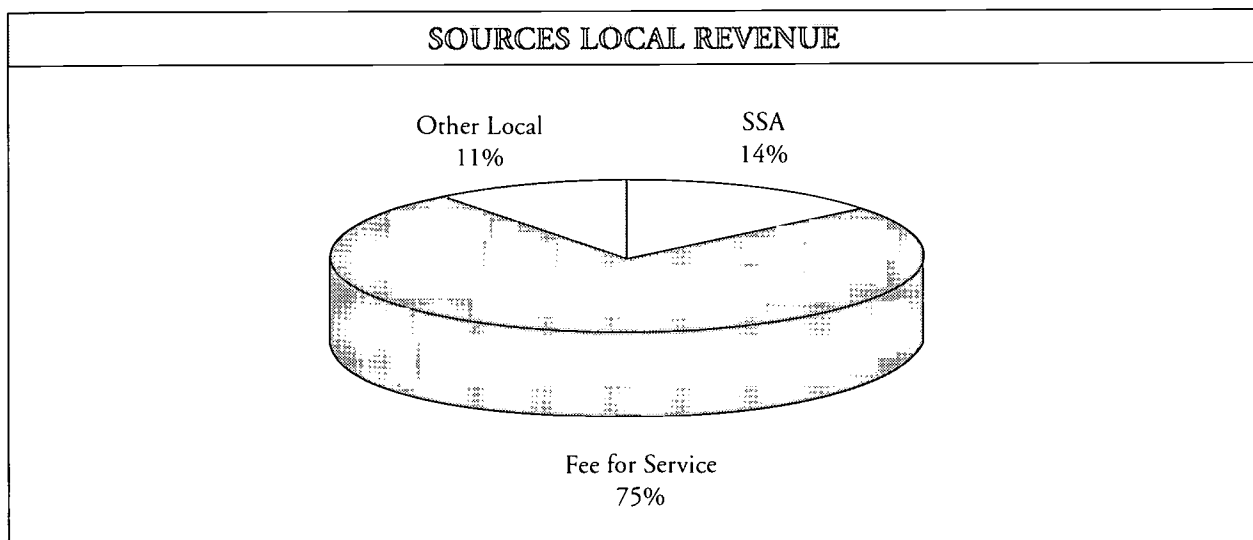
Federal Revenues: Federal revenues represent federal categorical funds flowing through the agency to the centers by formula (e.g., IDEA-B; ESEA Title 1, Migrant) on the basis of an allocation (e.g., ESEA Title IV Safe and Drug Free Schools; Child Nutrition Programs Technical Assistance Funds), and from competitive grants (e.g., Technology Integration in Education Grants). 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). For 2000-2001, the amount of budgeted federal revenues is approximately \$155.0 million (38.76 percent of total revenue).



Among the center programs funded wholly or in part from federal revenues:

- ◇ Adult Education (federal)
- ◇ Career & Technology Education
- ◇ Child Nutrition
- ◇ Early Childhood Intervention
- ◇ ESEA Title I School Improvement
- ◇ ESEA Title I, Migrant
- ◇ ESEA Title II, Eisenhower Math/Science
- ◇ ESEA Title IV Safe & Drug Free Schools
- ◇ ESEA Title VI Texas Reading Initiative
- ◇ ESEA Title VII, Bilingual Education/
English as a Second Language
- ◇ Head Start
- ◇ IDEA-B Special Education
- ◇ Learn and Serve America
- ◇ Project Gear-Up
- ◇ School Improvement Initiatives
- ◇ Stewart B. McKinney Homeless Education Project
- ◇ Technology in Education
- ◇ Title XX of the Social Security Act, TANF
- ◇ Various Federal Funded Cooperatives

Local Revenues: The education service centers have no taxing authority. Participation by school districts in service center programs is strictly voluntary. As a result, service centers must sell their services to school districts, charter schools, and private schools as well as outside individuals and entities to generate additional or local revenue. In large measure, local revenues are generated in three ways: (1) fee-for-service charges to school districts, charter schools, and other such entities, (2) revenues received as a fiscal agent and/or member of a shared services arrangement (SSA), and (3) revenues from other local sources (other public and private entities). For 2000-2001, the amount of budgeted local revenue is \$151.2 million (37.81 percent of total revenue).

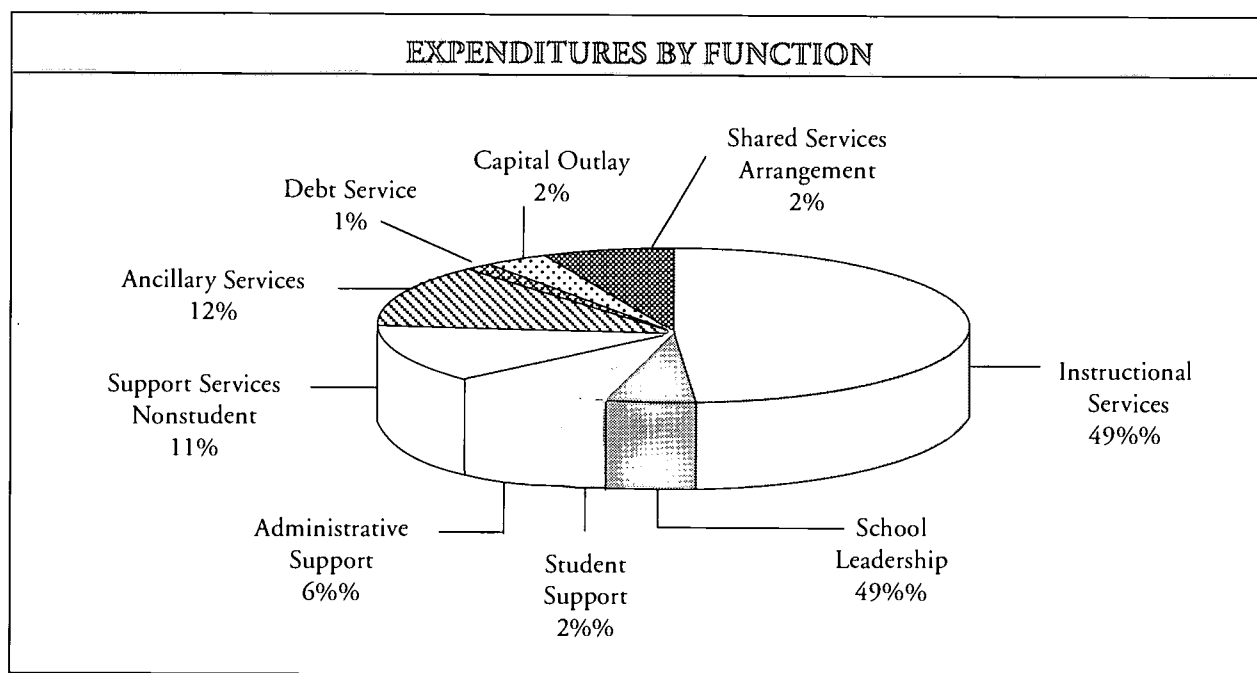


Among the Center programs funded wholly or in part from local revenues:

- ◇ Administrator Training/Leadership Academics
- ◇ Adult Workforce Development
- ◇ Alternative Certification
- ◇ Bilingual/ESL Consortia
- ◇ Bus Driver Training
- ◇ Cooperative Purchasing
- ◇ Criminal Background Checks
- ◇ Curriculum Cooperatives
- ◇ Distance Learning
- ◇ Driver Education
- ◇ Information Services
- ◇ Information/Data Services
- ◇ Instructional Leadership Development
- ◇ Instructional Services
- ◇ Instructional Technology Services
- ◇ Principal Assessment
- ◇ Professional Development
- ◇ School Board Training
- ◇ School Counseling Services
- ◇ School Library Cooperatives
- ◇ School Nurses Cooperatives
- ◇ Special Education Services

Expenditures¹

The education service centers budget, expend, and account for funds within the accounting system delineated in Texas Education Agency's *Financial Accountability System Resource Guide*. The agency's accounting system utilizes multilevel accounting including accounting by fund, function, and expenditure code. Because the education service centers 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 service centers frequently serve as fiscal agents for a large number of school districts in order to increase the districts' buying power. For example, all service centers operate and/or subscribe to various types of purchasing cooperatives. These purchasing cooperatives guarantee member districts greater purchasing power through the economy of scale. Expenditures by function are shown below.



The cost of providing similar levels of services in the different regions also varies by regional economic factors. Certain demographic variables, though not restricted to any one center, determine the cost levels of these similar services. Among the factors influencing these costs are:

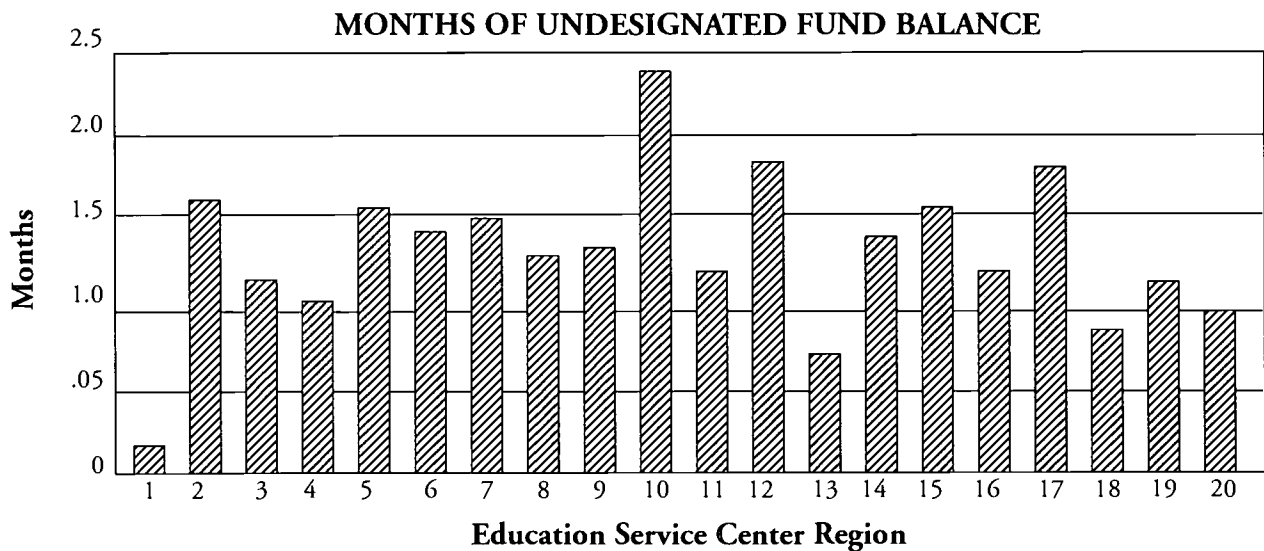
1. geographic size of the region;
2. average daily attendance (ADA) of the region;
3. scarcity and density of districts and campuses within the region;
4. number of districts and campuses served;
5. regional economic conditions; and
6. student population characteristics.

¹ Financial data is from fiscal year 1999. Fiscal year 2000 data will be available after January 2001.

Fund Balance

Balances in the general fund represent accumulated revenues that have exceeded expenditures. Unobligated, undesignated fund balance amounts for each year are calculated from center independent audit reports for the respective year by subtracting approved obligations and reserves. Fund balances of 20 percent of the prior year's expenditures represent approximately 2.5 months of operating expenses. Centers with greater than 2.5 months reserve from operating expenses are subject to reduction in state base funding. At the end of fiscal year 1999, no service center's unobligated, undesignated fund balance exceeded the 20 percent cap; therefore, no center's state funding was reduced in 1999-2000 for excess fund balance.¹

Beginning in 1998-1999, the Texas Education Agency and the education service centers began a reconsideration of the method used to calculate fund balances. At that time, the approved method of determining the unobligated, unreserved 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 ESC 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 a commitment by the ESCs that by no later than August 31, 2001, the centers would reduce their fund balances to less than 20 percent of the total expenditures in the general fund. (NOTE: Recently submitted, though unaudited, information from all 20 service centers indicates that the centers met that obligation on August 31, 2000.)



¹ Unlike school districts, ESCs have no local taxing authority. In order to provide for a physical plant, plant operation, maintenance, renovation, self-insurance, and the like, ESCs must maintain fund balances.

Services

Services provided by the education service centers to school districts, charter schools, administrators, teachers, and other entities are of six major types: 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 chief purpose of all of these services is the improvement of student performance.

The list of services provided below is not comprehensive, but demonstrates the breadth of services provided by the ESCs in school year 1999-2000.

Core Services (Section 8.051):

- ◆ Training and technical assistance in teaching reading, mathematics, writing, social studies and science.
- ◆ Training and technical assistance to programs of special education, compensatory education, bilingual education and career and technical education.
- ◆ 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 the state or federal special education requirements, based on the agency's most recent compliance review of the district's special education programs.
- ◆ Assistance in complying with state laws and rule.

Decentralized Agency Functions:¹

State Leadership Functions

- | | |
|---|-----------------------|
| ◆ 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 |

¹ As of September 1, 2000, Texas has 1,229 school districts. Of that number, 173 are charter schools.

Statewide Special Projects

- ◆ Autism Region 2
- ◆ Effectiveness Study Region 11
- ◆ Technical Assistance and Training Functions for Visually-Impaired Programs Region 11

Other Special Education Functions

- ◆ Child Find All Regions
- ◆ Non-Educational Community-Based Support Services All Regions
- ◆ Speech-Language Pathologist Training 15 Regions
- ◆ Visually Impaired Preparation Program 128 Students

Regional Technical Assistance

- ◆ IDEA-B Formula Programs All Regions
- ◆ IDEA-B Preschool Programs All Regions
- ◆ Visually Impaired Programs All Regions

General Education/Special Populations:

State Leadership

- ◆ Elementary, Middle, & High School Mentor Network Region 13
- ◆ Health & Physical Education Center for Educational Development Region 15
- ◆ Human Immuno-Virus Education Region 10
- ◆ Learn and Serve America Region 14
- ◆ Minority Teacher Recruitment Region 1
- ◆ Pregnancy, Education, and Parenting Region 20
- ◆ Social Studies Center for Educator Development Region 6
- ◆ Stewart B. McKinney Homeless Education Project Region 10
- ◆ Techlinx Region 5
- ◆ Title I, Migrant MSRTS Training Region 1
- ◆ Title IV, Safe and Drug Free Schools Region 2
- ◆ Troops to Teachers/Texas Military Initiative Region 13

Regional Technical Assistance

◆ Career and Technology Education	All 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

Administrative Support for Schools:¹

◆ Administrator Training	All Regions
◆ Cooperative Purchasing	1,214 Districts
◆ District Effectiveness and Compliance Technical Assistance	253 Districts
◆ Field Service Agents	67 Districts
◆ General Administrative Support	724 Districts
◆ Local Liaison to Community Resource Coordination Groups	All Regions
◆ Mainframe Data Processing Services	
• Student Record	115 Districts
• Financial Accounting	122 Districts
• Personnel	62 Districts
◆ Microcomputer Data Processing Services	
• Student Records	642 Districts
• Financial Accounting	601 Districts
• Personnel	531 Districts
◆ Personnel Services	406 Districts
◆ School Board Member Training	All Regions
◆ School Bus Driver Training	
• Initial Course	8,512 Drivers
• Refresher Course	13,080 Drivers
◆ School Nurse and Librarian Cooperatives	8 Regions
◆ Teacher Certification Emergency Permits Issued	12,175 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.

Instructional Support for Schools¹

Fiscal Agent for Federal Programs Shared Services Arrangements

- ◆ Career & Technology Consortia 215 Districts
- ◆ Title I, Migrant Education 288 Districts
- ◆ Title II, Mathematics & Science 849 Districts
- ◆ Title IV, Safe and Drug Free Schools 730 Districts
- ◆ Title VI Education Programs 249 Districts

Professional development in the areas of

- ◆ 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

Direct Student Instruction

- ◆ Adult Education Programs 15,134 Students
- ◆ Early Childhood Intervention (ECI) 1,980 Clients
- ◆ Head Start 8,022 Students
- ◆ Instruction for Visually Impaired 84 Students
- ◆ Juvenile Justice Alternative Education Programs 7 Districts
- ◆ Orientation/Mobility Instruction 196 Students
- ◆ Regional Day School for the Deaf Regions 13, 15

Other Locally Determined Services

- ◆ Alternative Certification Programs 1,828 Certificates
- ◆ Driver Education 11,800 Students

¹ This list 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.

The education service centers also provide services to all of the 163 currently operating charter schools in the state. (NOTE: There are 173 authorized charter schools in 19 of 20 education service center regions; some are not operating.) Services, which are available to school districts and campuses, include professional development, instructional and instructionally-related services, and financial and administrative support, are also available to the charter schools. As with school districts, charter schools may choose the education service center(s) from which they receive services.

The State Board of Education issues charters, which fall into two basic categories: Open Enrollment Charter Schools and 75% Rule At-Risk Charter Schools. The table to the right provides a region-by-region comparison of the numbers and types of charter schools, which have been approved for each education service center region.

In addition to school districts and charter schools, service centers provide services to private schools in each region.

ESC REGION	OPEN ENROLLMENT	AT-RISK	TOTAL
1	6	4	10
2	7	0	7
3	0	0	0
4	27	16	43
5	1	3	4
6	3	2	5
7	3	3	6
8	0	1	1
9	1	0	1
10	21	8	29
11	5	4	9
12	6	1	7
13	14	2	16
14	0	1	1
15	0	1	1
16	0	1	1
17	4	1	5
18	2	1	3
19	2	2	4
20	15	5	20
TOTALS	117	56	173

Accountability

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 centers.
- ◇ 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.

Effectiveness of Services

Two measures of the effectiveness of center services are provided: student achievement and client satisfaction appraisal.

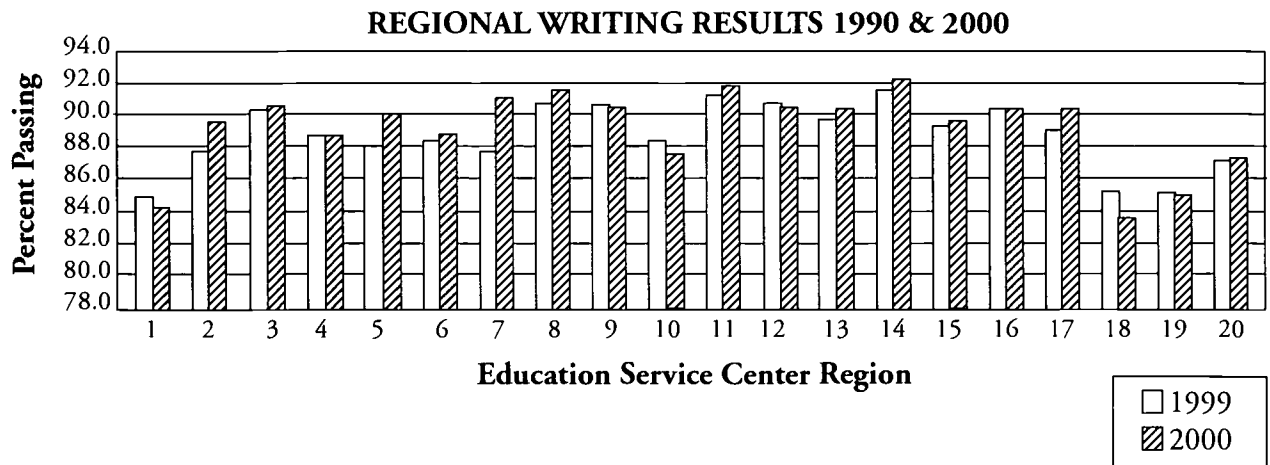
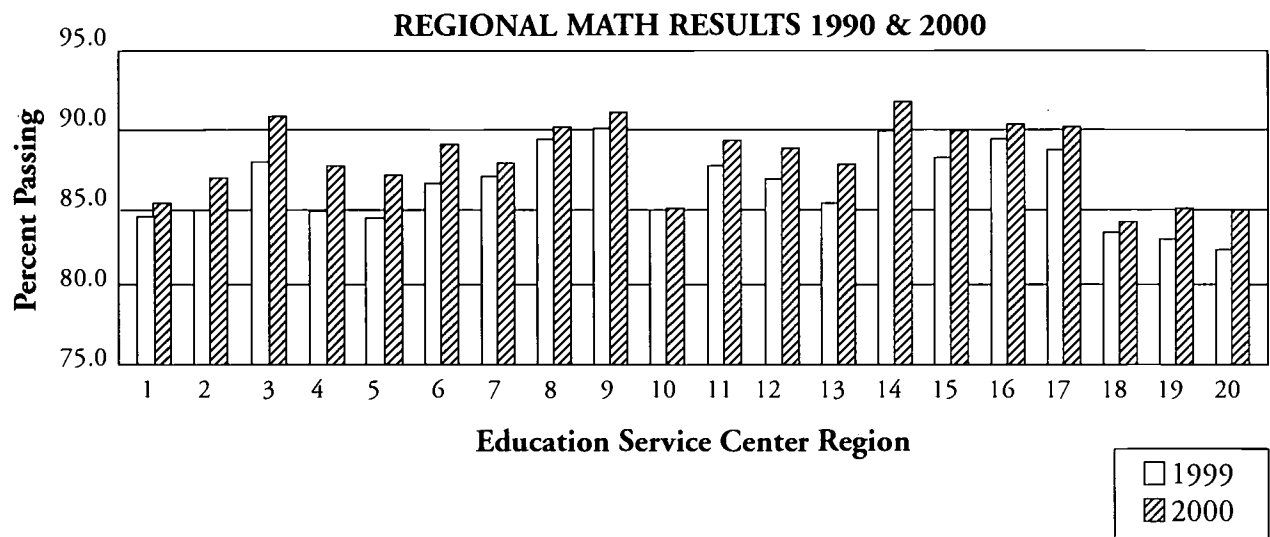
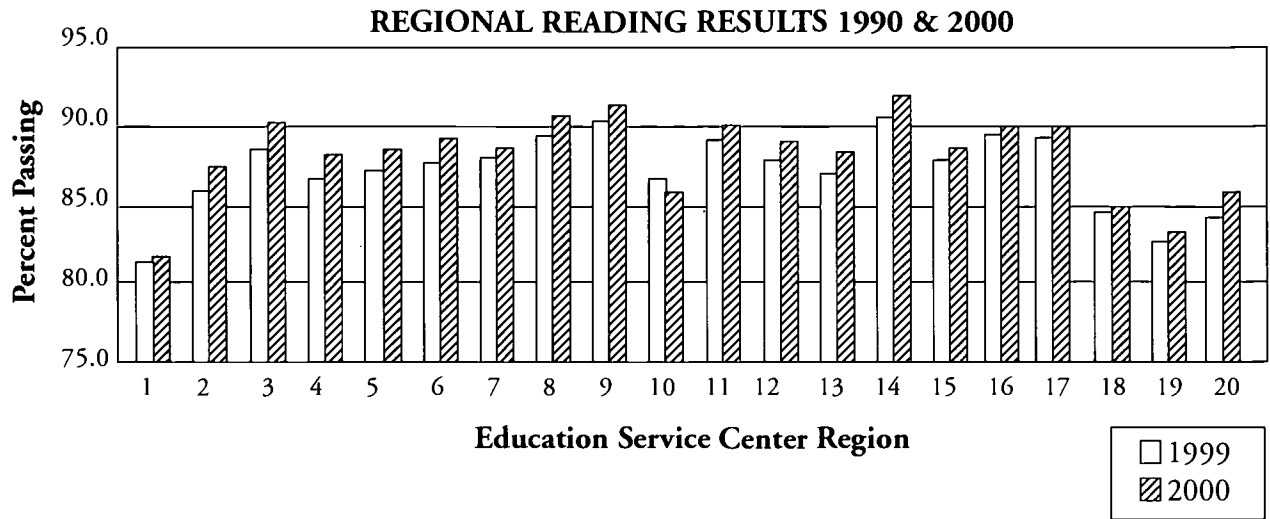
Student Achievement. The Texas Education Agency's accountability system uses three basic measures of student performance: the percent of students passing the TAAS, the student dropout rate, and the student attendance rate. These same measures are also applied to the regional education service centers.

Additionally, it is important to understand that the regions echo the diversity of school-district student population. The following table provides a limited view of that regional diversity:

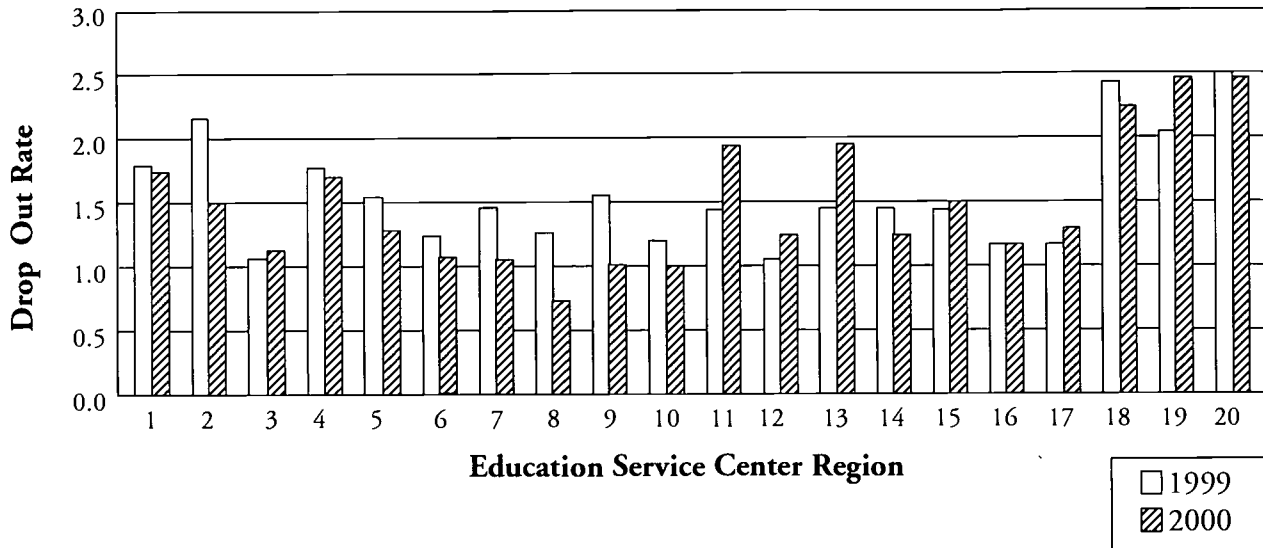
ESC REGION	REGIONAL ADA	NUMBER CAMPUSES	PERCENT AFRICAN AMERICAN	PERCENT HISPANIC	PERCENT WHITE	PERCENT OTHER	PERCENT ECONOMICALLY DISADVANTAGED
1	267,474.585	431	0	95	4	0	81.5
2	102,436.917	245	4	65	30	1	56.0
3	53,374.572	155	11	41	46	1	49.1
4	775,857.247	1,111	22	35	38	5	45.2
5	81,043.850	171	31	6	60	3	45.6
6	121,840.052	261	15	16	68	1	40.6
7	152,020.473	402	22	11	65	2	44.4
8	52,006.899	152	24	8	68	1	46.8
9	39,315.369	123	8	15	75	2	41.2
10	516,222.001	907	21	27	47	4	41.6
11	361,325.765	679	13	19	65	4	31.7
12	124,485.895	341	23	19	57	2	47.8
13	243,409.274	450	10	32	55	2	37.3
14	46,698.330	164	6	25	67	1	47.3
15	49,164.955	214	3	46	50	1	52.0
16	72,986.175	221	5	32	60	2	44.9
17	76,037.791	239	8	47	44	1	54.2
18	76,070.415	186	5	50	44	1	52.1
19	140,199.670	204	3	84	12	1	71.2
20	293,509.009	572	7	63	29	1	61.4
State Totals	3,645,479.244	7,228	14	39	44	3	48.5

¹ ADA Data for this chart is audited 1998-99 ADA. Other data are taken from *Snapshot'99: 1998-99*.

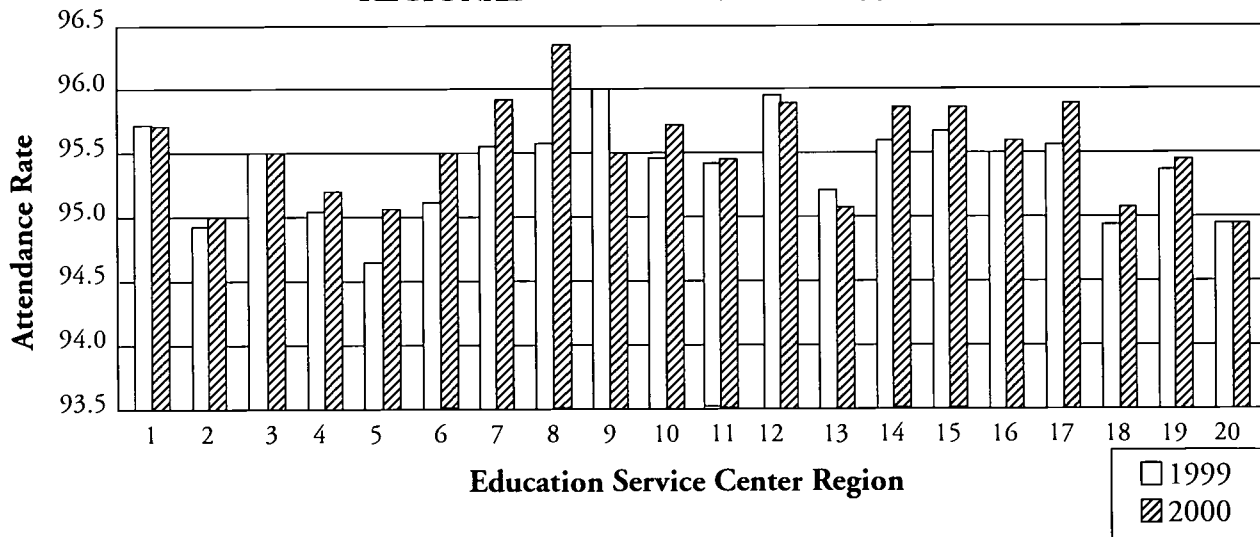
The following charts display on a regional basis the latest data from the 1999 and 2000 Accountability Data Tables Base Indicators.



REGIONAL DROP-OUT RATE 1990 & 2000



REGIONAL ATTENDANCE RATE 1990 & 2000



Client Satisfaction: Until 1998, the annual client satisfaction measure consisted of the results of a standard survey of school superintendents conducted for the agency by each center. As a result of the reauthorization of the education service centers by the 75th Texas Legislature, the Legislature directed the Commissioner of Education to “...develop a uniform system for regional education service centers... to provide information on client satisfaction with services...” (Section 8.102).

During the 1997-1998 school year, the Commissioner entered into a contract with the Texas Center for Educational Research to develop and pilot a survey of district superintendents, classroom teachers, and school principals from campuses that had received an accreditation rating of Low Performing. Following a review and improvements to the system based on the findings in the pilot project, the Commissioner implemented the survey as an annual practice beginning in the spring of 2000.

The Texas Center for Educational Research (TCER) has conducted an evaluation of clients of Texas regional education service centers. Results represent the opinions of 753 superintendents (72 percent return rate), 2,999 teachers (57 percent return rate), and 378 principals (38 percent return rate). Individuals from all 20 Texas ESC regions responded to the survey. The majority of respondents have at least four years experience as educators in Texas public schools.

Superintendents' Responses: Overall, the superintendents are quite pleased with ESC Staff members and their services, assistance, and support they provide. For example, for all types of ESC services 70 percent or more gave one of the two highest satisfaction ratings. This finding is not surprising in view of the strong satisfaction ratings with the ESC administrators. While a small percentage of superintendents reflected some dissatisfaction with various aspects of service center operations, a more positive impression of those operations was dominant by far. The following three summary tables provide a view of superintendent responses regarding ESC support for regular education programs, special populations, and ESC assistance, training, and services.

	NUMBER OF SUPERINTENDENTS	PERCENT RATING SATISFIED OR VERY SATISFIED
Reading/Language Arts	747	81.8
Mathematics	740	77.3
Social Studies	740	71.3
Science	739	74.3

	NUMBER OF SUPERINTENDENTS	PERCENT RATING SATISFIED OR VERY SATISFIED
Special Education	740	84.2
At-Risk/Compensatory	740	77.7
Bilingual/ESL	694	78.7
Advanced Academics	740	74.8

	NUMBER OF SUPERINTENDENTS	PERCENT RATING SATISFIED OR VERY SATISFIED
Efficiency of Operations	731	79.1
Instructional Technology	745	74.9
PEIMS	740	81.9
Network/Telecommunications	723	74.2
Texas Statewide Initiatives	745	79.1
Federal and State Regulations	750	81.2
Improve Student Performance	746	75.9
School Board Training	748	82.0

Principals' Responses: Most principals are very satisfied with the services offered by the ESC to support programs for core subjects and special populations. In fact, they were most satisfied with the services and training provided for special education, as well as the services in the staff development area. There was some dissatisfaction expressed with the scheduling of workshops and their logistics as well as with a perceived lack of responsiveness at times by ESC staff members. Those concerns were expressed by few in number, and are overshadowed by the majority of the responses being quite positive. The following summary table provides a view from principals of low-performing campuses regarding ESC services and training to support educational programs, while the 2nd summary table provides their responses regarding ESC services in general:

	NUMBER OF PRINCIPALS	PERCENT RATING SATISFIED OR VERY SATISFIED
Reading/Language Arts	360	74.2
Mathematics	359	71.0
Social Studies	352	52.6
Science	349	57.6
Special Education	359	74.9
At-Risk/Compensatory	350	63.5
Bilingual/ESL	337	57.3
Advanced Academics	345	60.5

	NUMBER OF PRINCIPALS	PERCENT RATING SATISFIED OR VERY SATISFIED
Campus Planning	336	62.5
PDAS	346	80.9
Implementation of TEKS	358	67.0
Curriculum Alignment	355	63.4
Leadership Training/Development	363	74.4
Improving Student Performance	357	61.1
New Teaching Methods/Strategies	358	59.2
Computer Network/Telecommunications	335	63.0
Use of Technology	346	65.0
Discipline Management/Conflict Resolution	351	57.3
Safe and Drug Free School	331	56.5

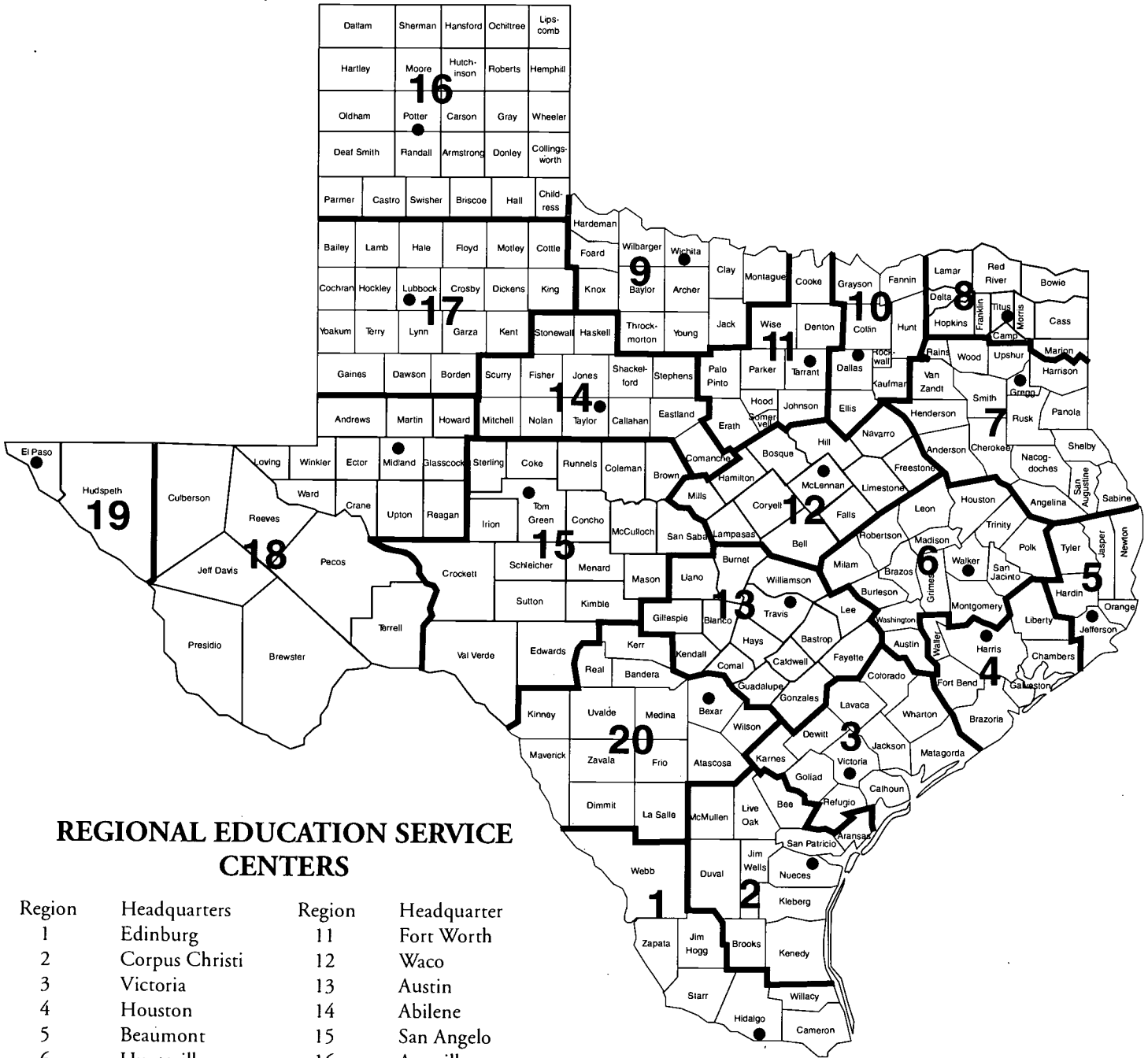
Teachers' Responses: Teachers indicated their support and strong need for ESC professional development and technical assistance services. They also expressed their strong need for ESC assistance in the core subject areas such as reading/language arts and for programs dealing special-needs children. Teacher responses were not as effusive as the superintendents' and principals', perhaps because of the teachers' more narrow perspective. Their concern centered on issues such as content, quality, and cost of professional-development activities. However, they expressed strong need for more training and assistance, especially in core subjects and special populations, evidence that they supported the training being offered. The following summary tables provide a view of teacher responses for ESC services and training to support educational programs, and ESC services in general:

	NUMBER OF TEACHERS	PERCENT RATING SATISFIED OR VERY SATISFIED
Reading/Language Arts	1715	67.6
Mathematics	1532	66.0
Social Studies	1041	50.8
Science	1197	57.0
Special Education	1368	64.4
At-Risk/Compensatory	1201	56.1
Bilingual/ESL	950	55.0
Advanced Academics	1525	64.3

	NUMBER OF TEACHERS	PERCENT RATING SATISFIED OR VERY SATISFIED
Implementation of TEKS	1797	62.9
Curriculum Alignment	1587	56.4
Campus Planning	1251	51.7
PDAS	1401	59.2
Improving Student Performance	1705	60.3
New Teaching Methods/Strategies	1758	61.5
Use of Technology	1773	64.0
Discipline Management/Conflict Resolution	1398	54.0
Safe and Drug Free Schools	1194	53.1

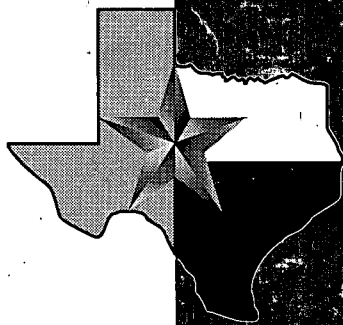
In addition to the Client Satisfaction Survey, each regional education service center undertakes a client survey of its own. These surveys are particular to each center and ask questions directly related to that center's programs and operations. The results of those surveys are available from each service center.

Regional Education Service Centers Map



REGIONAL EDUCATION SERVICE CENTERS

Region	Headquarters	Region	Headquarter
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	Mt. Pleasant	18	Midland
9	Wichita Falls	19	El Paso
10	Richardson	20	San Antonio



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