

## Select Committee on Public School Accountability

Texas Pilot Program - Public School Accountability System - Education Resource Group

### Senate Bill 1031

Subchapter A

The Select Committee on Public School Accountability was established to conduct a comprehensive review of public school accountability. In conducting its review, the committee shall study the mission, organizational structure, design, processes, and practices of similar accountability systems in other states and the requirements established by federal law.

### A Call to Action

Public education is facing a difficult challenge - increasing the quality of the services provided while reducing the cost of delivering those services. Most would agree that these challenges will intensify and become more complex in the future. The best way of dealing with this challenge is with better information in the hands of enlightened leaders.

Excellence in public education must be one of the highest priorities of local, state, and federal governments. Prior to the 2003 legislative session, Governor Perry, Lt. Governor Dewhurst, and Speaker Craddick offered a practical definition of accountability when they instructed the Joint Committee on Public Education Finance to:

*"... identify, and investigate, those practices that contribute to both high academic performance and cost-effective operations."*

The essence of accountability is its ability to identify those organizations whose performance warrants recognition as "Best Practice" organizations and, in the process, reveals the performance of all organizations. The Select Committee on Public School Accountability has a call to review and improve public education accountability. The accountability system must serve its stakeholders by offering transparency and guidance. This means that the public, legislators, business leaders, and educators must easily understand and interpret the system's performance measurements and, the system must offer guidance for continuous improvement of academic and financial performance.

### Pilot Accountability Program

When public policy fails, people become disappointed and look for alternatives. A pilot accountability program would: provide a fast and affordable opportunity to implement a fully-functional, web-based alternative to the current accountability system; create a learning environment for members of the Select Committee; and, start addressing the data collection and quality concerns. The pilot accountability program would:

- Provide access to the system, and education and training, for the 200 largest school districts.
- Use a parallel accountability system which would include those districts that are rated at the top half of both the academic and financial performance ratings.
- Improve the quality and timeliness of the data used in the analyses. The major complaints that we get from our clients are:
  - a. The financial and staffing data is inconsistent or inaccurate.
  - b. The information is provided 6 to 9 months after the fact which makes it less actionable.
- Review, and refine, the elements of the Academic and Financial Performance Indexes.
- Include regional information meetings on the pilot accountability system to build public support.
- Use the **Desktop Analyst Series** so that the pilot accountability program can commence immediately.
- Be sanctioned by the State - experience with the present accountability system demonstrates that public education in Texas does pay attention, and respond, to how they are being evaluated and rated.

### Funding a Pilot Program:

The State, the business community, and school districts all have a stake in the outcome of the accountability effort. Everyone should have a "chip in the game" so the funding for a pilot program should be shared among the stakeholders.

- Education and training services would be funded by any of the school districts enrolling in the program.
- Software and support would be funded by the business community.
- The State would provide funding for the public information program.

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### **Problems and Pitfalls to Avoid**

Establishing and implementing accountability through performance measurements is an in-depth and continuous process. As a result, it is very easy for the participants to get caught up in the process of developing and perfecting the process. When this preoccupation occurs, the original intent of improving the performance of the public education system takes a back seat while participants occupy themselves in designing and redesigning the system. As outlined in the National Performance Review of the Government Performance and Results Act of 1993, typical environmental barriers to successful accountability include:

- Organizational biases focus the effort on areas targeted for their particular gain which destroys the trust and credibility that are key ingredients in accountability. Accountability requires transparency and transparency means openness.
- Commitment is crucial to establishing the accountability environment. Without it, performance results will fall short of expectations.
- Optimal performance can not be achieved without the resources required to do the work.
- Performance information must be complete, credible, and it must be reported in a timely manner to have sustainable impact.
- Evaluate all districts with consistent performance measurements and the same accountability rules.
- Identify best practices based on proven results so that popular practices are not confused with best practices.
- Accountability is a means to a goal and not the goal itself. The goal is to improve student academic achievement and operating efficiencies - again, a practical definition for value-added public education.

It is inevitable that there will be resistance to the performance measurement process, usually during the development phase. It is human nature because, by its very nature, performance measurements will expose weaknesses in organizational performance - it will also expose previously unknown strengths in organizational performance. A good accountability system is the only way to demonstrate good performance and sustainable public impact to help justify programs and their costs.

Given the relatively short period of time that the committee has to complete its review, it must keep its eyes on the goal and not confuse activity with accomplishment. Remember that systems developed by committees are like two elephants making love: all the activity goes on at a high level; a lot of dust gets kicked-up; and, it takes years to see the results.

With so much at stake, time is of the essence. The following will outline how the Pilot Accountability Program can be implemented in a time-frame consistent with the Select Committee's deadline for reporting its findings and recommendations. We would look forward to the opportunity of working with the select committee members in helping to advance public education accountability in Texas for the benefit of all Texans.

### **Background**

People with many years of experience in the industry do not understand the relationship between expenditures and academic performance. Based on our review of the 200 largest school districts, representing more than 80% of the total enrollment in Texas, the following statistics can help put this issue into perspective:

- Between the 2002-2003 and the 2005-2006 school years, the percent of non-economically disadvantaged students meeting the state standard (at panel recommendation) on the TAKS tests rose from 68.6% to 88.4%
- During this same period of time, the incremental cost of educating an economically disadvantaged student increased from \$ 920 to more than \$ 1,652 - an increase of more than 79.5%.
- During this same period of time, economically disadvantaged students had a consistent 43% gap in the percent meeting panel recommended pass rates on the TAKS tests.
- During this same period of time, economically disadvantaged students were 17% less likely to graduate in 4 years when compared to their economically advantaged counterparts.
- During this same period of time, the gap of economically disadvantaged students SAT mean scores increased from 241 to 252 points.

With more than 2.0M economically disadvantaged students in the 2005-2006 sample group, this results in an annual incremental cost of more than \$1.48B with no corresponding reductions in some important academic performance gaps.

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Looking at key performance categories, our analysis of the 2005-2006 performance variances (after adjusting for the local characteristics of the school districts in our sample group) would be:

<b>Performance Metric</b>	<b>Best</b>	<b>Worst</b>	<b>Gap</b>
Pass Rates at Panel Recommendation	13.5	( 22.6)	36.1
Graduation Rates	10.9	( 12.3)	23.2
SAT Mean Scores	176.2	( 143.6)	319.8
ACT Mean Scores	3.3	( 3.1)	6.4
Instructional Services Efficiencies	( 930)	1,667	2,597
Leadership Services Efficiencies	( 202)	342	544
Student Support Services Efficiencies	( 676)	819	1,495
Non-Student Support Services Efficiencies	( 473)	579	1,052
Total Operating Services Efficiencies	( 1,801)	2,377	4,178

To be effective, the accountability system must: document the progress towards achieving established academic and financial objectives; and, align the business functions by justifying programs and their related expenditures. In other words, it must synthesize the data that has been collected in PEIMS (at great public expense) so that organizations can make informed decisions about what has happened, how and why what happened might vary from what was expected, which organizations are doing well and can provide models of performance, and what corrective action might be required.

Comparative analyses, through a limited set of core measurements, can help identify “Best Practice” organizations to establish performance standards and motivate performance improvements. An accountability system must answer three simple questions regarding academic and financial performance:

- How well is each organization doing relative to other organizations in its industry?
- Where are performance improvements necessary?
- What is the progress in achieving the targeted performance improvements?

As illustrated in our Accountability Matrix, the current accountability systems are providing little useful information that helps identify “Best Practice” performance models among the 200 largest Texas public school districts:

<b>Academic Rating System</b> (2006-2007 School Year)	<b>Level 4</b>	01			
	<b>Level 3</b>	175	05		04
	<b>Level 2</b>	13			
	<b>Level 1</b>	02			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>

**Financial Integrity Rating System**

(2005-2006 School Year)

When 92.0% of the 200 largest school districts are rated academically acceptable and 95.5% are rated financially exemplary, there is not enough differentiation in academic or financial performance to spread the field and identify models that the 175 districts “in the box” can use to develop a break-out strategy. Few accountability systems designers would develop a system where 87.5% of the organizations being evaluated would fall into 1 of 16 possible rating categories.

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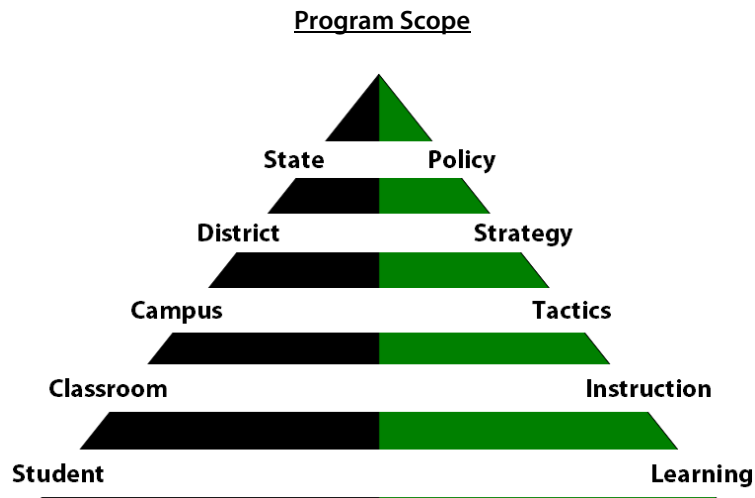
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Using widely accepted statistical tools, modern operational analysis techniques, and consideration for the local characteristics of each of the 200 districts in our sample group, our Accountability Matrix in the **Desktop Analyst Series** paints a very different picture of performance ratings:

Academic Performance Index (2006-2007 School Year)	Level 4	17	15	09	09
	Level 3	19	06	16	09
	Level 2	07	17	14	12
	Level 1	07	12	11	20
		Level 1	Level 2	Level 3	Level 4

**Financial Performance Index**  
(2005-2006 School Year)

Improvement strategies now become more apparent to all participants. Remembering that the participant’s relative performance is constantly changing, when a district locates itself in the Matrix, it should study the performance of those districts one box to the left and one box below them. Employing the concept of value-added in education, those districts in the “Green Box” are providing the highest academic results at the lowest cost.



The Education Resource Group has worked with public school districts to integrate the concept of academic performance and effective use of resources as a basis for performance management in public education. In 2002, we developed the **Desktop Analyst Series** of web-based performance management software that was based on the guidelines of The Baldrige Criteria for Performance Excellence in Education and the Government Performance and Results Act of 1993 (National Performance Review). A partial list of districts using the **Desktop Analyst Series** as part of their performance evaluation and improvement strategy include: Aldine, Amarillo, Conroe, Hurst-Euless-Bedford, La Porte, Montgomery, North East, Northside, Spring, and Spring Branch.

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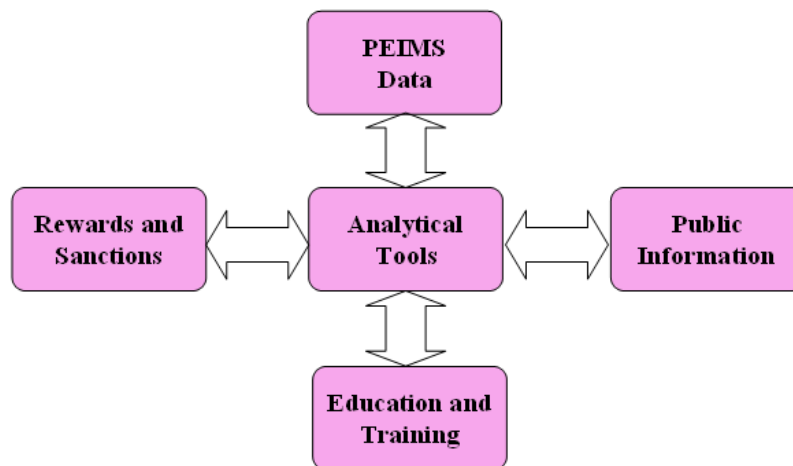
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Implementing an integrated accountability system is a top-down process and must begin with state policy makers, regulators, and senior district staff while maintaining consistent measurement methodologies and reporting protocols when expanding accountability to the district, campus, classroom, and student levels. The “heart and soul” of accountability are performance measurements that define what data must be collected, analyzed, reported, and ultimately used to make sound policy and operating decisions. Employing a top-down implementation strategy, the pilot program would focus on the deployment of the **Policy Analyst Module**:

<b>The Policy Analyst Module</b>	
<b>Users:</b>	State Administrators, Legislators, and Regulators District Board Members and Senior Administrators Educational Services Centers and Other Interested Third Parties
<b>Purpose:</b>	Macro-analysis of academic, financial, and staffing and compensation performance Provide a framework for defining performance and setting standards Adjust for student demographics and regional cost variations to provide a “level playing field” Measure organizational performance relative to industry peers Identify “Best Practice” organizations based on their academic and financial performance Evaluate performance gaps relative to the “Best Practice” organizations Prioritize areas that should be targeted for performance improvement Evaluate progress in closing the targeted performance gaps
<b>Metric Categories:</b>	Student and teacher demographics Academics Finances Staffing and compensation
<b>Analytical Tools:</b>	Performance profile, progress, and comparison reports for multiple years Longitudinal analysis to evaluate performance and trends over time Correlation charts to examine the relationship between metrics used in the module Accountability Matrix and Performance Matrix to prescribe areas for performance improvements Criterion based search to identify all organization meeting the specified criterion

A pilot accountability program must focus on five (5) core implementation issues:

- The consistency, accuracy, and timeliness of the data used as the basis for all the system’s performance analyses.
- The availability of easy-to-use yet comprehensive analytical tools for the analysis and interpretation of the data.
- Education and training in the use and interpretation of the analyses to make more informed decisions.
- Development of a compliance program including rewards and sanctions.
- An information program to educate the general public about alternative accountability systems.



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The **Policy Analyst** is a set of analytical tools designed to make performance analysis easier, faster, more comprehensive, and uniform across organizations. Using the PEIMS database, these tools help to identify performance trends and changes in program effectiveness. Based on our experience, education and training services will be the critical path in getting a performance-based management system up and running with the desired results in the shortest period of time. All participants should be required to complete the following basic training before receiving access to the system:

<b>Basic Training for the Policy Analyst</b>	
<b>Class Size:</b>	Maximum of 12-15 participants.
<b>Objective:</b>	Participants will develop: 1. Familiarity with the database sources and their content. 2. A basic knowledge of major system components and reports. 3. An understanding of the use of Peer Groups in performance analysis. 4. The ability to conduct simple criteria-based searches. 5. Skills for creating and maintaining user-defined Peer Groups.
<b>Requirements:</b>	Access to a computer and the Internet.
<b>Duration:</b>	A three (3) hour session with one 15 minute break.

After completing the basic training module, participants can get an account and password and start using the software. It is strongly recommended that advanced education and training be provided in operational analysis techniques to help make the system's users more proficient in the use of the system as a diagnostic tool. The advanced modules available are:

<b>Statistical Concepts for Public Education</b>	
<b>Class Size</b>	Maximum of 20 participants.
<b>Objective</b>	Participants will develop the following knowledge and skills: 1. Regression analysis in performance analysis. 2. Statistical concepts of distribution. 3. Momentum indicators as a measurement tool. 4. Exercises using regression analysis to examine relationships between variables
<b>Requirements</b>	Access to a computer and the Internet.
<b>Duration</b>	A three (3) hour session with one 15 minute break.

<b>Administrator's Toolbox with Case Studies</b>	
<b>Class Size</b>	Maximum of 12-15 participants.
<b>Objective</b>	Participants will develop the following knowledge and skills: 1. Defining academic and financial "Best Practices". 2. ERG Accountability Matrix. 3. Practical use of the search function. 4. Review case studies in academics, finance, and staffing and compensation.
<b>Requirements</b>	Access to a computer and the Internet.
<b>Duration</b>	A three (3) hour session with one 15 minute break.

### **Conclusion**

Accountability is about putting public education performance information in the hands of users educated in the use and interpretation of that information. The most powerful force for change and improvement in Texas public education is new, better, and timelier information in the hands of enlightened leaders.

Remember, what gets measured will improve! Testimony during the last legislative session demonstrated broad support for major changes to the current accountability system. Whether we agree with the methodologies used in the current accountability system or not, it is obvious that the public education industry pays attention and responds.

If it is true that excellence in public education must be one of the highest priorities of local, state, and federal governments, the work of this committee becomes even more important. The results of this committee's work can have a profound affect on the economic future and the quality of life in Texas for many years to come.

# Accountability and Performance Management in Public Education

Presented by Timothy M. Tauer and Paul T. Haeberlen

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**"... to identify those organizations whose practices contribute to high academic achievement and cost-effective operations"**

*Governor Perry - Lt. Governor Dewhurst - Speaker Craddick*

**Reveal the truth about performance in Texas public education**

**Everyone is entitled to their own opinions but not to their own facts**

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## Accountability Models:

- Baldrige National Quality Program
- National Performance Review (GPRA of 1993)

## Qualities of Leadership:

- Leaders are determined by their relative performance
- Leaders continuously improve their performance

## Identify Leaders Using Diagnostic Tools to:

- Measure what actually happened - seeking the truth
- Determine how that varied from what was expected
- Prescribe strategies for improving performance
- Evaluate those strategies - what works and what does not

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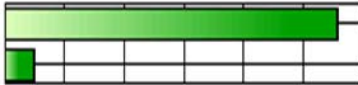
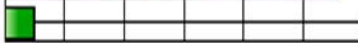
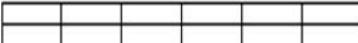


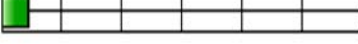

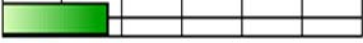


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### Academic Growth of the 200 Largest Public School Districts

	<u>2000</u>	<u>2006</u>	<u>Growth</u>	
01 Met Standard on Achievement Tests .....	41.7	65.0	55.8%	
02 Completion Rate .....	87.5	91.9	5.0%	
03 SAT Mean Total Scores .....	990	991	0.1%	
04 ACT Mean Composite Scores .....	20.3	20.1	-1.0%	
05 AP/IB at or Above Criterion Scores .....	54.0	51.3	-5.0%	
06 Advanced Course Credit .....	20.1	21.0	4.5%	
07 Total Enrollment .....	3,152,357	3,598,709	14.2%	
08 Consumer Price Index .....	158.3	186.5	17.8%	

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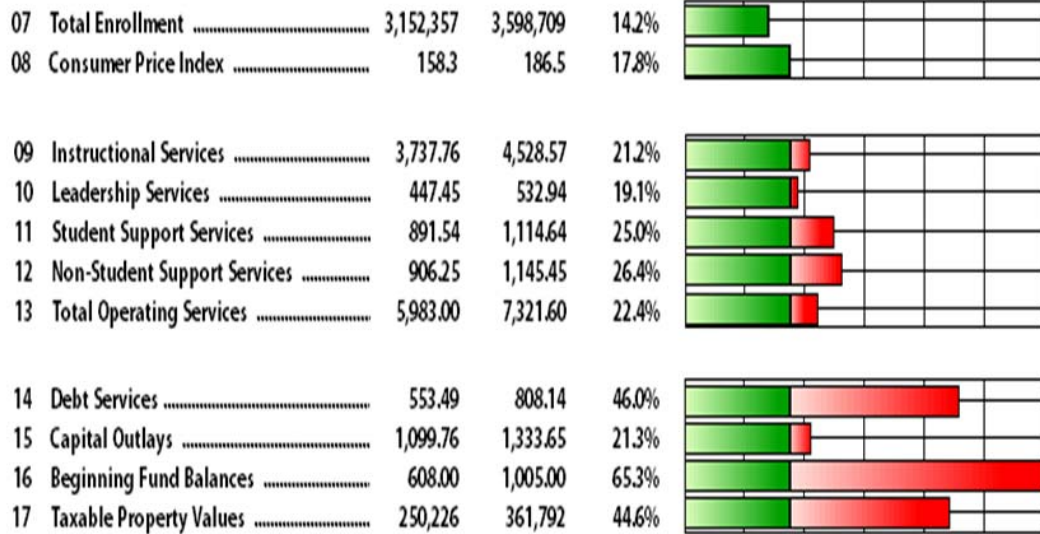
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### Financial Growth of the 200 Largest Public School Districts



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## Current Accountability Systems in Texas

### Academic Rating System

(2006-2007 School Year)

	Level 1	Level 2	Level 3	Level 4
Level 4	01			
Level 3	175	05		04
Level 2	13			
Level 1	02			

### Financial Integrity Rating System of Texas

(2005-2006 School Year)

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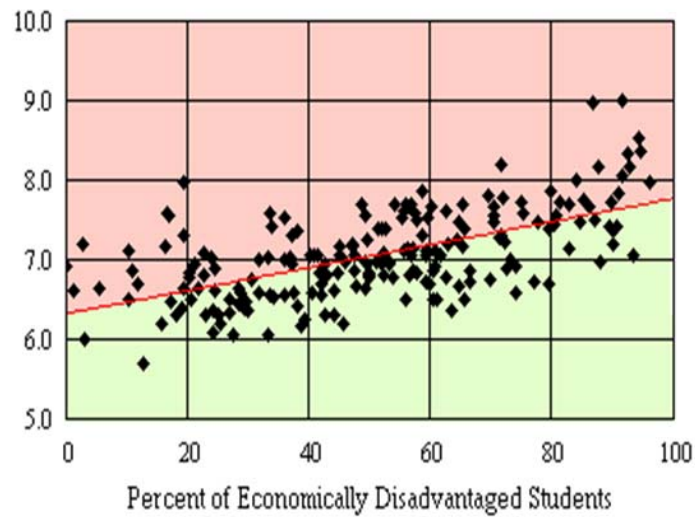
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## Seeking the Truth in Financial Performance



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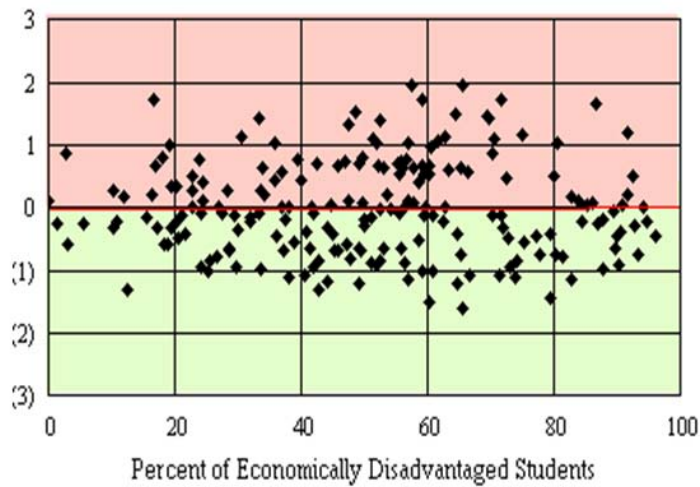
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## Leveling the Playing Field in Financial Performance



Use the Variances as a Measurement of Performance

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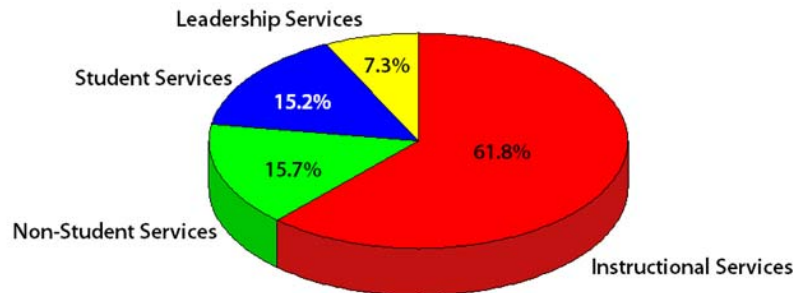
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## Building a Financial Performance Index (FPI)

Make Adjustments for Regional Differences in Cost  
Reflect the "Whole Body of Work" Using a Balanced Score Card  
The Analysis of Variances Become the Measurement of Performance



The FPI is the Weighted Average Ranking of Each Element

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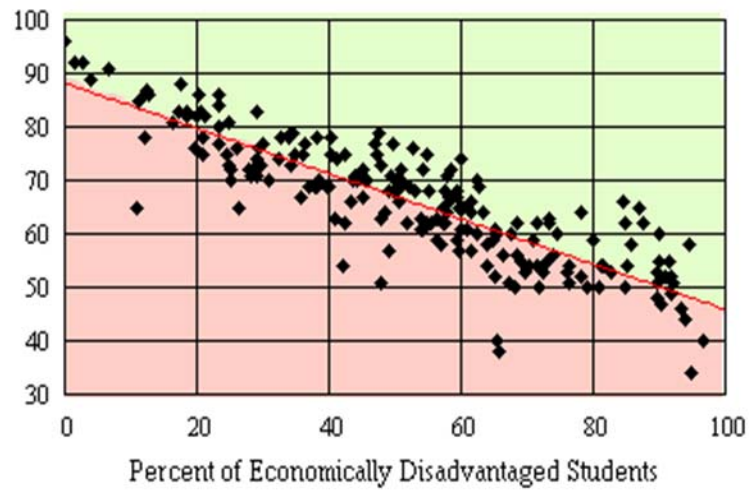
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## Seeking the Truth in Academic Performance



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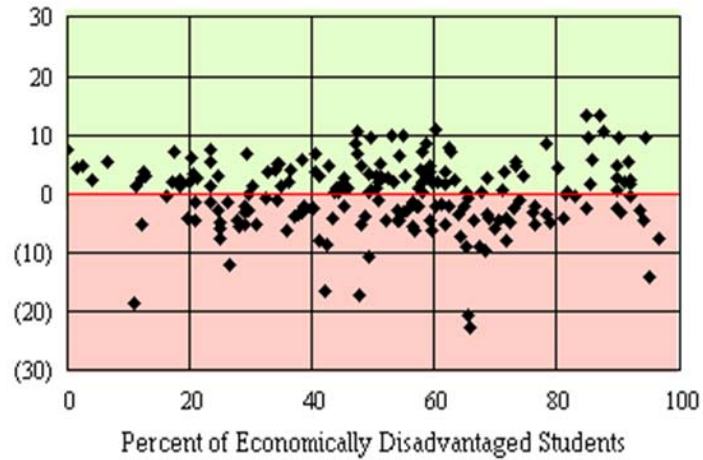
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## Leveling the Playing Field in Academic Performance



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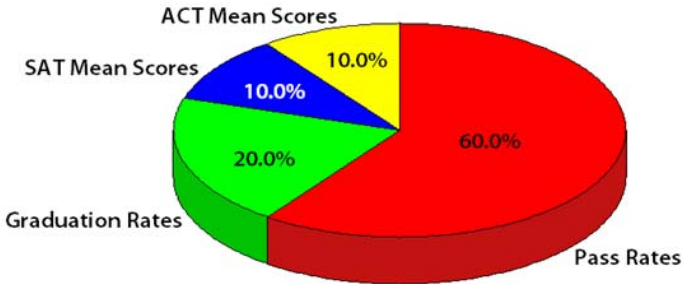
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## Building an Academic Performance Index (API)

Reflect the "Whole Body of Work" Using a Balanced Score Card  
The Analysis of Variances Become the Measurement of Performance



The API is the Weighted Average Ranking of Each Element

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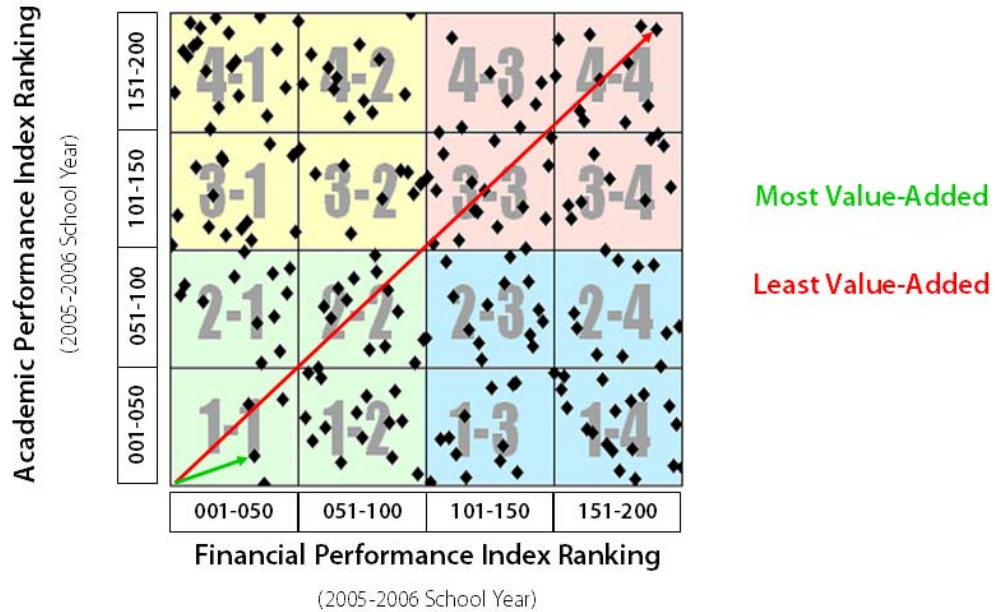
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## The New Accountability Matrix and Valued-Added Measurements



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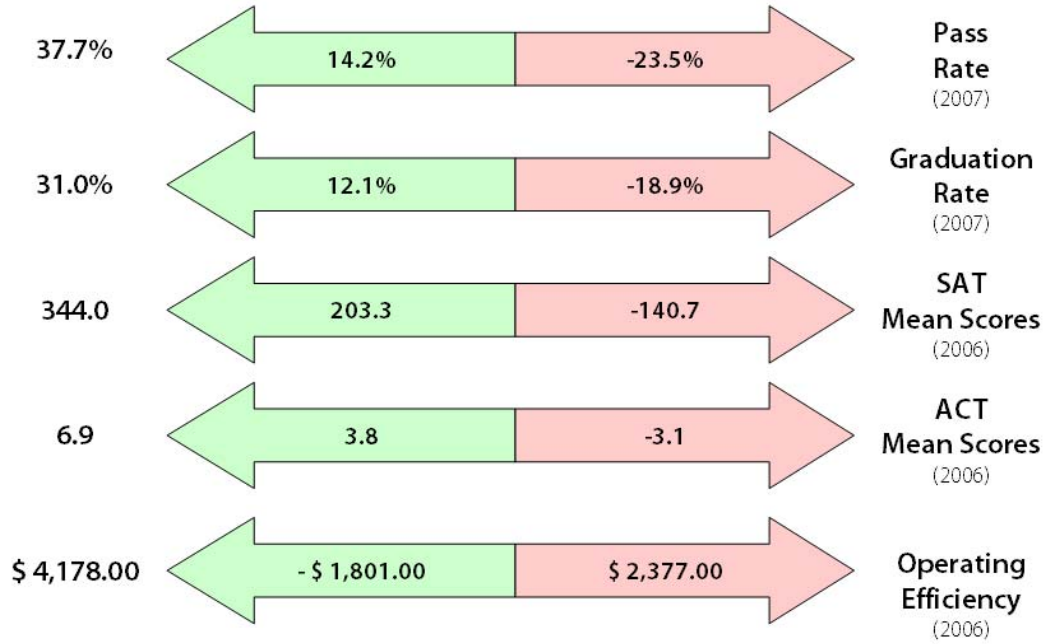
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## The Performance Matrix and Adjusted Performance Gap Analysis



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*Information  
is a  
Strategic Resource*

## A Call to Action:

State Report Card on Public Education

Integrate Academic and Financial Performance

Challenging but "Fair" Goals Using Balanced Score Cards

Timely, Accurate, and Consistent Reporting of Results

## Tools to Diagnose Performance:

Rank Performance to Identify Best Practices

Compliance includes both Rewarding and Repairing

Education and Training

*"The most powerful force for improvement in Texas public education is new and better information in the hands of enlightened leaders."*

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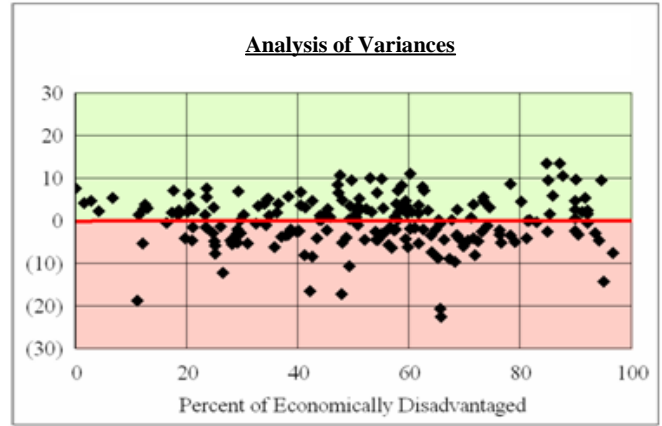
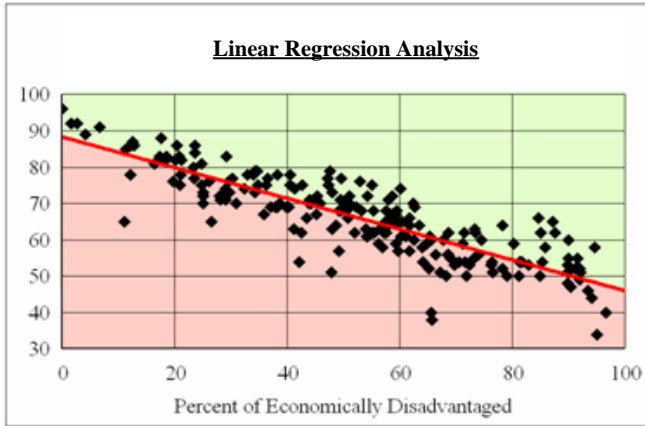
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# THE ERG RATINGS

ACADEMIC & FINANCIAL PERFORMANCE MANAGEMENT REVIEW

## 2005-2006 Texas Public Education Academic and Financial Performance Management Report Best Practice Awards



### Using Regression Analysis and the Analysis of Variances to Evaluate Academic and Financial Performance in Public

Considering the influence that student socio-economic status has on a school district's academic and financial performance, using raw data to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques, for a sample group of 200 large Texas public school districts, we are able to forecast each district's expected academic and financial performance and analyze the variance between those expected (forecasted) outcomes and the actual reported outcomes. These variances then become a demographically adjusted measurement of academic and financial performance in public education.

Employing a doctrine of fairness, we have "leveled the playing field" allowing districts with a high percentage of economically disadvantaged students to have an equal chance of being recognized for achieving favorable variances to expected academic and financial performance as those districts that enjoy, and benefit from, a low percentage of economically disadvantaged students.

### Academic Performance Index

Using this statistical technique, we analyzed each district's performance in four (4) academic performance categories: met standard on mandated achievement tests; SAT mean total scores; and, ACT mean composite scores. After calculating the variances, we rank each district in the sample group in each of the academic categories. Because each performance category has a different unit of measure, the ERG Academic Performance Index (API) is the weighted average ranking of each district using the following weighting factors:

Met Standard Rates .....	60.0%
Graduation Rates .....	20.0%
SAT Mean Total Scores .....	10.0%
ACT Mean Composite Scores .....	10.0%

### Financial Performance Index

We also analyzed each district's performance in four (4) financial performance categories: Instructional Service expenditures; Leadership Service expenditures; Student Support Services expenditures; and, Non-Student Support Services expenditures. After adjusting for regional differences in cost, we calculate the variance between the expected (forecasted) expenditures and actual expenditures in each category which is a measurement of efficiency. Since the unit of measure is the same in each financial category, we can combined the variances of each of the financial categories into a total operating efficiency measurement. The ERG Financial Performance Index (FPI) is the relative ranking of each district in the sample group based on their total variance or operating efficiency.

During the 2005-2006 school year, the distribution of expenditures between each of these performance categories was:

Instructional Service Expenditures .....	61.8%
Leadership Service Expenditures .....	7.3%
Student Support Services .....	15.2%
Non-Student Support Services .....	15.7%

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# THE ERG RATINGS

## ACADEMIC & FINANCIAL PERFORMANCE MANAGEMENT REVIEW

### 2005-2006 Texas Academic and Financial Best Practice Matrix

Academic Performance Index (DEY) Performance Levels	Performance Level 04	Alief Azle Birdville Cedar Hill Channelview Crowley Dayton De Soto Eagle Mt. - Saginaw East Central Everman Fort Bend Fort Worth Grand Prairie Humble Keller	Lancaster Mansfield Mesquite Santa Fe	Crosby Ector County El Paso Galveston Judson La Marque Laredo North Forest San Felipe-Del Rio Sheldon Tomball Waller	Burleson Corsicana Denton La Porte Leander Robstown Texas City	Alice Beaumont Copperas Cove Greenville Hays Consolidated Killeen Kingsville Northwest Port Neches-Groves Uvalde Cons Waco	4-1	4-2	4-3	4-4
	Performance Level 03	Cypress-Fairbanks Dallas Del Valle Duncanville Garland Houston Irving Klein Lamar Consolidated Socorro Southside Spring United Wylie	Bastrop Bryan Canyon Corpus Christi Magnolia New Braunfels San Antonio South San Antonio Willis	Canutillo Comal Edgewood Frisco Granbury Gregory-Portland Hereford Midlothian Nederland Pflugersville Red Oak Rockwall San Benito San Marcos Consolidated Schertz-Cibolo-U City Terrell	Tyler	Austin Beeville Donna Edcouch-Elsa Livingston Longview Lt Cypress-Mauriceville Mercedes Port Arthur Vidor	3-1	3-2	3-3	3-4
	Performance Level 02	Aldine Alvin Arlington Brazosport Clint Dickinson Northside Pasadena Pearland Southwest White Settlement Ysleta	Clear Creek Deer Park Flour Bluff Friendswood Grapevine-Colleyville Harlandale Harlingen Katy La Joya New Caney Pharr-San Juan-Alamo Roma Seguin Whitehouse	Alamo Heights Belton Cleburne Huntsville Joshua Lewisville Lockhart McAllen Midland San Angelo Victoria Waxahachie Weatherford	Bay City Big Springs Hallsville Jacksonville Lake Travis Lubbock Marble Falls Marshall Nacogdoches Paris Plainview	2-1	2-2	2-3	2-4	
	Performance Level 01	Angleton Eagle Pass Hurst-Eules-Bedford Richardson	Allen Brownsville Calallen Carrollton-Frms Branch Conroe Dumas Edinburg Ennis Galena Park Goose Creek McKinney Mission North East Sharyland Weslaco	Amarillo Carroll College Station Coppell Frenship Highland Park Los Fresnos Consolidated Montgomery Plano Round Rock Spring Branch Temple Wichita Falls	Abilene Boerne Brenham Brownwood Burkburnett Calhoun County Dension Eanes Georgetown Kerrville Lufkin Midway Mount Pleasant Pine Tree Rio Grande City Sherman	Sulphur Springs Texarkana	1-1	1-2	1-3	1-4
	Performance Level 01		Performance Level 02		Performance Level 03		Performance Level 04			
Financial Performance Index Performance Level										

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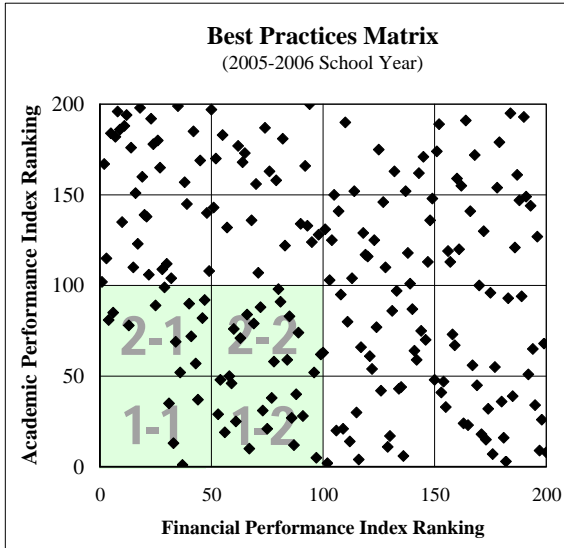
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# THE ERG RATINGS

## ACADEMIC & FINANCIAL PERFORMANCE MANAGEMENT REVIEW

### 2005-2006 Texas Academic and Financial Best Practice Matrix



Sample Group	
The Sample Group used in the Best Practice Analysis includes 200 of the largest public school districts in Texas during the 2005-2006 school year. There were 3,618,663 students enrolled in these districts which represented 80.3% of all students in the state. The range in size as follows:	
Maximum	209,879
Median	8,715
Minimum	3,504
Average	18,093

Academic Performance Index (API)	
The Academic Performance Index is the weighted average ranking of each district's performance on:	
TAKS pass rates (panel recommendation)	60%
4 year graduation rates	20%
SAT mean total scores	10%
ACT mean composite scores	10%
All rankings are performed after making the appropriate adjustments for the effect of economically disadvantaged students.	

Financial Performance Index (FPI)	
The Financial Performance Index is the relative ranking of each district's operating efficiency which is the difference between a district's actual operating expenditures and its forecasted operating expenditures after making the appropriate adjustments for the effects of economically disadvantaged students and regional variations in cost.	

Best Practices Index (BPI)	
The Best Practice Index represent the distance between each district's position in the Best Practices Matrix and the lower left-hand corner (0-0) of the Matrix. The BPI is the most effective means of measuring the value-added contribution of each district in the Matrix.	

District	2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change		
	Number	Name	API	FPI	BPI	API		FPI	BPI
<b>1st Level Academic Performance Index - 1st Level Financial Performance Index</b>									
20902	Angleton		38	8	38.8	35	31	46.8	-20.4%
159901	Eagle Pass		39	26	46.9	37	44	57.5	-22.7%
220916	Hurst-Euless-Bedford		27	42	49.9	13	33	35.5	29.0%
57916	Richardson		2	44	44.0	1	37	37.0	16.0%

<b>1st Level Academic Performance Index - 2nd Level Financial Performance Index</b>									
43901	Allen		48	73	87.4	38	77	85.9	1.7%
31901	Brownsville		22	38	43.9	31	73	79.3	-80.6%
178903	Calallen		53	87	101.9	40	88	96.7	5.1%
57903	Carrollton-Frms Branch		28	51	58.2	25	61	65.9	-13.3%
170902	Conroe		52	70	87.2	46	59	74.8	14.2%
171901	Dumas		1	119	119.0	21	75	77.9	34.6%
108904	Edinburg		24	117	119.4	12	87	87.8	26.5%
70903	Ennis		30	111	115.0	27	86	90.1	21.6%
101910	Galena Park		25	55	60.4	29	53	60.4	0.0%
101911	Goose Creek		78	57	96.6	50	58	76.6	20.7%
43907	McKinney		32	67	74.2	19	56	59.1	20.4%
108908	Mission		19	85	87.1	10	67	67.7	22.2%
15910	North East		50	107	118.1	28	91	95.2	19.4%
108911	Sharyland		15	49	51.2	48	54	72.2	-41.0%
108913	Weslaco		7	80	80.3	5	97	97.1	-20.9%

<b>2nd Level Academic Performance Index - 1st Level Financial Performance Index</b>									
101902	Aldine		45	39	59.5	52	36	63.2	-6.2%
20901	Alvin		54	43	69.0	57	43	71.4	-3.4%
220901	Arlington		111	7	111.2	81	4	81.1	27.1%
20905	Brazosport		51	48	70.0	82	46	94.0	-34.2%
71901	Clint		93	19	94.9	85	6	85.2	10.2%
84901	Dickinson		114	17	115.3	99	29	103.2	10.5%
15915	Northside		71	33	78.3	69	34	76.9	1.8%
101917	Pasadena		47	15	49.3	78	13	79.1	-60.3%
20908	Pearland		108	52	119.9	90	40	98.5	17.8%
15912	Southwest		66	37	75.7	89	25	92.4	-22.2%
220920	White Settlement		80	45	91.8	92	47	103.3	-12.6%
71905	Ysleta		65	65	91.9	72	41	82.9	9.9%

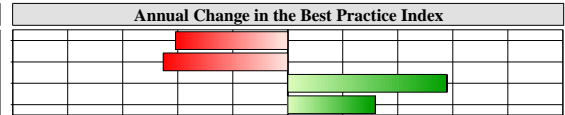
<b>2nd Level Academic Performance Index - 2nd Level Financial Performance Index</b>									
84910	Clear Creek		60	54	80.7	79	69	104.9	-29.9%
101908	Deer Park		71	81	107.7	62	99	116.8	-8.4%
178914	Flour Bluff		77	75	107.5	98	80	126.5	-17.7%
84911	Friendswood		69	53	87.0	71	63	94.9	-9.1%
220906	Grapevine-Colleyville		41	84	93.5	52	96	109.2	-16.8%
15904	Harlandale		75	88	115.6	88	72	113.7	1.7%
31903	Harlingen		62	59	85.6	76	60	96.8	-13.1%
101914	Katy		49	86	99.0	74	89	115.7	-16.9%
108912	La Joya		35	68	76.5	59	84	102.6	-34.2%
170908	New Caney		95	90	130.9	91	81	121.8	6.9%
108909	Pharr-San Juan-Alamo		37	61	71.3	58	78	97.2	-36.2%
214903	Roma		122	104	160.3	63	100	118.2	26.3%
94901	Seguin		107	97	144.4	83	85	118.8	17.7%
212906	Whitehouse		86	103	134.2	84	66	106.8	20.4%

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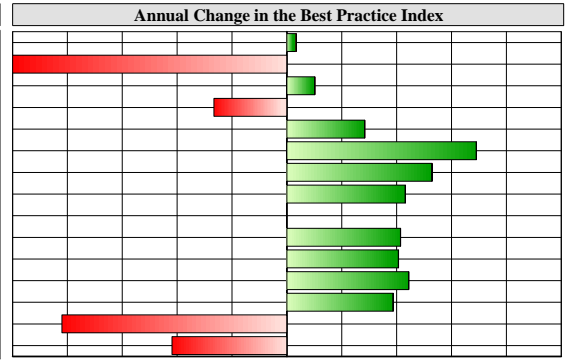
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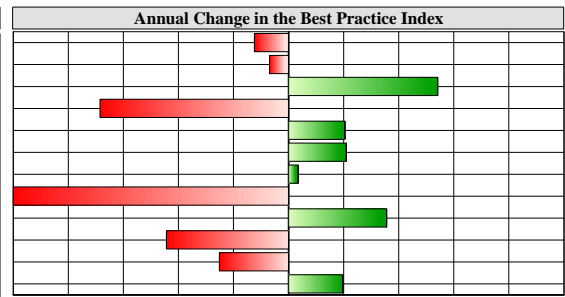
District		2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change
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70903	Ennis	30	111	115.0	27	86	90.1	21.6%
101910	Galena Park	25	55	60.4	29	53	60.4	0.0%
101911	Goose Creek	78	57	96.6	50	58	76.6	20.7%
43907	McKinney	32	67	74.2	19	56	59.1	20.4%
108908	Mission	19	85	87.1	10	67	67.7	22.2%
15910	North East	50	107	118.1	28	91	95.2	19.4%
108911	Sharyland	15	49	51.2	48	54	72.2	-41.0%
108913	Weslaco	7	80	80.3	5	97	97.1	-20.9%



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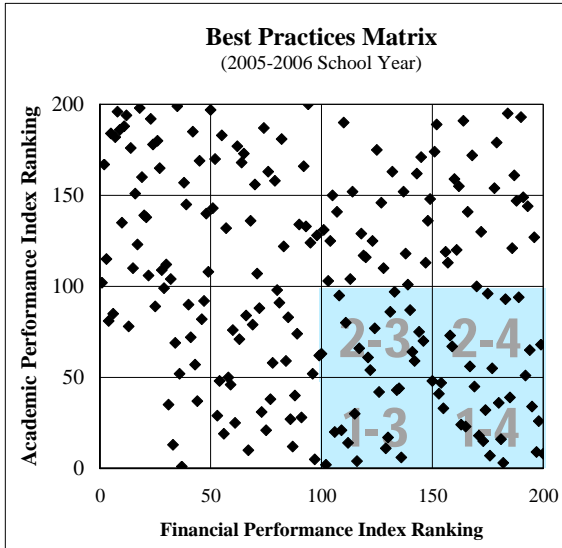
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District		2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change
		API	FPI	BPI	API	FPI	BPI	
<b>1st Level Academic Performance Index - 3rd Level Financial Performance Index</b>								
188901	Amarillo	31	123	126.8	20	106	107.9	15.0%
220919	Carroll	18	78	80.0	30	115	118.8	-48.5%
21901	College Station	14	114	114.9	11	129	129.5	-12.7%
57922	Coppell	34	79	86.0	21	109	111.0	-29.1%
152907	Frenship	10	130	130.4	17	130	131.1	-0.6%
57911	Highland Park	5	122	122.1	6	136	136.1	-11.5%
31906	Los Fresnos Consolidated	11	120	120.5	4	116	116.1	3.7%
170903	Montgomery	57	145	155.8	42	126	132.8	14.8%
43910	Plano	15	129	129.9	14	112	112.9	13.1%
246909	Round Rock	70	134	151.2	43	134	140.7	6.9%
101920	Spring Branch	4	105	105.1	2	102	102.0	2.9%
14909	Temple	84	167	186.9	44	135	142.0	24.0%
243905	Wichita Falls	59	179	188.5	48	150	157.5	16.4%

District		2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change
		API	FPI	BPI	API	FPI	BPI	
<b>1st Level Academic Performance Index - 4th Level Financial Performance Index</b>								
221901	Abilene	20	199	200.0	26	198	199.7	0.2%
130901	Boerne	23	196	197.3	36	180	183.6	7.0%
239901	Brenham	12	162	162.4	18	171	171.9	-5.8%
25902	Brownwood	9	197	197.2	8	200	200.2	-1.5%
243901	Burkburnett	55	164	173.0	47	154	161.0	6.9%
29901	Calhoun County	13	169	169.5	15	173	173.6	-2.4%
91903	Denison	8	183	183.2	7	176	176.1	3.8%
227909	Eanes	3	173	173.0	16	181	181.7	-5.0%
246904	Georgetown	43	156	161.8	33	155	158.5	2.1%
133903	Kerrville	26	166	168.0	45	169	174.9	-4.1%
3903	Lufkin	21	175	176.3	41	153	158.4	10.1%
161903	Midway	96	172	197.0	32	174	176.9	10.2%
225902	Mount Pleasant	17	198	198.7	9	197	197.2	0.8%
92904	Pine Tree	36	168	171.8	23	165	166.6	3.0%
214901	Rio Grande City	79	195	210.4	34	195	197.9	5.9%
91906	Sherman	43	160	165.7	24	163	164.8	0.6%
112901	Sulphur Springs	91	188	208.9	39	185	189.1	9.5%
19907	Texarkana	6	185	185.1	3	182	182.0	1.7%

District		2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change
		API	FPI	BPI	API	FPI	BPI	
<b>2nd Level Academic Performance Index - 3rd Level Financial Performance Index</b>								
15901	Alamo Heights	33	158	161.4	59	142	153.8	4.7%
14903	Belton	71	118	137.7	66	117	134.3	2.5%
126903	Cleburne	97	126	159.0	61	121	135.5	14.8%
236902	Huntsville	74	112	134.2	75	144	162.4	-20.9%
126905	Joshua	83	102	131.5	70	146	161.9	-23.1%
61902	Lewisville	46	137	144.5	77	124	146.0	-1.0%
28902	Lockhart	106	165	196.1	64	141	154.8	21.0%
108906	McAllen	58	94	110.5	54	122	133.4	-20.8%
165901	Midland	76	89	117.0	80	111	136.8	-16.9%
226903	San Angelo	87	132	158.1	86	131	156.7	0.9%
235902	Victoria	129	153	200.1	87	140	164.8	17.6%
70912	Waxahachie	147	108	182.4	95	108	143.8	21.1%
184903	Weatherford	102	142	174.8	97	133	164.6	5.8%

District		2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change
		API	FPI	BPI	API	FPI	BPI	
<b>2nd Level Academic Performance Index - 4th Level Financial Performance Index</b>								
158901	Bay City	113	157	193.4	96	175	199.6	-3.2%
114901	Big Springs	151	181	235.7	94	189	211.1	10.4%
102904	Hallsville	89	190	209.8	65	194	204.6	2.5%
37904	Jacksonville	42	191	195.6	55	177	185.3	5.2%
227913	Lake Travis	56	128	139.7	56	167	176.1	-26.1%
152901	Lubbock	63	178	188.8	93	183	205.3	-8.7%
27904	Marble Falls	64	194	204.3	51	192	198.7	2.8%
102902	Marshall	67	161	174.4	73	158	174.0	0.2%
174904	Nacogdoches	40	150	155.2	67	159	172.5	-11.1%
139909	Paris	29	200	202.1	68	199	210.3	-4.1%
95905	Plainview	85	152	174.2	100	170	197.2	-13.3%

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District	2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change	Annual Change in the Best Practice Index	
	Number	Name	API	FPI	BPI	API			FPI
<b>1st Level Academic Performance Index - 3rd Level Financial Performance Index</b>									
188901	Amarillo	31	123	126.8	20	106	107.9	15.0%	
220919	Carroll	18	78	80.0	30	115	118.8	-48.5%	
21901	College Station	14	114	114.9	11	129	129.5	-12.7%	
57922	Coppell	34	79	86.0	21	109	111.0	-29.1%	
152907	Frenship	10	130	130.4	17	130	131.1	-0.6%	
57911	Highland Park	5	122	122.1	6	136	136.1	-11.5%	
31906	Los Fresnos Consolidated	11	120	120.5	4	116	116.1	3.7%	
170903	Montgomery	57	145	155.8	42	126	132.8	14.8%	
43910	Plano	15	129	129.9	14	112	112.9	13.1%	
246909	Round Rock	70	134	151.2	43	134	140.7	6.9%	
101920	Spring Branch	4	105	105.1	2	102	102.0	2.9%	
14909	Temple	84	167	186.9	44	135	142.0	24.0%	
243905	Wichita Falls	59	179	188.5	48	150	157.5	16.4%	

District	2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change	Annual Change in the Best Practice Index	
	Number	Name	API	FPI	BPI	API			FPI
<b>1st Level Academic Performance Index - 4th Level Financial Performance Index</b>									
221901	Abilene	20	199	200.0	26	198	199.7	0.2%	
130901	Boerne	23	196	197.3	36	180	183.6	7.0%	
239901	Brenham	12	162	162.4	18	171	171.9	-5.8%	
25902	Brownwood	9	197	197.2	8	200	200.2	-1.5%	
243901	Burkburnett	55	164	173.0	47	154	161.0	6.9%	
29901	Calhoun County	13	169	169.5	15	173	173.6	-2.4%	
91903	Dension	8	183	183.2	7	176	176.1	3.8%	
227909	Eanes	3	173	173.0	16	181	181.7	-5.0%	
246904	Georgetown	43	156	161.8	33	155	158.5	2.1%	
133903	Kerrville	26	166	168.0	45	169	174.9	-4.1%	
3903	Lufkin	21	175	176.3	41	153	158.4	10.1%	
161903	Midway	96	172	197.0	32	174	176.9	10.2%	
225902	Mount Pleasant	17	198	198.7	9	197	197.2	0.8%	
92904	Pine Tree	36	168	171.8	23	165	166.6	3.0%	
214901	Rio Grande City	79	195	210.4	34	195	197.9	5.9%	
91906	Sherman	43	160	165.7	24	163	164.8	0.6%	
112901	Sulphur Springs	91	188	208.9	39	185	189.1	9.5%	
19907	Texarkana	6	185	185.1	3	182	182.0	1.7%	

District	2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change	Annual Change in the Best Practice Index	
	Number	Name	API	FPI	BPI	API			FPI
<b>2nd Level Academic Performance Index - 3rd Level Financial Performance Index</b>									
15901	Alamo Heights	33	158	161.4	59	142	153.8	4.7%	
14903	Belton	71	118	137.7	66	117	134.3	2.5%	
126903	Cleburne	97	126	159.0	61	121	135.5	14.8%	
236902	Huntsville	74	112	134.2	75	144	162.4	-20.9%	
126905	Joshua	83	102	131.5	70	146	161.9	-23.1%	
61902	Lewisville	46	137	144.5	77	124	146.0	-1.0%	
28902	Lockhart	106	165	196.1	64	141	154.8	21.0%	
108906	McAllen	58	94	110.5	54	122	133.4	-20.8%	
165901	Midland	76	89	117.0	80	111	136.8	-16.9%	
226903	San Angelo	87	132	158.1	86	131	156.7	0.9%	
235902	Victoria	129	153	200.1	87	140	164.8	17.6%	
70912	Waxahachie	147	108	182.4	95	108	143.8	21.1%	
184903	Weatherford	102	142	174.8	97	133	164.6	5.8%	

District	2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change	Annual Change in the Best Practice Index	
	Number	Name	API	FPI	BPI	API			FPI
<b>2nd Level Academic Performance Index - 4th Level Financial Performance Index</b>									
158901	Bay City	113	157	193.4	96	175	199.6	-3.2%	
114901	Big Springs	151	181	235.7	94	189	211.1	10.4%	
102904	Hallsville	89	190	209.8	65	194	204.6	2.5%	
37904	Jacksonville	42	191	195.6	55	177	185.3	5.2%	
227913	Lake Travis	56	128	139.7	56	167	176.1	-26.1%	
152901	Lubbock	63	178	188.8	93	183	205.3	-8.7%	
27904	Marble Falls	64	194	204.3	51	192	198.7	2.8%	
102902	Marshall	67	161	174.4	73	158	174.0	0.2%	
174904	Nacogdoches	40	150	155.2	67	159	172.5	-11.1%	
139909	Paris	29	200	202.1	68	199	210.3	-4.1%	
95905	Plainview	85	152	174.2	100	170	197.2	-13.3%	

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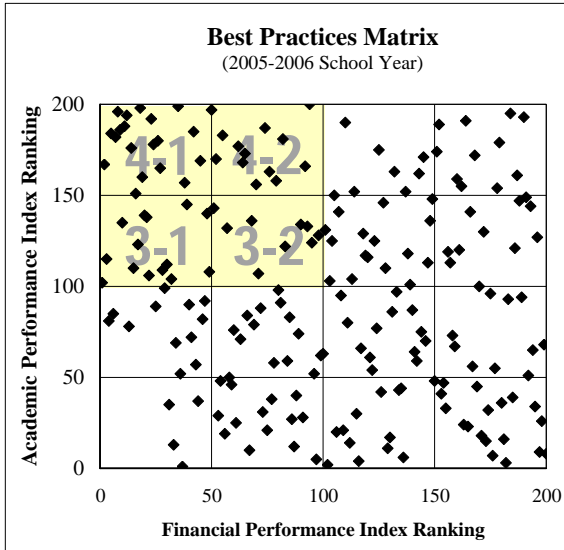
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# THE ERG RATINGS

## ACADEMIC & FINANCIAL PERFORMANCE MANAGEMENT REVIEW

### 2005-2006 Texas Academic and Financial Best Practice Matrix



#### Sample Group

The Sample Group used in the Best Practice Analysis includes 200 of the largest public school districts in Texas during the 2005-2006 school year. There were 3,618,663 students enrolled in these districts which represented 80.3% of all students in the state. The range in size as follows:

Maximum	209,879
Median	8,715
Minimum	3,504
Average	18,093

#### Academic Performance Index - API

The Academic Performance Index is the weighted average ranking of each district's performance on:

TAKS pass rates (panel recommendation)	60%
4 year graduation rates	20%
SAT mean total scores	10%
ACT mean composite scores	10%

All rankings are performed after making the appropriate adjustments for the effect of economically disadvantaged students.

#### Financial Performance Index - FPI

The Financial Performance Index is the relative ranking of each district's operating efficiency which is the difference between a district's actual operating expenditures and its forecasted operating expenditures after making the appropriate adjustments for the effect of economically disadvantaged students and regional variations in cost.

#### Best Practices Index - BPI

The Best Practice Index represent the distance between each district's position in the Best Practices Matrix and the lower left-hand corner (0-0) of the Matrix. The BPI is the most effective means of measuring the value-added contribution of each district in the Matrix.

District	2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change	
	Number	Name	API	FPI	BPI	API		FPI
<b>3rd Level Academic Performance Index - 1st Level Financial Performance Index</b>								
101907	Cypress-Fairbanks	81	40	90.3	104	32	108.8	-20.4%
57905	Dallas	134	34	138.2	138	21	139.6	-1.0%
227910	Del Valle	105	31	109.5	123	17	124.2	-13.4%
57907	Duncanville	156	27	158.3	140	48	148.0	6.5%
57909	Garland	103	4	103.1	115	3	115.0	-11.6%
101912	Houston	104	10	104.5	110	15	111.0	-6.3%
57912	Irving	109	1	109.0	102	1	102.0	6.4%
101915	Klein	137	35	141.4	145	39	150.2	-6.2%
79901	Lamar Consolidated	98	64	117.0	108	49	118.6	-1.3%
71909	Socorro	125	12	125.6	112	30	115.9	7.7%
15917	Southside	177	3	177.0	135	10	135.4	23.5%
101919	Spring	119	32	123.2	139	20	140.4	-14.0%
240903	United	115	24	117.5	106	22	108.3	7.8%
43914	Wylie	110	96	146.0	109	28	112.5	22.9%

<b>3rd Level Academic Performance Index - 2nd Level Financial Performance Index</b>								
11901	Bastrop	128	106	166.2	134	90	161.4	2.9%
21902	Bryan	125	115	169.9	128	98	161.2	5.1%
191901	Canyon	118	100	154.7	124	95	156.2	-1.0%
178904	Corpus Christi	140	95	169.2	133	93	162.3	4.1%
170906	Magnolia	123	91	153.0	122	83	147.6	3.6%
46901	New Braunfels	150	56	160.1	136	68	152.1	5.0%
15907	San Antonio	90	76	117.8	107	71	128.4	-9.0%
15908	South San Antonio	117	47	126.1	143	51	151.8	-20.4%
170904	Willis	87	77	116.2	132	57	143.8	-23.8%

<b>4th Level Academic Performance Index - 1st Level Financial Performance Index</b>								
101903	Alief	191	36	194.4	180	26	181.9	6.4%
220915	Azle	197	20	198.0	178	24	179.6	9.3%
220902	Birdville	136	13	136.6	151	16	151.8	-11.1%
57904	Cedar Hill	192	11	192.3	198	18	198.8	-3.4%
101905	Channelview	198	6	198.1	196	8	196.2	1.0%
220912	Crowley	163	22	164.5	194	12	194.4	-18.2%
146902	Dayton	195	41	199.3	197	50	203.2	-2.0%
57906	De Soto	189	23	190.4	176	14	176.6	7.3%
220918	Eagle Mt. - Saginaw	196	21	197.1	192	23	193.4	1.9%
15911	East Central	139	28	141.8	185	42	189.7	-33.8%
220904	Everman	190	9	190.2	167	2	167.0	12.2%
79907	Fort Bend	132	46	139.8	157	38	161.5	-15.6%
220905	Fort Worth	141	14	141.7	165	27	167.2	-18.0%
57910	Grand Prairie	194	25	195.6	184	5	184.1	5.9%
101913	Humble	180	58	189.1	169	45	174.9	7.5%
220907	Keller	179	5	179.1	188	11	188.3	-5.2%
57913	Lancaster	186	2	186.0	186	9	186.2	-0.1%
220908	Mansfield	175	16	175.7	182	7	182.1	-3.6%
57914	Mesquite	162	29	164.6	160	19	161.1	2.1%
84909	Santa Fe	199	30	201.2	199	35	202.1	-0.4%

<b>4th Level Academic Performance Index - 2nd Level Financial Performance Index</b>								
101906	Crosby	176	69	189.0	181	82	198.7	-5.1%
68901	Ector County	164	18	165.0	187	74	201.1	-21.9%
71902	El Paso	170	93	193.8	173	65	184.8	4.6%
84902	Galveston	154	66	167.5	177	62	187.5	-11.9%
15916	Judson	144	50	152.4	170	52	177.8	-16.6%
84904	La Marque	200	82	216.2	200	94	221.0	-2.2%
240901	Laredo	167	62	178.1	168	64	179.8	-0.9%
101909	North Forest	193	83	210.1	183	55	191.1	9.0%
233901	San Felipe-Del Rio	182	60	191.6	158	79	176.6	7.8%
101924	Sheldon	188	72	201.3	156	70	171.0	15.1%
101921	Tomball	158	71	173.2	163	76	179.8	-3.8%
237904	Waller	157	121	198.2	166	92	189.8	4.3%

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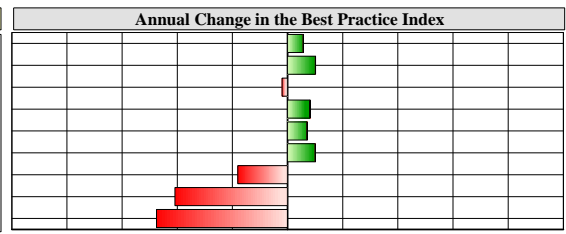
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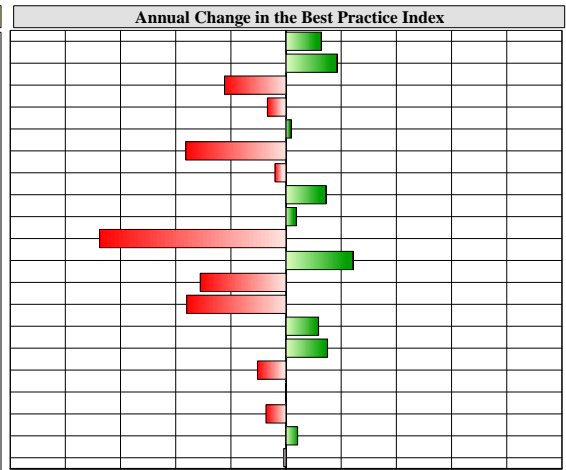
District		2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change
Number	Name	API	FPI	BPI	API	FPI	BPI	
<b>3rd Level Academic Performance Index - 1st Level Financial Performance Index</b>								
101907	Cypress-Fairbanks	81	40	90.3	104	32	108.8	-20.4%
57905	Dallas	134	34	138.2	138	21	139.6	-1.0%
227910	Del Valle	105	31	109.5	123	17	124.2	-13.4%
57907	Duncanville	156	27	158.3	140	48	148.0	6.5%
57909	Garland	103	4	103.1	115	3	115.0	-11.6%
101912	Houston	104	10	104.5	110	15	111.0	-6.3%
57912	Irving	109	1	109.0	102	1	102.0	6.4%
101915	Klein	137	35	141.4	145	39	150.2	-6.2%
79901	Lamar Consolidated	98	64	117.0	108	49	118.6	-1.3%
71909	Socorro	125	12	125.6	112	30	115.9	7.7%
15917	Southside	177	3	177.0	135	10	135.4	23.5%
101919	Spring	119	32	123.2	139	20	140.4	-14.0%
240903	United	115	24	117.5	106	22	108.3	7.8%
43914	Wylie	110	96	146.0	109	28	112.5	22.9%



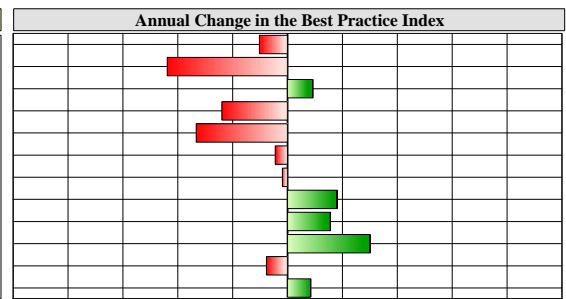
District		2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change
Number	Name	API	FPI	BPI	API	FPI	BPI	
<b>3rd Level Academic Performance Index - 2nd Level Financial Performance Index</b>								
11901	Bastrop	128	106	166.2	134	90	161.4	2.9%
21902	Bryan	125	115	169.9	128	98	161.2	5.1%
191901	Canyon	118	100	154.7	124	95	156.2	-1.0%
178904	Corpus Christi	140	95	169.2	133	93	162.3	4.1%
170906	Magnolia	123	91	153.0	122	83	147.6	3.6%
46901	New Braunsfels	150	56	160.1	136	68	152.1	5.0%
15907	San Antonio	90	76	117.8	107	71	128.4	-9.0%
15908	South San Antonio	117	47	126.1	143	51	151.8	-20.4%
170904	Willis	87	77	116.2	132	57	143.8	-23.8%



District		2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change
Number	Name	API	FPI	BPI	API	FPI	BPI	
<b>4th Level Academic Performance Index - 1st Level Financial Performance Index</b>								
101903	Alief	191	36	194.4	180	26	181.9	6.4%
220915	Azle	197	20	198.0	178	24	179.6	9.3%
220902	Birdville	136	13	136.6	151	16	151.8	-11.1%
57904	Cedar Hill	192	11	192.3	198	18	198.8	-3.4%
101905	Channelview	198	6	198.1	196	8	196.2	1.0%
220912	Crowley	163	22	164.5	194	12	194.4	-18.2%
146902	Dayton	195	41	199.3	197	50	203.2	-2.0%
57906	De Soto	189	23	190.4	176	14	176.6	7.3%
220918	Eagle Mt. - Saginaw	196	21	197.1	192	23	193.4	1.9%
15911	East Central	139	28	141.8	185	42	189.7	-33.8%
220904	Everman	190	9	190.2	167	2	167.0	12.2%
79907	Fort Bend	132	46	139.8	157	38	161.5	-15.6%
220905	Fort Worth	141	14	141.7	165	27	167.2	-18.0%
57910	Grand Prairie	194	25	195.6	184	5	184.1	5.9%
101913	Humble	180	58	189.1	169	45	174.9	7.5%
220907	Keller	179	5	179.1	188	11	188.3	-5.2%
57913	Lancaster	186	2	186.0	186	9	186.2	-0.1%
220908	Mansfield	175	16	175.7	182	7	182.1	-3.6%
57914	Mesquite	162	29	164.6	160	19	161.1	2.1%
84909	Santa Fe	199	30	201.2	199	35	202.1	-0.4%



District		2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change
Number	Name	API	FPI	BPI	API	FPI	BPI	
<b>4th Level Academic Performance Index - 2nd Level Financial Performance Index</b>								
101906	Crosby	176	69	189.0	181	82	198.7	-5.1%
68901	Ector County	164	18	165.0	187	74	201.1	-21.9%
71902	El Paso	170	93	193.8	173	65	184.8	4.6%
84902	Galveston	154	66	167.5	177	62	187.5	-11.9%
15916	Judson	144	50	152.4	170	52	177.8	-16.6%
84904	La Marque	200	82	216.2	200	94	221.0	-2.2%
240901	Laredo	167	62	178.1	168	64	179.8	-0.9%
101909	North Forest	193	83	210.1	183	55	191.1	9.0%
233901	San Felipe-Del Rio	182	60	191.6	158	79	176.6	7.8%
101924	Sheldon	188	72	201.3	156	70	171.0	15.1%
101921	Tomball	158	71	173.2	163	76	179.8	-3.8%
237904	Waller	157	121	198.2	166	92	189.8	4.3%



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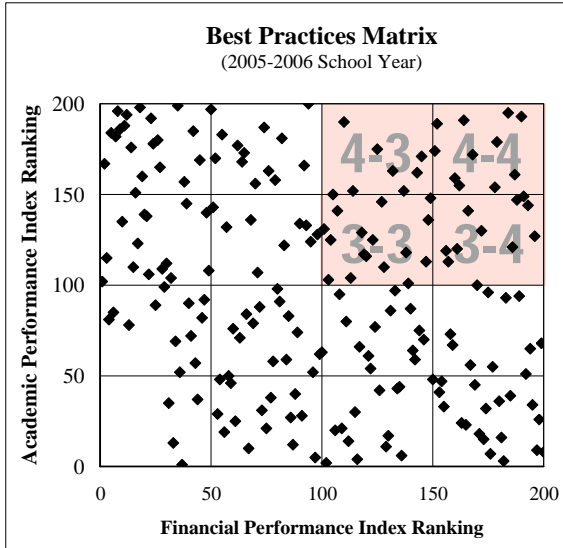
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## ACADEMIC & FINANCIAL PERFORMANCE MANAGEMENT REVIEW

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District		2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change
Number	Name	API	FPI	BPI	API	FPI	BPI	
<b>3rd Level Academic Performance Index - 3rd Level Financial Performance Index</b>								
71907	Canutillo	127	124	177.5	125	123	175.4	1.2%
46902	Comal	133	98	165.2	131	101	165.4	-0.1%
15905	Edgewood	120	113	164.8	110	128	168.8	-2.4%
43905	Frisco	92	133	161.7	117	119	166.9	-3.2%
111901	Granbury	165	151	223.7	136	148	201.0	10.1%
205902	Gregory-Portland	116	101	153.8	103	103	145.7	5.3%
59901	Hereford	148	143	205.8	116	120	166.9	18.9%
70908	Midlothian	131	92	160.1	129	118	174.8	-9.2%
123905	Nederland	149	136	201.7	113	147	185.4	8.1%
227904	Pflugersville	161	63	172.9	150	105	183.1	-5.9%
70911	Red Oak	184	139	230.6	146	127	193.5	16.1%
199901	Rockwall	82	74	110.5	104	113	153.6	-39.0%
31912	San Benito	68	127	144.1	125	104	162.6	-12.9%
105902	San Marcos Consolidated	168	148	223.9	101	139	171.8	23.3%
94902	Schertz-Cibolo-U City	154	125	198.3	141	107	177.0	10.8%
129906	Terrell	94	149	176.2	118	138	181.6	-3.1%
212905	Tyler	135	147	199.6	148	149	210.0	-5.2%

<b>3rd Level Academic Performance Index - 4th Level Financial Performance Index</b>								
227901	Austin	99	140	171.5	120	161	200.8	-17.1%
13901	Beeville	101	174	201.2	141	166	217.8	-8.3%
108902	Donna	142	144	202.2	113	157	193.4	4.4%
108903	Edcouch-Elsa	100	116	153.2	119	156	196.2	-28.1%
187907	Livingston	121	189	224.4	121	186	221.9	1.1%
92903	Longview	112	193	223.1	147	188	238.6	-6.9%
181908	Lt Cypress-Mauriceville	169	184	249.8	149	191	242.2	3.0%
108907	Mercedes	61	187	196.7	130	172	215.6	-9.6%
123907	Port Arthur	145	146	205.8	144	193	240.8	-17.0%
181907	Vidor	124	171	211.2	127	196	233.5	-10.6%

<b>4th Level Academic Performance Index - 3rd Level Financial Performance Index</b>								
126902	Burleson	183	110	213.5	190	110	219.5	-2.8%
175903	Corsicana	130	159	205.4	162	143	216.1	-5.2%
61901	Denton	143	109	179.8	175	125	215.1	-19.6%
101916	La Porte	171	135	217.9	163	132	209.7	3.7%
246913	Leander	138	138	195.2	152	137	204.6	-4.9%
178909	Robstown	153	131	201.4	171	145	224.2	-11.3%
84906	Texas City	174	99	200.2	152	114	190.0	5.1%

<b>4th Level Academic Performance Index - 4th Level Financial Performance Index</b>								
125901	Alice	166	182	246.3	195	184	268.1	-8.8%
123910	Beaumont	172	154	230.9	193	190	270.8	-17.3%
50910	Copperas Cove	185	180	258.1	154	178	235.4	8.8%
116905	Greenville	181	155	238.3	159	160	225.6	5.3%
105906	Hays Consolidated	187	141	234.2	189	152	242.5	-3.6%
14906	Killeen	146	163	218.8	174	151	230.4	-5.3%
137901	Kingsville	178	192	261.8	161	187	246.8	5.8%
61911	Northwest	159	176	237.2	191	164	251.7	-6.1%
123908	Port Neches-Groves	173	170	242.5	172	168	240.4	0.9%
232903	Uvalde Cons	152	186	240.2	155	162	224.2	6.7%
161914	Waco	160	177	238.6	179	179	253.1	-6.1%

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District		2004-2005 Relative Rankings			2005-2006 Relative Rankings			Change	Annual Change in the Best Practice Index									
Number	Name	API	FPI	BPI	API	FPI	BPI											
<b>3rd Level Academic Performance Index - 3rd Level Financial Performance Index</b>																		
71907	Canutillo	127	124	177.5	125	123	175.4	1.2%										
46902	Comal	133	98	165.2	131	101	165.4	-0.1%										
15905	Edgewood	120	113	164.8	110	128	168.8	-2.4%										
43905	Frisco	92	133	161.7	117	119	166.9	-3.2%										
111901	Granbury	165	151	223.7	136	148	201.0	10.1%										
205902	Gregory-Portland	116	101	153.8	103	103	145.7	5.3%										
59901	Hereford	148	143	205.8	116	120	166.9	18.9%										
70908	Midlothian	131	92	160.1	129	118	174.8	-9.2%										
123905	Nederland	149	136	201.7	113	147	185.4	8.1%										
227904	Pflugersville	161	63	172.9	150	105	183.1	-5.9%										
70911	Red Oak	184	139	230.6	146	127	193.5	16.1%										
199901	Rockwall	82	74	110.5	104	113	153.6	-39.0%										
31912	San Benito	68	127	144.1	125	104	162.6	-12.9%										
105902	San Marcos Consolidated	168	148	223.9	101	139	171.8	23.3%										
94902	Schertz-Cibolo-U City	154	125	198.3	141	107	177.0	10.8%										
129906	Terrell	94	149	176.2	118	138	181.6	-3.1%										
212905	Tyler	135	147	199.6	148	149	210.0	-5.2%										

<b>3rd Level Academic Performance Index - 4th Level Financial Performance Index</b>								Annual Change in the Best Practice Index										
227901	Austin	99	140	171.5	120	161	200.8	-17.1%										
13901	Beeville	101	174	201.2	141	166	217.8	-8.3%										
108902	Donna	142	144	202.2	113	157	193.4	4.4%										
108903	Edcouch-Elsa	100	116	153.2	119	156	196.2	-28.1%										
187907	Livingston	121	189	224.4	121	186	221.9	1.1%										
92903	Longview	112	193	223.1	147	188	238.6	-6.9%										
181908	Lt Cypress-Mauriceville	169	184	249.8	149	191	242.2	3.0%										
108907	Mercedes	61	187	196.7	130	172	215.6	-9.6%										
123907	Port Arthur	145	146	205.8	144	193	240.8	-17.0%										
181907	Vidor	124	171	211.2	127	196	233.5	-10.6%										

<b>4th Level Academic Performance Index - 3rd Level Financial Performance Index</b>								Annual Change in the Best Practice Index										
126902	Burleson	183	110	213.5	190	110	219.5	-2.8%										
175903	Corsicana	130	159	205.4	162	143	216.1	-5.2%										
61901	Denton	143	109	179.8	175	125	215.1	-19.6%										
101916	La Porte	171	135	217.9	163	132	209.7	3.7%										
246913	Leander	138	138	195.2	152	137	204.6	-4.9%										
178909	Robstown	153	131	201.4	171	145	224.2	-11.3%										
84906	Texas City	174	99	200.2	152	114	190.0	5.1%										

<b>4th Level Academic Performance Index - 4th Level Financial Performance Index</b>								Annual Change in the Best Practice Index										
125901	Alice	166	182	246.3	195	184	268.1	-8.8%										
123910	Beaumont	172	154	230.9	193	190	270.8	-17.3%										
50910	Copperas Cove	185	180	258.1	154	178	235.4	8.8%										
116905	Greenville	181	155	238.3	159	160	225.6	5.3%										
105906	Hays Consolidated	187	141	234.2	189	152	242.5	-3.6%										
14906	Killeen	146	163	218.8	174	151	230.4	-5.3%										
137901	Kingsville	178	192	261.8	161	187	246.8	5.8%										
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## 2005-2006 Texas Public Education Academic and Financial Performance Management Report Best Practice Awards

### Accountability and Texas Public Education

Public education is facing a difficult challenge - increasing the quality of the services provided while controlling the costs of producing those services. Most would agree that this challenge will intensify and become more complex in the future. The only way of meeting this challenge is with better information in the hands of enlightened leaders.

Excellence in public education must be one of the highest priorities of our local, state, and federal governments. Prior to the 2003 legislative session, Governor Perry, Lt. Governor Dewhurst, and Speaker Craddick offered a practical definition of accountability when they instructed the Joint Committee on Public Education Finance to:

*"... identify, and investigate, those practices that contribute to both high academic performance and cost-effective operations."*

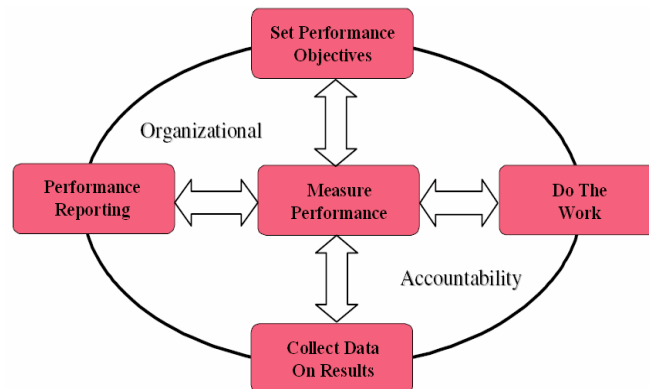
The essence of accountability is its ability to identify and measure those characteristics of organizations whose performance warrants recognition as "Best Practice" organizations and, in the process, reveal the performance of all organizations. Comparative analysis, through a limited set of core measurements, can help identify "Best Practice" organization to establish performance standards and motivate performance improvements. An accountability system must answer four (4) simple questions regarding an organization's academic and financial performance.

1. How well is the organization doing relative to other organizations in its industry?
2. Where are performance improvements necessary?
3. Which organizations are models that can provide guidance in developing a performance improvement strategy?
4. What progress is being made in achieving the target performance improvements?

Upon signing the Government Performance and Results Act of 1993, President Clinton said:

*" We must chart a course for every endeavor that we take the peoples money for, see how well we are progressing, tell the public how we are doing, stop the things that are not working, and never stop improving the things that we think are worth investing in."*

Accountability is a word frequently used, yet the concept is not easily understood. When people hear the word accountability, they know that it means something important, but that is typically as far as it goes. Because they do not grasp the concept of accountability, they will not know how to do it, therefore they cannot achieve it. Organizations cannot just declare themselves accountable - it just does not happen that way. Accountability has to be established through an accountability environment and implemented using an accountability framework. The accountability environment integrates the concept of responsibility into individual, department, and organizational performance evaluation. The accountability framework ensures the execution and fulfillment of the organization's performance obligations.



Any accountability framework must include comparative measurements in order to clarify an organization's relative position in its industry. The most important benefit of using comparative analyses in an accountability framework is that it allows observers to look beyond their existing paradigms of performance and increases the likelihood of finding tomorrow's solutions to today's problems. The purpose of comparative analyses is to convert raw data into information and information into knowledge. The data that has been collected, at great public expense, must be synthesized so that organizations can make informed assumptions about what has happened, how and why this might vary from what was expected, and what corrective actions are required. Facts are stubborn things and evidence, derived from analysis, is the only effective way of confronting personal and professional biases that frequently inhibit progress.

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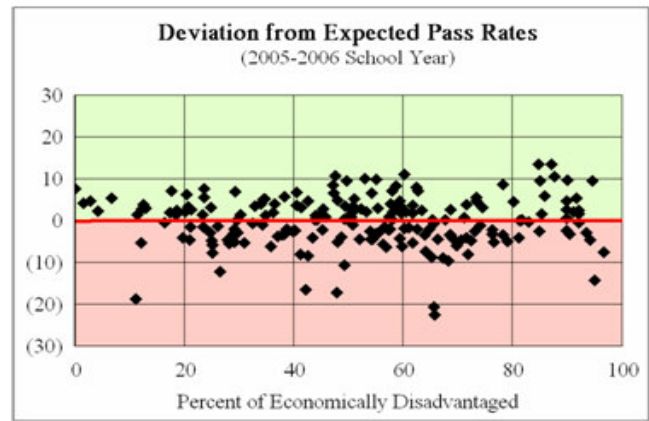
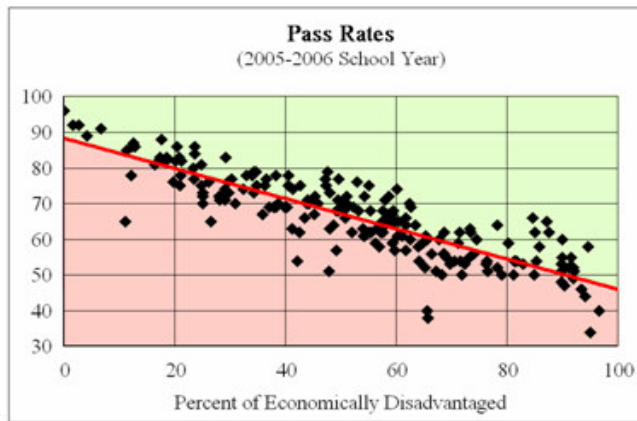
ACADEMIC & FINANCIAL PERFORMANCE MANAGEMENT REVIEW

## 2005-2006 Texas Public Education Academic and Financial Performance Management Report Best Practice Awards

### Academic Performance Districts

Rank	District	ESC	Academic Practice Index				Year-to-Year Change
			This Year	Last Year	Growth	Percent	
01	Richardson	10	11.3	17.0	5.7	33.5%	
02	Spring Branch	04	14.9	19.9	5.0	25.1%	
03	Texarkana	08	16.0	21.4	5.4	25.2%	
04	Los Fresnos Consolidated	01	20.0	29.4	9.4	32.0%	
05	Weslaco	01	20.1	22.9	2.8	12.2%	
06	Highland Park	10	20.7	20.7			
07	Dension	10	24.4	24.6	0.2	0.8%	
08	Brownwood	15	28.4	25.2	(3.2)	-12.7%	
09	Mount Pleasant	08	28.9	42.1	13.2	31.4%	
10	Mission Consolidated	01	30.3	42.9	12.6	29.4%	
11	College Station	06	31.3	35.5	4.2	11.8%	
12	Edinburg	01	34.7	48.5	13.8	28.5%	
13	Hurst-Eules-Bedford	11	35.1	52.1	17.0	32.6%	
14	Plano	10	35.4	41.5	6.1	14.7%	
15	Calhoun County	03	36.3	35.3	(1.0)	-2.8%	
16	Eanes	13	36.4	19.3	(17.1)	-88.6%	
17	Frenship	17	37.2	28.8	(8.4)	-29.2%	
18	Brenham	06	39.6	33.0	(6.6)	-20.0%	
19	McKinney	10	41.8	55.9	14.1	25.2%	
20	Amarillo	16	41.9	55.2	13.3	24.1%	

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### Using Regression Analysis and the Resulting Analysis of Variances as an Academic Performance Measurement

Considering the influence that student socio-economic factors have on a district's academic performance, using raw data to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques for the 200 largest public school districts in Texas, we are able to forecast each district's expected academic performance and analyze the variance between the forecasted outcomes and the actual reported outcomes. Employing a basic doctrine of fairness, we have "leveled the playing field" for all 200 school districts in our sample group. Districts with a high percentage of economically disadvantaged students have an equal chance of being recognized for achieving favorable variances to forecasted performances as those districts that enjoy a low percentage of economically disadvantaged students.

The same type of analysis is used to evaluate each district's performance for graduation rates, SAT mean total scores, and ACT mean composite scores before calculating its Academic Performance Index. The weighting factors used in determining the Academic Performance Index are:

Pass Rates	60%
Graduation Rates	20%
SAT Mean Scores	10%
ACT Mean Scores	10%

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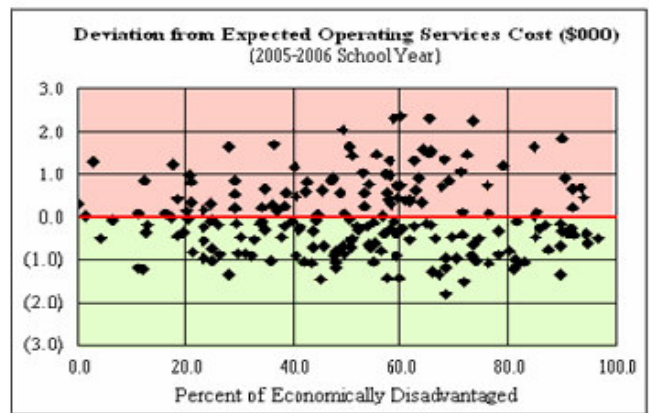
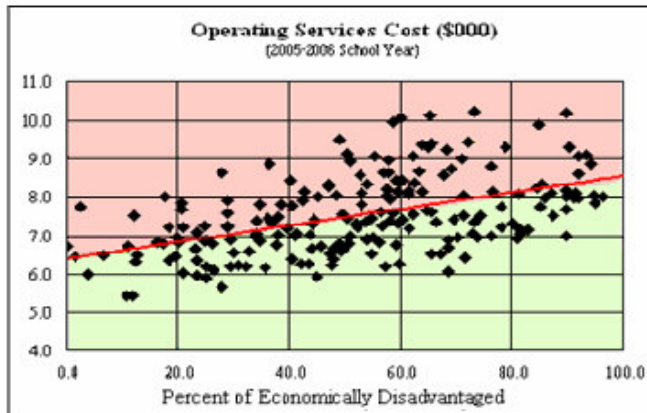
ACADEMIC & FINANCIAL PERFORMANCE MANAGEMENT REVIEW

## 2005-2006 Texas Public Education Academic and Financial Performance Management Report Best Practice Awards

### Financial Performance Districts

Rank	District	ESC	Financial Practice Index				Year-to-Year Change
			This Year	Last Year	Growth	Percent	
01	Irving	10	(1,800.98)	(1,597.10)	(203.88)	12.8%	
02	Everman	11	(1,518.56)	(1,146.20)	(372.36)	32.5%	
03	Garland	10	(1,438.46)	(1,311.10)	(127.36)	9.7%	
04	Arlington	11	(1,432.35)	(1,204.30)	(228.05)	18.9%	
05	Grand Prairie	10	(1,431.95)	(916.80)	(515.15)	56.2%	
06	Clint	19	(1,330.85)	(987.10)	(343.75)	34.8%	
07	Mansfield	11	(1,329.79)	(1,014.20)	(315.59)	31.1%	
08	Channelview	04	(1,323.46)	(1,211.70)	(111.76)	9.2%	
09	Lancaster	10	(1,283.99)	(1,497.60)	213.61	-14.3%	
10	Southside	20	(1,213.75)	(1,424.30)	210.55	-14.8%	
11	Keller	11	(1,212.33)	(1,303.70)	91.37	-7.0%	
12	Crowley	11	(1,191.02)	(944.50)	(246.52)	26.1%	
13	Pasadena	10	(1,188.80)	(1,062.20)	(126.60)	11.9%	
14	De Soto	10	(1,182.91)	(929.60)	(253.31)	27.2%	
15	Houston	04	(1,110.35)	(1,122.70)	12.35	-1.1%	
16	Birdville	11	(1,072.64)	(1,073.30)	0.66	-0.1%	
17	Del Valle	13	(1,065.81)	(837.50)	(228.31)	27.3%	
18	Cedar Hill	10	(1,050.45)	(1,118.40)	67.95	-6.1%	
19	Mesquite	10	(1,045.67)	(849.80)	(195.87)	23.0%	
20	Spring	10	(1,041.94)	(834.20)	(207.74)	24.9%	

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### Using Regression Analysis and the Resulting Analysis of Variances as a Financial Performance Measurement

Considering the influence that student socio-economic factors have on a district's academic performance, using raw data to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques for the 200 largest public school districts in Texas, we can forecast each district's expected operating cost per student and then analyze the variance between the forecasted cost and the actual reported cost. Employing a basic doctrine of fairness, we have "leveled the playing field" for all 200 school districts in our sample group in the search for the most efficient school district.

In addition to the effects of student socio-economic factors, regional variations in cost are taken into consideration before performing the regression analysis and forecasting operating cost per student. We have developed a cost index for each county in Texas based on the average salary for all teachers with 1 to 5 years of experience in the county compared to statewide average for teachers with the same level of experience. Again, this helps to further "level the playing field" when evaluating operating costs per student so large, urban school districts, where cost of salaries tend to be high, are not placed at a competitive disadvantage when compared to smaller suburban and rural school districts.

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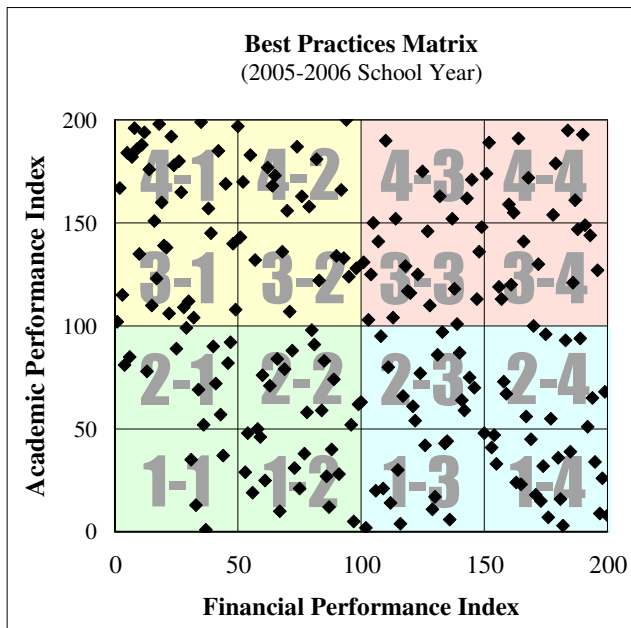
ACADEMIC & FINANCIAL PERFORMANCE MANAGEMENT REVIEW

## 2005-2006 Texas Public Education Academic and Financial Performance Management Report Best Practice Awards

### Overall Academic and Financial Performance Districts

Rank	District	ESC	Best Practice Index				Year-to-Year Change
			This Year	Last Year	Growth	Percent	
01	Hurst-Euless-Bedford	11	35.5	52.1	16.6	31.9%	
02	Richardson	10	37.0	44.0	7.0	16.0%	
03	Angleton	04	46.8	38.8	(7.9)	-20.4%	
04	Eagle Pass	20	57.5	46.9	(10.6)	-22.7%	
05	McKinney	10	59.1	74.2	15.1	20.4%	
06	Galena Park	04	60.4	60.4	0.0	0.0%	
07	Aldine	04	63.2	59.5	(3.7)	-6.2%	
08	Carrollton-Farmers Branch	10	65.9	58.2	(7.7)	-13.3%	
09	Mission Consolidated	01	67.7	87.1	19.4	22.2%	
10	Alvin	04	71.4	69.0	(2.4)	-3.4%	
11	Sharyland	01	72.2	51.2	(21.0)	-41.0%	
12	Conroe	06	74.8	87.2	12.4	14.2%	
13	Goose Creek	10	76.6	96.6	20.0	20.7%	
14	Northside	20	76.9	78.3	1.4	1.8%	
15	Dumas	16	77.9	119.0	41.1	34.6%	
16	Pasadena	10	79.1	49.3	(29.7)	-60.3%	
17	Brownsville	01	79.3	43.9	(35.4)	-80.6%	
18	Arlington	11	81.1	111.2	30.1	27.1%	
19	Ysleta	19	82.9	91.9	9.1	9.9%	
20	Clint	19	85.2	94.9	9.7	10.2%	

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#### Sample Group

The sample group used in the Best Practice Analysis includes the 200 largest public school districts in Texas. There were 3,618,663 students enrolled in these districts which represented 80.3% of all students in the state. The sample group districts range in size as follows:

Maximum	209,879
Median	8,715
Minimum	3,504
Average	18,093

#### Best Practices Index

After adjusting for student demographics and regional cost differences, the relative ranking of each district's academic and financial performance is plotted as a point on the Best Practices Matrix. The Best Practice Index represent the distance between each district's coordinate on the Best Practices Matrix and the lower left-hand corner (0-0) of the Matrix. The growth reflects the percent of change in a district's Best Practice Index between the current school year and the prior school year.

#### Best Practices Performance Levels

The Academic and Financial Performance Indexes are divided into four performance levels based on each district's relative rankings as follows:

- Level 01: Relative Rankings from 001 to 050
- Level 02: Relative Rankings from 051 to 100
- Level 03: Relative Rankings from 101 to 150
- Level 04: Relative Rankings from 151 to 200

The intersection of the Academic and Financial Performance Index performance levels creates 16 possible Best Practice Categories - the best would be the 1-1 category, the worst would be the 4-4 category.

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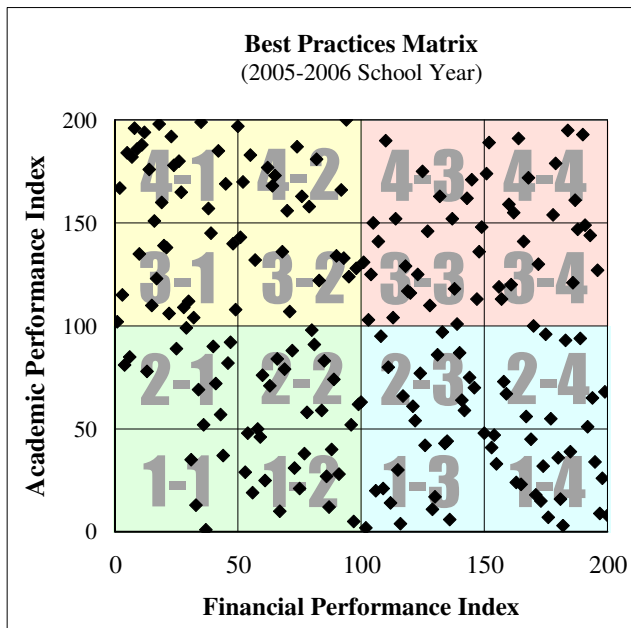
ACADEMIC & FINANCIAL PERFORMANCE MANAGEMENT REVIEW

## 2005-2006 Texas Public Education Academic and Financial Performance Management Report Best Practice Awards

### Growth in Overall Academic and Financial Performance Districts

Rank	District	ESC	2 Year Average Growth Rate				Two Year Average Growth
			2006	2004	Growth	Percent	
01	Mission Consolidated	01	67.7	118.9	51.2	43.0%	
02	Wylie	10	112.5	165.3	52.8	31.9%	
03	Ennis	10	90.1	129.4	39.3	30.4%	
04	Northside	20	76.9	110.1	33.2	30.2%	
05	Hurst-Euleess-Bedford	11	35.5	50.2	14.7	29.4%	
06	Plano	10	112.9	159.5	46.7	29.2%	
07	Roma	01	118.2	166.0	47.8	28.8%	
08	Dickinson	04	103.2	141.0	37.9	26.9%	
09	Victoria	03	164.8	216.4	51.6	23.8%	
10	Allen	10	85.9	109.7	23.8	21.7%	
11	Burkburnett	09	161.0	205.5	44.5	21.7%	
12	Goose Creek Consolidated	04	76.6	97.6	21.0	21.6%	
13	McKinney	10	59.1	74.6	15.5	20.8%	
14	Everman	11	167.0	209.7	42.7	20.4%	
15	Corpus Christi	02	162.3	202.9	40.6	20.0%	
16	Magnolia	06	147.6	183.4	35.9	19.5%	
17	Donna	01	193.4	231.2	37.8	16.4%	
18	Clint	19	85.2	101.0	15.8	15.6%	
19	Montgomery	06	132.8	157.0	24.1	15.4%	
20	Sherman	10	164.8	194.5	29.7	15.3%	

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#### Best Practices Index

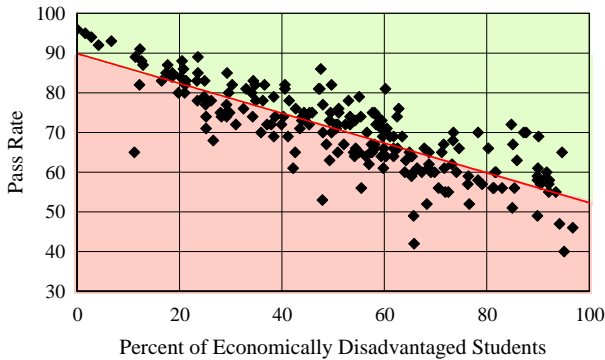
After adjusting for student demographics and regional cost differences, the relative ranking of each district's academic and financial performance is plotted as a point on the Best Practices Matrix. The Best Practice Index represents the distance between each district's coordinate on the Best Practices Matrix and the lower left-hand corner (0-0) of the Matrix. The growth reflects the percent of change in a district's Best Practice Index between the current school year and the prior school year.

#### Growth in Overall Academic and Financial Performance

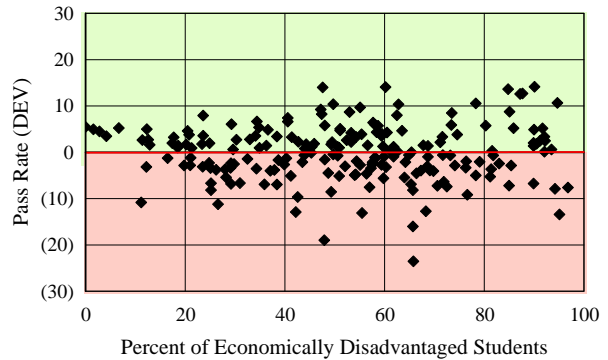
One of the core concepts of leadership is the organization's ability to show continuous improvement. To qualify in this Best Practices Category, a district must show improvement in its Best Practice Index for two consecutive years. Districts meeting this qualification are then rated based on their average growth for the last two years improvement in their Best Practice Index.

## Performance Analysis - Pass Rates at Panel Recommendation 2006-2007 School Year

**Pass Rate Regression Analysis**



**Pass Rate - Analysis of Variances**



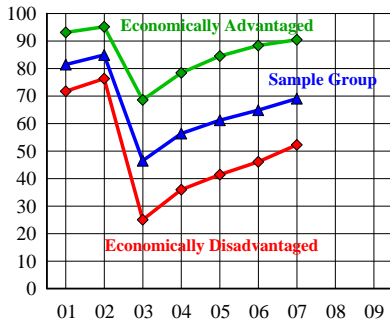
Given the influence that student socio-economic factors have on academic outcomes in public education, conducting an analysis of raw pass rates to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques to evaluate the performance of a sample group of 200 large school district in Texas (each represented by a dot on the regression analysis), we forecast each district's expected pass rate and analyze the variance between the expected pass rate and the actual pass rate. Using this technique, we "level the playing field" to make the performance evaluation process fair. Districts with a high percent of economically disadvantaged students have an equal chance of being recognized for achieving favorable performance variances as those districts benefiting from a low percent of economically disadvantaged students.

**Deviation from Expected Value = Actual Value - Expected Value**

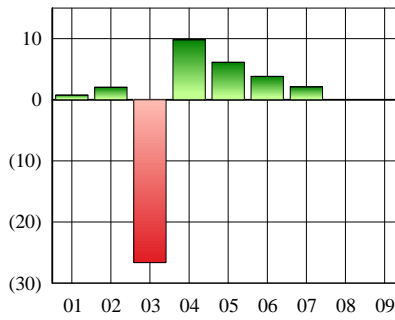
**Expected Value = Constant Value + (Percent of Economically Disadvantaged Students x Slope of the Regression Line)**

While variance analysis offers valuable information about the relative performance of each district, studying the parameters of the regression analysis can offer valuable insight into the general performance of the public education system in Texas.

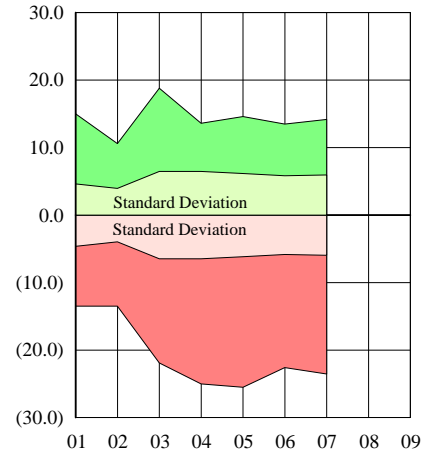
**Constant Value (Y-Axis Intercepts)**



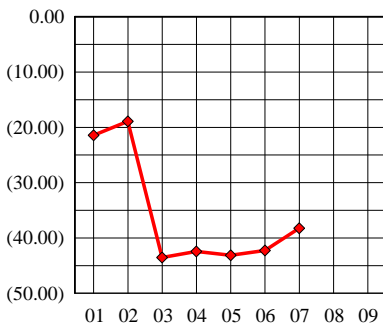
**Momentum**



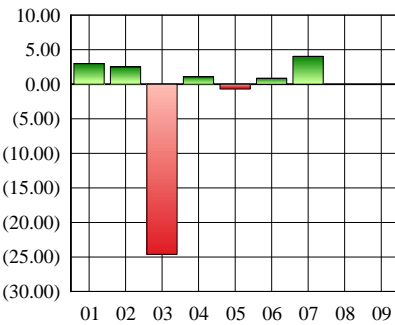
**Performance Variance Analysis**



**Performance Gap Analysis**



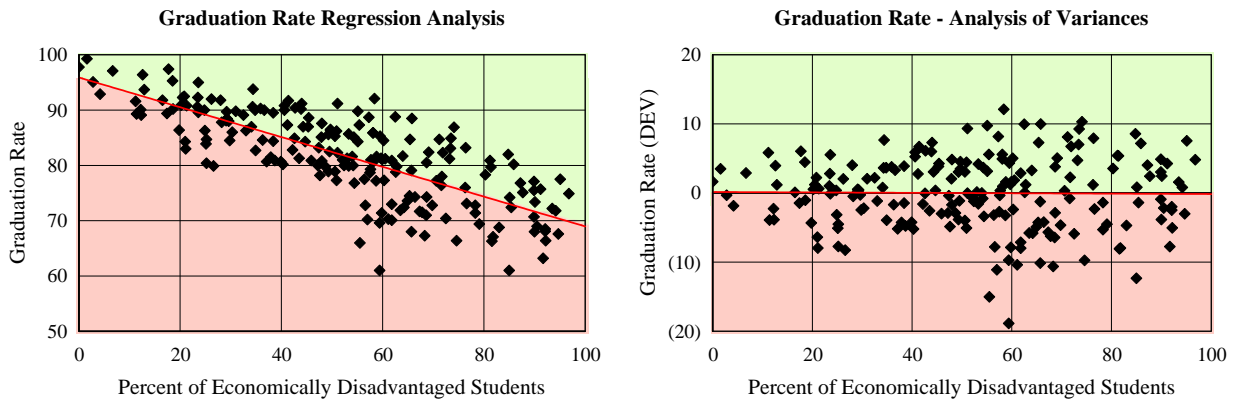
**Momentum**



Year	Maximum	Minimum	Std Dev
2001	15.0	(13.5)	4.6
2002	10.6	(13.5)	4.0
2003	18.8	(21.9)	6.5
2004	13.6	(25.0)	6.5
2005	14.6	(25.5)	6.2
2006	13.5	(22.6)	5.8
2007	14.2	(23.5)	6.0
2008			
2009			

## Performance Analysis - Graduation Rates

2006-2007 School Year

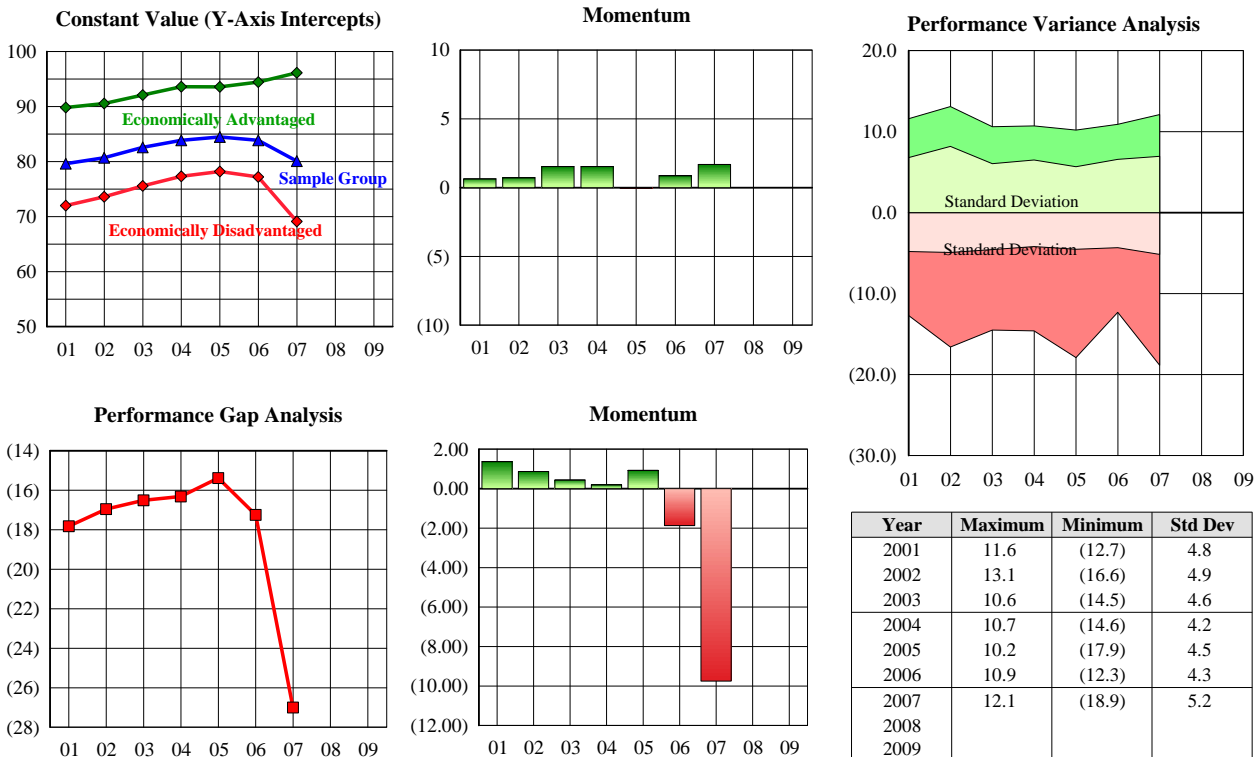


Given the influence that student socio-economic factors have on academic outcomes in public education, conducting an analysis of raw graduation rates to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques to evaluate the performance of a sample group of 200 large school district in Texas (each represented by a dot on the regression analysis), we forecast each district's expected graduation rate and analyze the variance between the expected graduation rate and the actual graduation rate. Using this technique, we "level the playing field" to make the performance evaluation process fair. Districts with a high percent of economically disadvantaged students have an equal chance of being recognized for achieving favorable performance variances as those districts benefiting from a low percent of economically disadvantaged students.

**Deviation from Expected Value = Actual Value - Expected Value**

**Expected Value = Constant Value + (Percent of Economically Disadvantaged Students x Slope of the Regression Line)**

While variance analysis offers valuable information about the relative performance of each district, studying the parameters of the regression analysis can offer valuable insight into the general performance of the public education system in Texas.



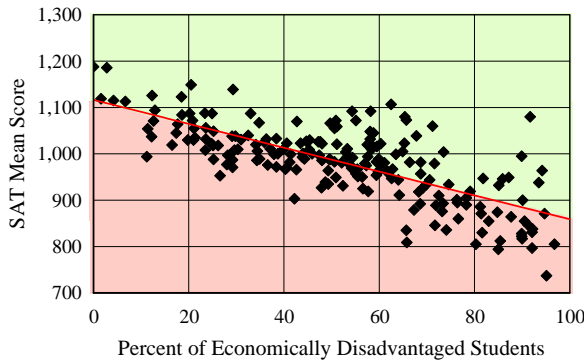
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 The Woodlands, TX 77380  
 (877) 508-6824



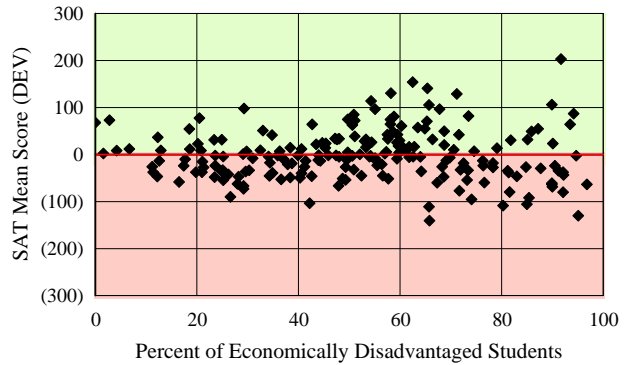
## Performance Analysis - SAT Mean Scores

2006-2007 School Year

**SAT Mean Scores Regression Analysis**



**SAT Mean Scores - Analysis of Variances**



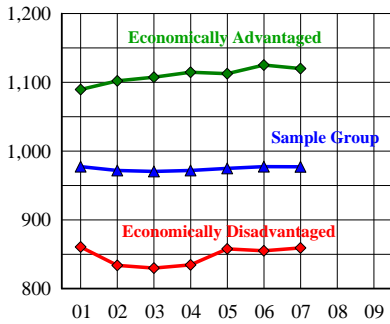
Given the influence that student socio-economic factors have on academic outcomes in public education, conducting an analysis of raw SAT mean scores to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques to evaluate the performance of a sample group of 200 large school district in Texas (each represented by a dot on the regression analysis), we forecast each district's expected SAT mean scores and analyze the variance between the expected SAT mean scores and the actual SAT mean scores. Using this technique, we "level the playing field" to make the performance evaluation process fair. Districts with a high percent of economically disadvantaged students have an equal chance of being recognized for achieving favorable performance variances as those districts benefiting from a low percent of economically disadvantaged students.

**Deviation from Expected Value = Actual Value - Expected Value**

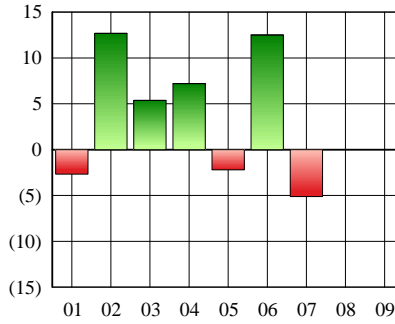
**Expected Value = Constant Value + (Percent of Economically Disadvantaged Students x Slope of the Regression Line)**

While variance analysis offers valuable information about the relative performance of each district, studying the parameters of the regression analysis can offer valuable insight into the general performance of the public education system in Texas.

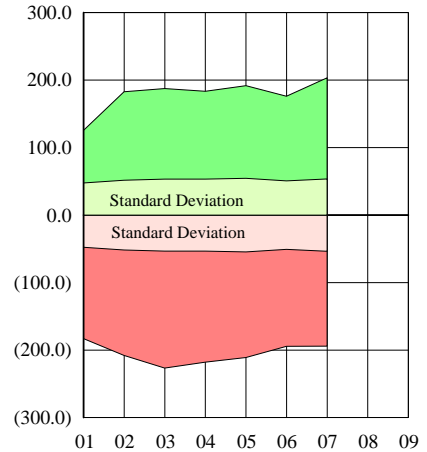
**Constant Value (Y-Axis Intercept)**



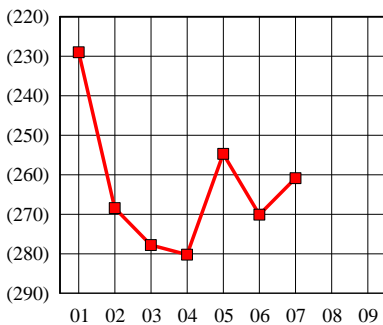
**Momentum**



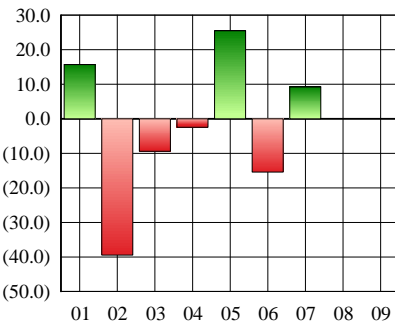
**Performance Variance Analysis**



**Performance Gap Analysis**



**Momentum**



Year	Maximum	Minimum	Std Dev
2001	125.7	(135.5)	47.5
2002	182.8	(156.1)	51.7
2003	187.4	(173.1)	53.4
2004	183.5	(164.5)	53.3
2005	191.7	(156.5)	54.4
2006	176.2	(143.6)	50.7
2007	203.3	(140.7)	53.5
2008			
2009			

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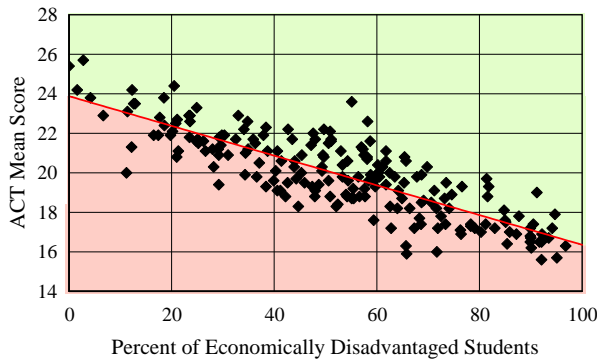
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The Woodlands, TX 77380

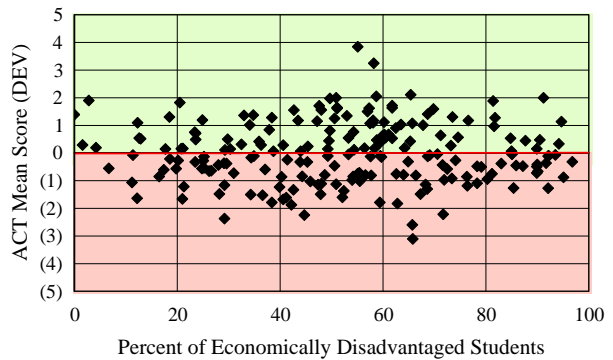
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## Performance Analysis - ACT Mean Scores 2006-2007 School Year

**ACT Mean Scores Regression Analysis**



**ACT Mean Scores - Analysis of Variances**



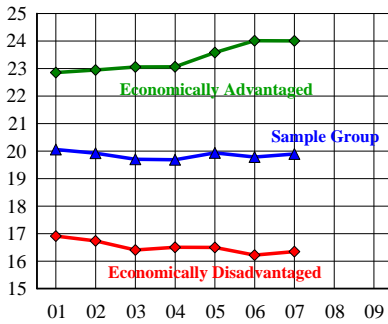
Given the influence that student socio-economic factors have on academic outcomes in public education, conducting an analysis of raw ACT mean scores to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques to evaluate the performance of a sample group of 200 large school district in Texas (each represented by a dot on the regression analysis), we forecast each district's expected ACT mean scores and analyze the variance between the expected ACT mean scores and the actual ACT mean scores. Using this technique, we "level the playing field" to make the performance evaluation process fair. Districts with a high percent of economically disadvantaged students have an equal chance of being recognized for achieving favorable performance variances as those districts benefiting from a low percent of economically disadvantaged students.

**Deviation from Expected Value = Actual Value - Expected Value**

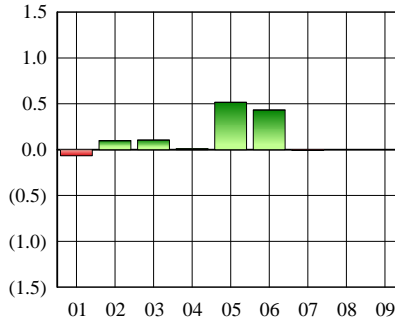
**Expected Value = Constant Value + (Percent of Economically Disadvantaged Students x Slope of the Regression Line)**

While variance analysis offers valuable information about the relative performance of each district, studying the parameters of the regression analysis can offer valuable insight into the general performance of the public education system in Texas.

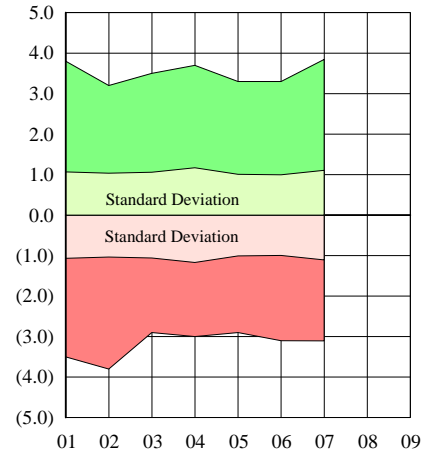
**Constant Value (Y-Axis Intercept)**



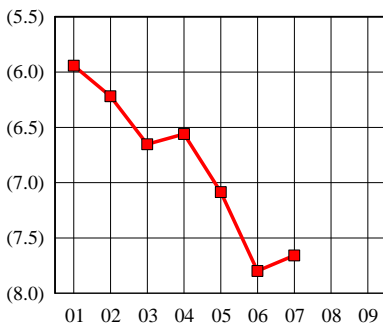
**Momentum**



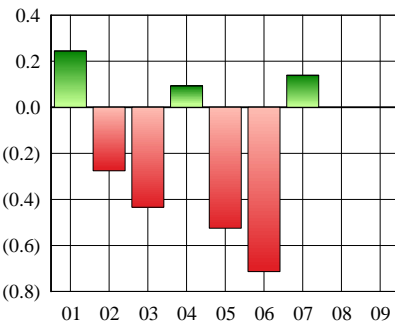
**Performance Variance Analysis**



**Performance Gap Analysis**



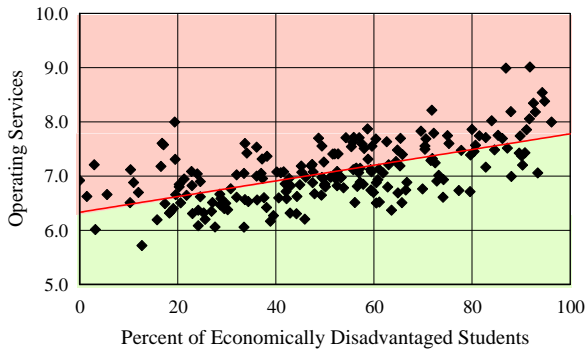
**Momentum**



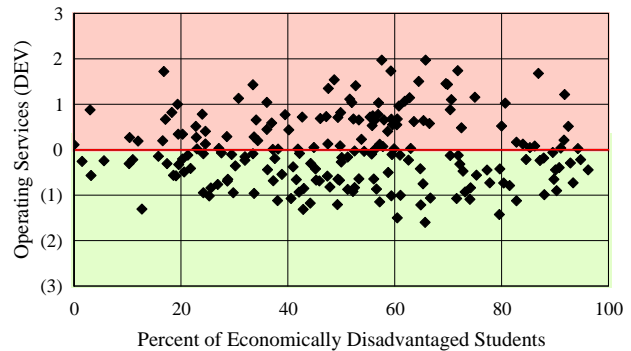
Year	Maximum	Minimum	Std Dev
2001	3.8	(3.5)	1.07
2002	3.2	(3.8)	1.04
2003	3.5	(2.9)	1.06
2004	3.7	(3.0)	1.17
2005	3.3	(2.9)	1.01
2006	3.3	(3.1)	1.00
2007	3.8	24.0	1.10
2008			
2009			

## Performance Analysis - Total Operating Services Costs 2005-2006 School Year

**Operating Services Regression Analysis**



**Operating Services Analysis of Variances**



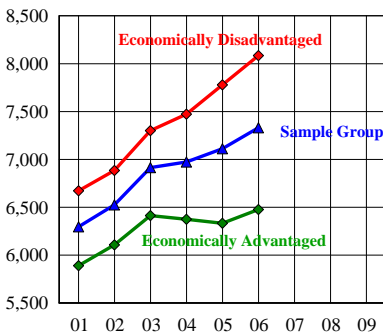
Given the influence that student socio-economic factors have on academic outcomes in public education, conducting an analysis of raw expenditure data to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques to evaluate the performance of a sample group of 200 large school district in Texas (each represented by a dot on the regression analysis), we forecast each district's expected expenditures and analyze the variance between the expected expenditures and the actual expenditures. Using this technique, we "level the playing field" to make the performance evaluation process fair. Districts with a high percent of economically disadvantaged students have an equal chance of being recognized for achieving favorable performance variances as those districts benefiting from a low percent of economically disadvantaged students.

**Deviation from Expected Value = Actual Value - Expected Value**

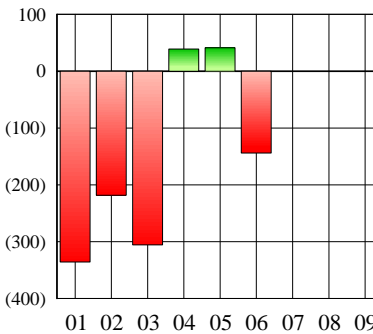
**Expected Value = Constant Value + (Percent of Economically Disadvantaged Students x Slope of the Regression Line)**

While variance analysis offers valuable information about the relative performance of each district, studying the parameters of the regression analysis can offer valuable insight into the general performance of the public education system in Texas.

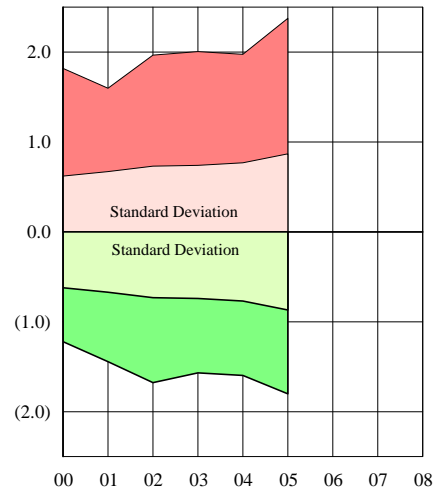
**Constant Value (Y-Axis Intercept)**



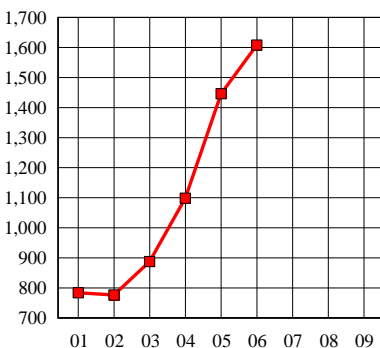
**Momentum**



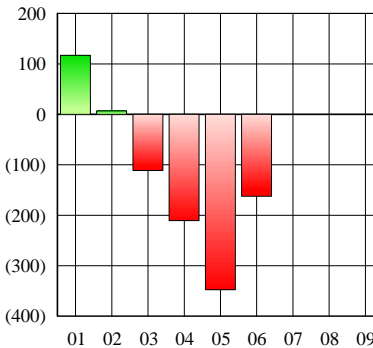
**Performance Variance Analysis**



**Performance Gap Analysis**



**Momentum**

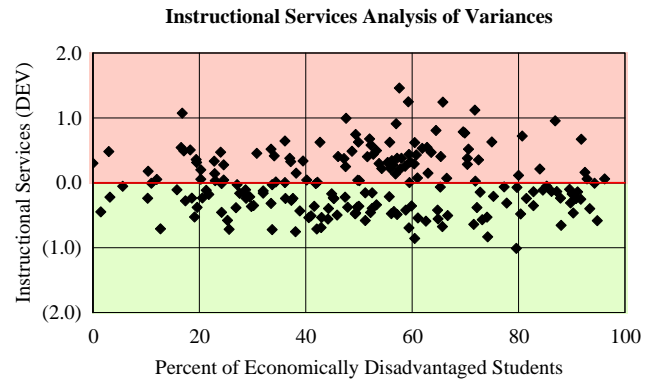
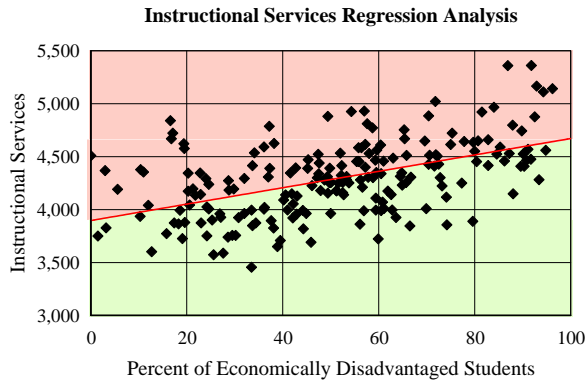


Year	Minimum	Maximum	Std Dev
2001	(1,221.90)	1,819.20	621.82
2002	(1,443.80)	1,597.60	671.05
2003	(1,677.20)	1,967.00	732.45
2004	(1,568.40)	2,005.50	739.89
2005	(1,597.10)	1,975.00	768.50
2006	(1,801.10)	2,376.60	867.97
2007			
2008			
2009			

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## Performance Analysis - Instructional Services Costs 2005-2006 School Year

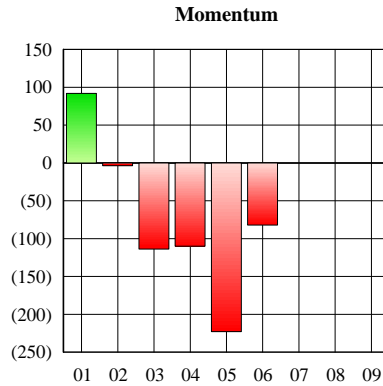
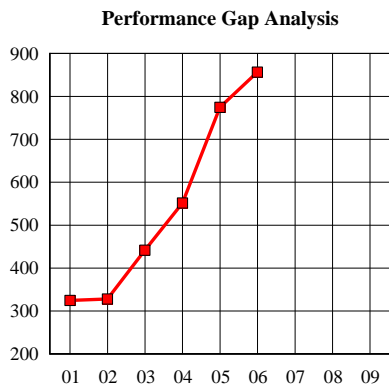
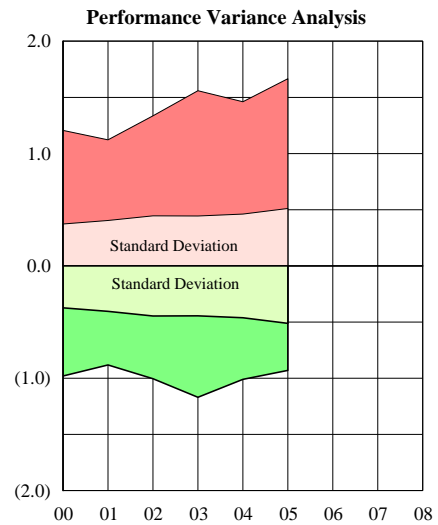
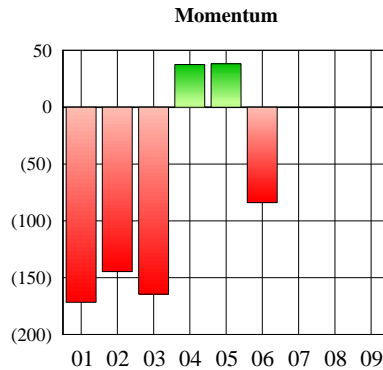
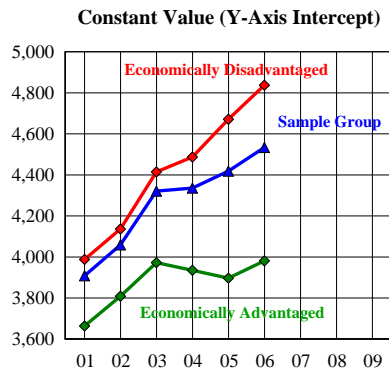


Given the influence that student socio-economic factors have on academic outcomes in public education, conducting an analysis of raw expenditure data to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques to evaluate the performance of a sample group of 200 large school district in Texas (each represented by a dot on the regression analysis), we forecast each district's expected expenditures and analyze the variance between the expected expenditures and the actual expenditures. Using this technique, we "level the playing field" to make the performance evaluation process fair. Districts with a high percent of economically disadvantaged students have an equal chance of being recognized for achieving favorable performance variances as those districts benefiting from a low percent of economically disadvantaged students.

**Deviation from Expected Value = Actual Value - Expected Value**

**Expected Value = Constant Value + (Percent of Economically Disadvantaged Students x Slope of the Regression Line)**

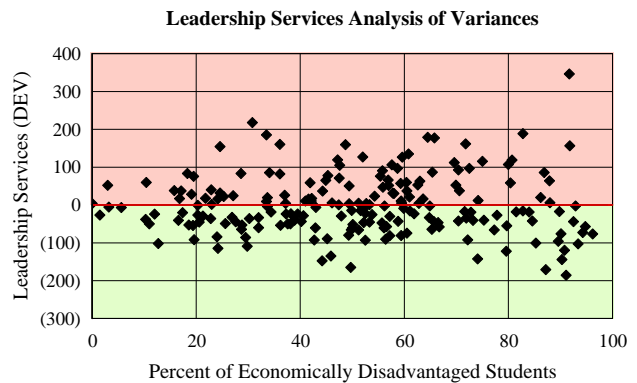
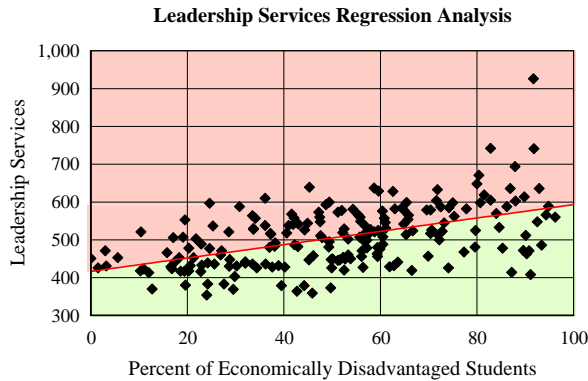
While variance analysis offers valuable information about the relative performance of each district, studying the parameters of the regression analysis can offer valuable insight into the general performance of the public education system in Texas.



Year	Minimum	Maximum	Std Dev
2001	(980.10)	1,206.50	372.69
2002	(880.80)	1,122.20	404.66
2003	(1,003.30)	1,335.80	445.08
2004	(1,169.40)	1,558.60	444.98
2005	(1,010.20)	1,460.40	461.19
2006	(930.00)	1,666.70	511.37
2007			
2008			
2009			

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## Performance Analysis - Leadership Services Costs 2005-2006 School Year

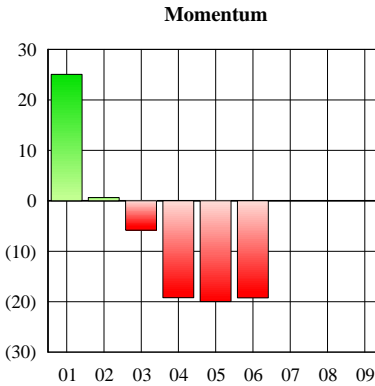
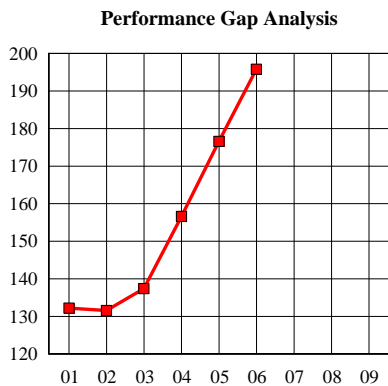
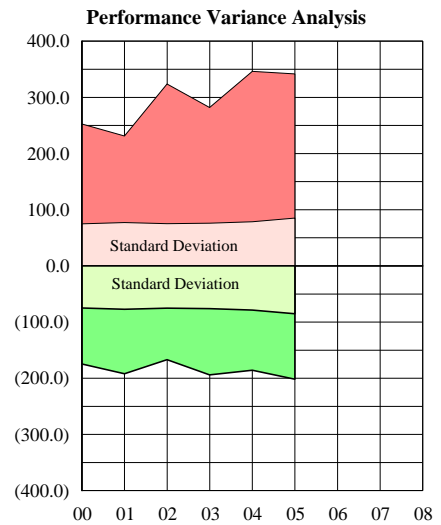
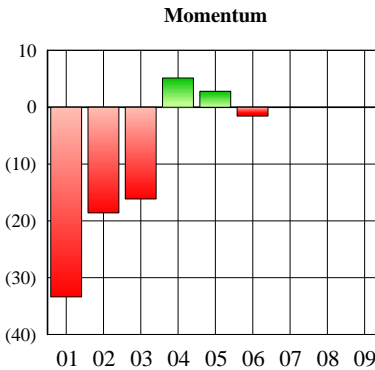
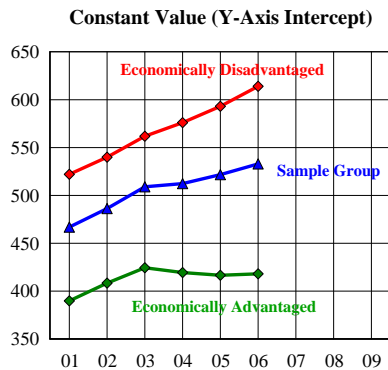


Given the influence that student socio-economic factors have on academic outcomes in public education, conducting an analysis of raw expenditure data to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques to evaluate the performance of a sample group of 200 large school district in Texas (each represented by a dot on the regression analysis), we forecast each district's expected expenditures and analyze the variance between the expected expenditures and the actual expenditures. Using this technique, we "level the playing field" to make the performance evaluation process fair. Districts with a high percent of economically disadvantaged students have an equal chance of being recognized for achieving favorable performance variances as those districts benefiting from a low percent of economically disadvantaged students.

$$\text{Deviation from Expected Value} = \text{Actual Value} - \text{Expected Value}$$

$$\text{Expected Value} = \text{Constant Value} + (\text{Percent of Economically Disadvantaged Students} \times \text{Slope of the Regression Line})$$

While variance analysis offers valuable information about the relative performance of each district, studying the parameters of the regression analysis can offer valuable insight into the general performance of the public education system in Texas.

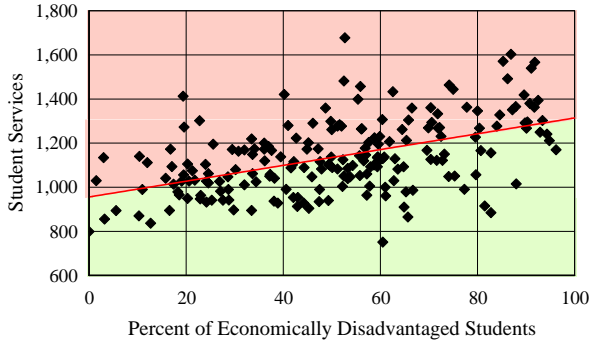


Year	Mimimum	Maximum	Std Dev
2001	(174.70)	252.70	74.86
2002	(191.90)	231.20	77.09
2003	(166.90)	323.90	75.27
2004	(194.00)	281.90	75.92
2005	(185.70)	346.30	78.47
2006	(201.50)	341.90	85.22
2007			
2008			
2009			

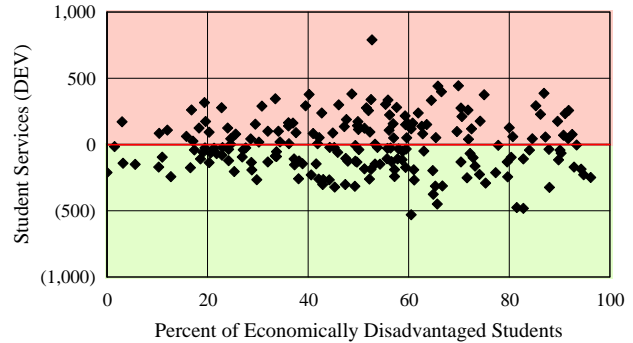
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The Woodlands, TX 77380  
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## Performance Analysis - Student Services Costs 2005-2006 School Year

**Student Services Regression Analysis**



**Student Services Analysis of Variances**



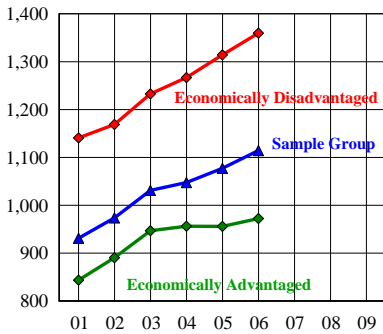
Given the influence that student socio-economic factors have on academic outcomes in public education, conducting an analysis of raw expenditure data to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques to evaluate the performance of the 200 largest school district in Texas (each represented by a dot on the regression analysis), we forecast each district's expected expenditures and analyze the variance between the expected expenditures and the actual expenditures. Using this technique, we "level the playing field" to make the performance evaluation process fair. Districts with a high percent of economically disadvantaged students have an equal chance of being recognized for achieving favorable performance variances as those districts benefiting from a low percent of economically disadvantaged students.

**Deviation from Expected Value = Actual Value - Expected Value**

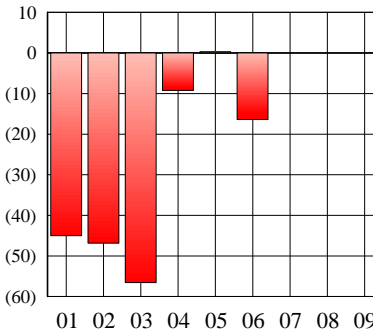
**Expected Value = Constant Value + (Percent of Economically Disadvantaged Students x Slope of the Regression Line)**

While variance analysis offers valuable information about the relative performance of each district, studying the parameters of the regression analysis can offer valuable insight into the general performance of the public education system in Texas.

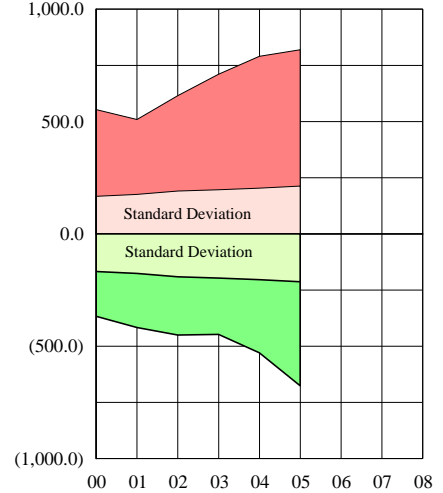
**Constant Value (Y-Axis Intercept)**



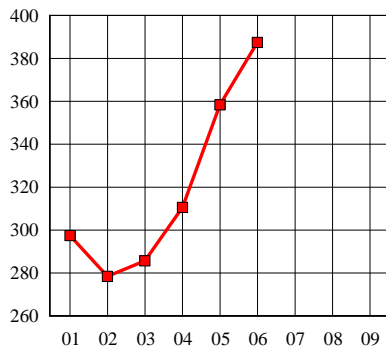
**Momentum**



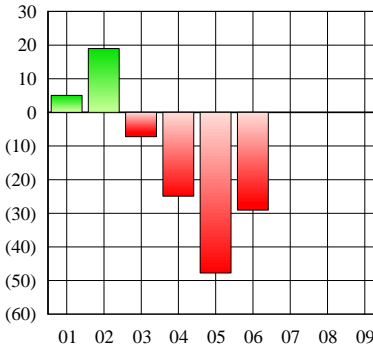
**Performance Variance Analysis**



**Performance Gap Analysis**



**Momentum**

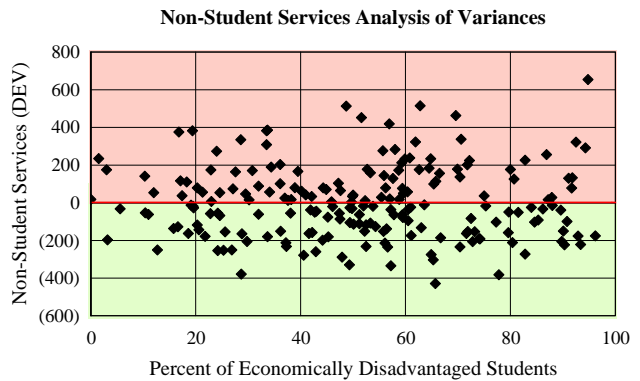
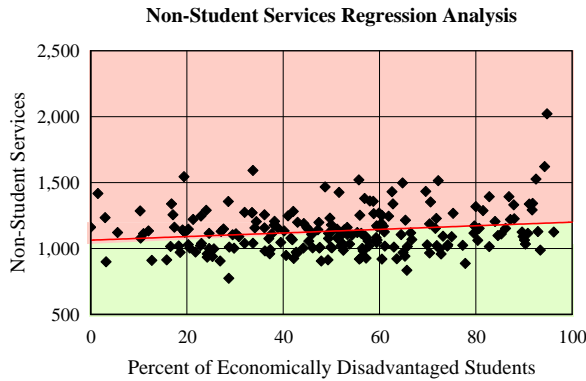


Year	Minimum	Maximum	Std Dev
2001	(366.80)	553.10	167.23
2002	(416.30)	509.00	175.68
2003	(450.10)	615.30	190.94
2004	(447.00)	710.90	196.77
2005	(529.10)	790.10	203.58
2006	(675.90)	819.20	212.87
2007			
2008			
2009			

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## Performance Analysis - Non-Student Services Costs

2005-2006 School Year



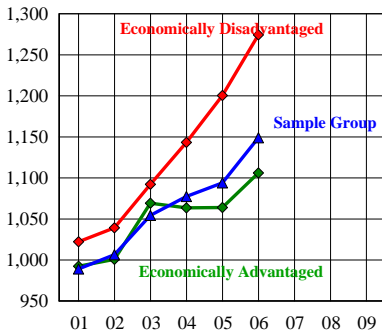
Given the influence that student socio-economic factors have on academic outcomes in public education, conducting an analysis of raw expenditure data to evaluate either the quality of a district's leadership or the effectiveness of its programs is inappropriate. Using linear regression analysis techniques to evaluate the performance of a sample group of 200 large school district in Texas (each represented by a dot on the regression analysis), we forecast each district's expected expenditures and analyze the variance between the expected expenditures and the actual expenditures. Using this technique, we "level the playing field" to make the performance evaluation process fair. Districts with a high percent of economically disadvantaged students have an equal chance of being recognized for achieving favorable performance variances as those districts benefiting from a low percent of economically disadvantaged students.

**Deviation from Expected Value = Actual Value - Expected Value**

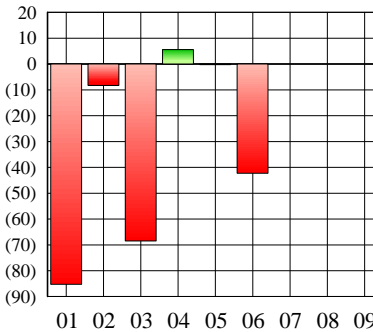
**Expected Value = Constant Value + (Percent of Economically Disadvantaged Students x Slope of the Regression Line)**

While variance analysis offers valuable information about the relative performance of each district, studying the parameters of the regression analysis can offer valuable insight into the general performance of the public education system in Texas.

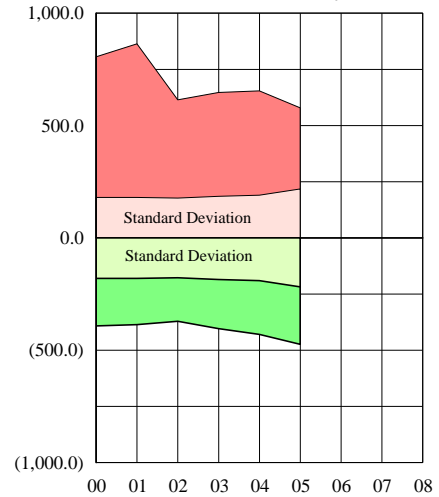
**Constant Value (Y-Axis Intercept)**



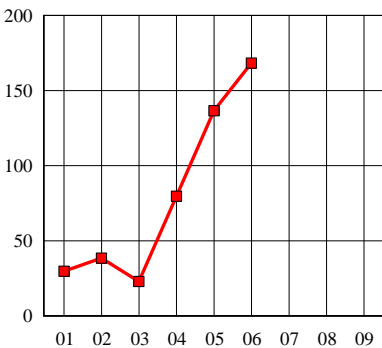
**Momentum**



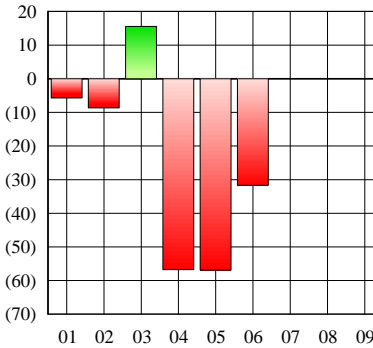
**Performance Variance Analysis**



**Performance Gap Analysis**



**Momentum**



Year	Minimum	Maximum	Std Dev
2001	(391.80)	806.10	180.27
2002	(385.80)	863.60	180.27
2003	(370.90)	614.60	177.27
2004	(404.00)	647.00	185.30
2005	(429.00)	654.00	189.94
2006	(473.30)	579.10	217.56
2007			
2008			
2009			

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Academic and Financial Performance Management Review

**Government Performance and Results Act of 1993**

Establishing and Maintaining a Performance-Based Management Program

The term Performance-Based Management Program refers to a formalized framework within an organization established for the purpose of implementing, conducting, and maintaining a performance-based approach to the operations of the organization. It is a systematic approach to performance improvement through an ongoing process of establishing long-term performance objectives; measuring performance; collecting, analyzing, reviewing, and reporting performance data; and using that data to drive performance improvements. Upon signing the Government Performance and Results Act of 1993, President William J. Clinton said:

*"We must chart a course for every endeavor that we take the people's money for, see how well we are progressing, tell the public how we are doing, stop the things that don't work, and never stop improving the things that we think are worth investing in."*

Establishing a sound performance-based management program is not an easy or short task. Getting a program firmly established will take years, not days or month. It is not a project, it is a process. Areas identified to which ongoing attention should be given are:

**Leadership:** Never underestimate the role of leadership. Leadership is responsible for championing the cause, for "getting the ball rolling," and for keeping it rolling. Without strong leadership, the program will not succeed. Remember, a champion never rests on his or her laurels!

**Commitment:** Everyone involved, especially those in leadership positions, needs to be committed to the program. The degree of commitment to the program will determine its degree of success. Faltering commitment will erode the program.

**Involvement:** Performance-based management is inclusive, not exclusive. Specifically, stakeholders, customers, and employees should be involved when and where its is appropriate. Keep all involved who should be involved.

**Sense of Purpose:** Once established, a performance-based management program may become "routine," operating out of habit rather than a sense of purpose. It is important for the organization to maintain a clear sense of purpose for its program.

**Resources:** To function properly, a sound performance-based management program must be adequately resourced.

**Learning and Growth:** Performance-based management is not a stagnant process. It requires learning and growth on the part of all of its participants. The organization must keep pace with emerging technologies and trends in business management

**Feedback:** Ongoing feedback will help the organization make adjustments to the program to keep it operating efficiently. Also, seeking and using feedback from stakeholders, customers, and employees let's them know that their opinion is valued and they are involved in the process.

When properly developed and implemented, a performance-based management program will:

- Provide a structured approach to focusing on long-term performance objectives.
- Allow accurate and consistent performance reporting to management and stakeholders.
- Bring all the interested parties into the planning and evaluation of performance.
- Establish a "fair way" of making resource allocations, employee development, and reward decisions.
- Provide an excellent framework for ensuring accountability for results.
- Share the responsibility for performance improvement.

**Successful organizations set high standards for performance and conduct**

Most often, organizations that fail do so not because they aim too high and miss their goals but, because they aim too low and achieve them.

**Education Resource Group, Inc.**

Academic and Financial Performance Management Review

**Government Performance and Results Act of 1993**

Establishing an Integrated Performance Measurement System

Performance measurements are the “heart and soul” of the performance-based management process. Flowing from an organization’s mission statement and its strategic planning process, it provides the data that should be collected, analyzed, reported, and ultimately, used to make sound decisions. It directs the business function by justifying budgetary expenditures, documenting progress towards established objectives, identifying areas of both strength and weakness, providing an on-going assessment of the “organizational climate,” and driving performance improvements.

Performance measurement systems succeed when the organization’s strategy and performance measures are in alignment and when leaders convey a consistent message regarding the organization’s mission, vision, values, and strategic direction to employees and stakeholders. The performance measures give life to the mission, vision, and strategy by providing a focus that lets employees know how they contribute to the success of the organization and its stakeholders’ measurable expectations.

Performance measurements quantitatively tell an organization something important about its services and the process used to produce them. They are tools to help the organization understand, manage, and improve that which the organization does. Effective performance measurements can let an organization know:

- How well they are doing,
- If they are meeting their stakeholders expectations,
- If its customers are satisfied,
- Are its processes in statistical control, and
- If and where improvements are necessary.

In other words, they provide the organization with information necessary to make intelligent decisions about what it does and how effectively and efficiently it does it.

Performance measurements demonstrate the accountability of public sector organization’s stewardship of taxpayer resources. Public sector employees and contractors want their day-to-day activities to contribute to a better society. In an era of shrinking local, state, and federal budgets, the demonstration of good performance and sustainable public impact with positive results helps to justify programs and their costs.

Establishing and implementing performance measurements is an in-depth and continuous process. As a result, it is very easy for participants to get caught up in the process of developing and perfecting the process. When this preoccupation occurs, the original intent of improving performance ‘takes a back seat’ while participants totally engross themselves in a “jungle” of charts, graphs, and meetings to design and redesign the system. Do not let the design process take over the overall goal of improving performance.

Business politics play a big part in the development and implementation of performance measurements. A person or group of people may consider the performance measurement process to be a part of “their turf” and will not want to relinquish control to the organization. The problem with this situation is that it precludes the total organizational involvement necessary for performance improvements. Performance information is a strategic resource of the organization and only has value when it is shared. Also, it is inevitable that there will be resistance to the performance measurement process, usually in the development phase. It is human nature. It is a fact: people do not like change. By its very nature, performance measurements will expose weakness in organizational performance.

**Successful organizations focus on results not activities**

Organizations tend to confuse activity with results, motion with accomplishment. Thus, as they gradually lose sight of their real objectives, they concentrate increasingly on staying busy. Finally, their objective becomes to stay busy.

**Government Performance and Results Act of 1993**

Establishing Accountability for Performance

Accountability is a word frequently used, yet the concept of accountability is not easily understood. When people hear the word accountability, they know that it means something important, but that is typically as far as it goes. Subsequently, because they don't grasp the concept of accountability, they don't know how to do it, therefore cannot achieve it. There are few common definitions of accountability. This lack of commonality is due partly to the fact that the concept of accountability - especially in the public sector - is just coming to the forefront. The following are five views of accountability:

- Accountability is an obligation to answer for the execution of an organization's assigned responsibility. In simpler terms, accountability is reporting. People account, or report, to other people. Therefore, it is important to consider accountability in the context of the relationships between the people or organizations involved.
- Accountability means being able to provide an explanation and accept responsibility for the organization's performance and for one's own actions in relationship to the organization's performance.
- Accountability may be defined as a clearly identified employee obligation for the conduct and performance of a specific program or task where that performance is evaluated through the application of established criteria.
- Accountability is the obligation to answer for the discharge of responsibilities that affect others in important ways.
- Accountability is a relationship based on the obligation to demonstrate and take responsibility for performance in light of agreed to expectations.

Whichever definition you subscribe to, accountability does not "just happen." A person or organization doesn't all of a sudden say, "I'm accountable!" or "We're accountable!" It just does not happen that way. First, accountability has to be established through an accountability environment, then through an accountability framework. The environment integrates the concept of accountability into individual, department, and organization performance management. The framework ensures the execution and fulfillment of the accountability obligation.

For the most part, the accountability environment is established from the top down and cascades throughout the various levels of the organization down to the individual employee. Typical environmental barriers to successful accountability include:

- **Hidden Agendas:** Politics and organizational bias frequently focus on areas targeted for personal gain which destroys trust, a key ingredient in accountability. Remember that accountability requires transparency....and transparency means openness.
- **Favoritism:** Accountability requires inclusiveness and teamwork. Favoritism does not support that requirement.
- **Lack of Commitment:** Leadership commitment to establishing an accountability environment is crucial. Without it, performance results will be well below expectation.
- **Lack of Resources:** It is useless to expect optimal performance if individuals or teams are not provided with the resources to perform their work.
- **Lack of Follow-Up:** When leaders say they are going to do something and then do not, it tells the employees that those leaders are not trustworthy. Leaders must "Walk the Talk."
- **Lack of Clarity:** When lines of authority or roles and responsibilities are not clear, it is difficult to pinpoint where certain accountability resides.
- **Data Misuse:** Performance information must be complete and credible, and it must be reported in a timely manner. Not using performance information at all can come to mean that performance is not important to the organization.

**Successful organizations focus on effectiveness**

Organizations tend to confuse efficiency with effectiveness. They will be more concerned about doing the job right than doing the right job. No matter how efficiently a job is done, if it is the wrong job, it will not be effective. A well thought out and articulate strategy will help keep an organization focused on its core values and competencies.



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Collecting Data to Assess Performance

"Facts are stubborn things; and whatever may be our wishes, our inclinations, or the dictates or our passions, they cannot alter the state of facts and evidence." If the data, and its subsequent analysis, were subject to our wishes, inclinations, or biases, then the validity of the conclusions or decisions drawn from that data could be questioned by anybody with a differing point of view. It is only through hard, factual data and sound analysis that public confidence can be achieved and maintained. Core issues in any data collection process are validity, consistency, quality, timeliness, and frequency.

Prior to the actual collection of data, the requirements prompting the need to collect data must be fully understood and the characteristics for a good performance measurement system need to be understood, for it is this system that will provide the collected data. The purpose of data collection is to provide a basis for analysis. Analysis turns data into information that is used by, and useful to, decision-makers in an organization. Data is random and miscellaneous, but information is orderly and cumulative.

Data quality is defined as "the extent to which information remains reliable and consistent across the collection group." The issue of data quality often comes down to answering the question, "Is the data collected of use for the intended purpose?" In all cases, any data that is incorrect can potentially impact the quality of the data and any decision made from the analysis of that data. Thus, poor quality data can have a negative impact on an organization since many of its decisions are based on quantitative analysis of that data. Incomplete, inaccurate, or missing data increases the risk of incorrect reporting of findings and trend analysis. Scrubbing data to fix a particular problem is expensive and time consuming.

**Successful organizations have measurements and controls systems**

Organizations must identify the performance metrics that are critical to their success. These metrics need to be qualitative and quantitative, they must be internal and external. The measurements and controls system should identify gaps in performance between expectations and actuals and measures progress in closing those performance gaps.

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Analyzing, Reviewing, and Reporting Performance Data

The purpose of data analysis is to convert raw data into performance information, and performance information into knowledge. The data that has been collected must be synthesized so that organizations can make informed assumptions and generalizations about what has happened, how and why this might vary from what was expected, and what corrective actions might be required. Data is random and miscellaneous, but information is orderly and cumulative. Before data can be useful it must be analyzed, interpreted, and internalized by the organization.

Analysis is one of the most important steps in performance-based management, yet it is often the one that is neglected. Even highly educated people are often unfamiliar with analytical techniques. Statistically rigorous analysis that supports achievement of goals can be performed without any undue cost or burden. The purpose of data analysis is to allow an organization to get insight into its performance. There are four (4) components to data analysis:

- Formulating precisely the questions an organization is trying to answer.
- Collecting and organizing data relating to those questions.
- Analyzing the data to determine the fact-based answers to those questions.
- Presenting the analysis in a way that clearly communicates answers to those questions.

Mathematicians have studied the relationship between phenomena for years to understand and model how things work. Consequently, statistical methods have been developed that anyone working with performance measurements should understand. It is important that participants at every level understand the two main aspects of statistical methods dealing with statistical distribution and statistical control.

The Baldrige National Quality Program for Education uses the following criteria for assessing the analysis of organization performance:

- What analyses is performed to support the senior leader's organizational performance review?
- What analyses does the organization perform to support its strategic planning process?
- How does the organization communicate the results of the analyses to support their decision making?

Baldrige defines analysis to include examining trends; organizational, demographic, academic, and financial projections; and comparisons to provide a basis for effective decisions. Analysis often involves the determination of relationships and guides improvement programs towards achieving key organizational results and towards attaining strategic objectives.

Performance analysis is frequently cast in the context of "Is the glass half empty or is it half full." Researchers are reluctant to draw conclusions about the relationship of two performance variables without the existence of a high statistical correlation. An operations analyst will deduce as much from the absence of a statistical correlation between two performance variables as from the existence of one. Analysis is the only effective way of slaying organization "sacred cows" which frequently inhibit progress.

**Successful organizations plan**

Organizations often fail to plan because of the time required, thus failing to recognize that effective planning saves time in the end and achieves better results. Besides the obvious objectives of a business plan, it also becomes an effective tool to communicate expectations to the organization.

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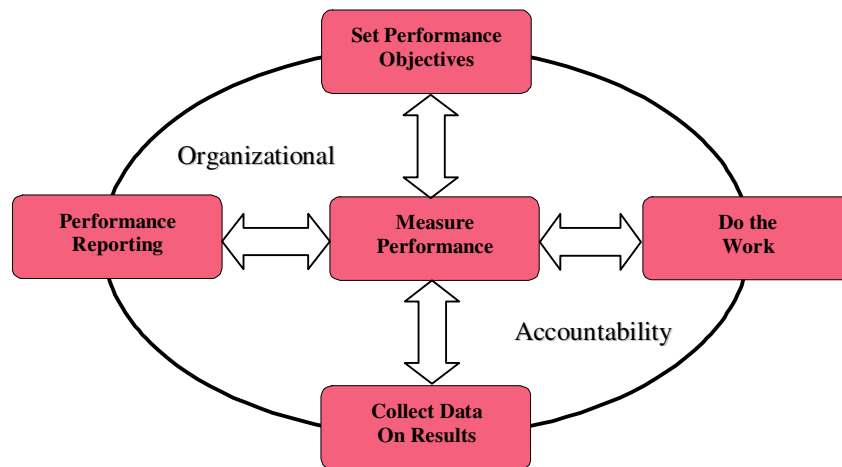
Using Performance Information to Drive Organizational Improvements

All high-performance organizations are, and must be, interested in developing and deploying effective performance measurements and performance management systems, since it is only through such systems that they can remain high-performance organizations. Any performance measurement architecture must include comparative metrics in order to clarify the organization’s relative position in its industry. Comparative results through a limited set of core measurements help identify “best practice” organizations to help establish organizational performance goals and motivate performance improvements.

The single most important and valuable benefit of using benchmarking in any performance management system is that it allows people to see beyond their existing paradigms of performance. As organizations benchmark and compare against other organizations, they will greatly improve the likelihood of seeing tomorrow’s solution to today’s problem. Any performance measurement architecture must include comparative performance metrics in order to clarify the organization’s position relative to its peers. These comparisons will help target and motivate performance or allow the recognition of performance excellence within the organization. Keeping score is only relative within a comparative context. Additionally, measuring improvement is fine, but the rate of improvement may still be insufficient for the competitive environment in which the organization must function, and the only way to determine that is through comparisons with others.

The tone of how an organization performs will be set by how management reacts to performance information. When shortfalls are evident, management must demonstrate disappointment and a commitment to the corresponding actions necessary to effect a recovery. Management’s attention and interest in the improvement plan and its monitoring of progress towards those improvements are of the utmost importance. If management displays a lack of responsiveness to performance gaps, individuals naturally will tend to minimize or ignore what the performance metrics are saying. Management’s prompt and “visible” reaction to shortfalls will cause individuals in the organization to grant the necessary focus and commitment to meeting organizational objectives.

As “knowledge workers,” information is one of your strategic resources. One of the most powerful forces for change and improvement is new and better information in the hands of an enlightened leadership team.



**Successful organizations manage their time**

No one has enough time, yet everyone has all there is. Time is not a renewable resource – once it is used, it is lost. It is not the amount of time available, it is how that time is organized and managed that is important.

2007

Baldrige National Quality Program

leadership

# Education Criteria for Performance Excellence

ethics



innovation

recognition



## 2007 EDUCATION CRITERIA: CORE VALUES, CONCEPTS, AND FRAMEWORK

### Criteria Purposes

The Criteria are the basis for conducting organizational self-assessments, for making Awards, and for giving feedback to applicants. In addition, the Criteria have three important roles in strengthening U.S. competitiveness:

- to help improve organizational performance practices, capabilities, and results
- to facilitate communication and sharing of best practices information among U.S. organizations of all types
- to serve as a working tool for understanding and managing performance and for guiding organizational planning and opportunities for learning

### Education Criteria for Performance Excellence Goals

The Criteria are designed to help organizations use an integrated approach to organizational performance management that results in

- delivery of ever-improving value to students and stakeholders, contributing to education quality and organizational stability
- improvement of overall organizational effectiveness and capabilities
- organizational and personal learning

### Core Values and Concepts

The Criteria are built on the following set of interrelated Core Values and Concepts:

- visionary leadership
- learning-centered education
- organizational and personal learning
- valuing faculty, staff, and partners
- agility
- focus on the future
- managing for innovation
- management by fact
- social responsibility
- focus on results and creating value
- systems perspective

These values and concepts, described below, are embedded beliefs and behaviors found in high-performing organizations. They are the foundation for integrating key performance and operational requirements within a results-oriented framework that creates a basis for action and feedback.

### Visionary Leadership

Your organization's senior leaders should set directions and create a student-focused, learning-oriented climate; clear and visible values; and high expectations. The directions, values, and expectations should balance the needs of all your stakeholders. Your leaders should ensure the creation of strategies, systems, and methods for achieving performance excellence, stimulating innovation, building knowledge and capabilities, and ensuring organizational sustainability. The values and strategies should help guide all of your organization's activities and decisions. Senior leaders should inspire, motivate, and encourage your entire workforce to contribute, to develop and learn, to be innovative, and to be creative. Senior leaders should be responsible to your organization's governance body for their actions and performance. The governance body should be responsible ultimately to all your stakeholders for the ethics, actions, and performance of your organization and its senior leaders.

Senior leaders should serve as role models through their ethical behavior and their personal involvement in planning, communications, coaching, development of future leaders, review of organizational performance, and faculty and staff recognition. As role models, they can reinforce ethics, values, and expectations while building leadership, commitment, and initiative throughout your organization.

In addition to their important role within the organization, senior leaders have other avenues to strengthen education. Reinforcing the learning environment in the organization might require building community support and aligning community and business leaders and community services with this aim.

### Learning-Centered Education

In order to develop the fullest potential of all students, education organizations need to afford them opportunities to pursue a variety of avenues to success. Learning-centered education supports this goal by placing the focus of education on learning and the real needs of students. Such needs derive from market and citizenship requirements.

A learning-centered organization needs to fully understand these requirements and translate them into appropriate curricula and developmental experiences. For example, changes in technology and in the national and world economies have increased demands on employees to become knowledge workers and problem solvers, keeping pace with the rapid market changes. Most analysts conclude that to prepare students for this work environment, education organizations of all types need to focus more on students' active learning and on the development of problem-solving skills. Educational offerings also need to be built around effective learning, and effective teaching needs to stress the promotion of learning and achievement.



Learning-centered education is a strategic concept that demands constant sensitivity to changing and emerging student, stakeholder, and market requirements and to the factors that drive student learning, satisfaction, and persistence. It demands anticipation of changes in the education market. Therefore, learning-centered education demands awareness of developments in technology and competitors' programs and offerings, as well as rapid and flexible responses to student, stakeholder, and market changes.

Key characteristics of learning-centered education include the following:

- High expectations and standards are set for all students.
- Faculty understand that students may learn in different ways and at different rates. Student learning rates and styles may differ over time and may vary depending on subject matter. Learning may be influenced by support, guidance, and climate factors, including factors that contribute to or impede learning. Thus, the learning-centered organization needs to maintain a constant search for alternative ways to enhance learning. Also, the organization needs to develop actionable information on individual students that affects their learning.



- A primary emphasis on active learning is provided. This may require the use of a wide range of techniques, materials, and experiences to engage student interest. Techniques, materials, and experiences may be drawn from external sources, such as businesses, community services, or social service organizations.
- Formative assessment is used to measure learning early in the learning process and to tailor learning experiences to individual needs and learning styles.
- Summative assessment is used to measure progress against key, relevant external standards and norms regarding what students should know and should be able to do.

- Students and families are assisted in using self-assessment to chart progress and to clarify goals and gaps.
- There is a focus on key transitions, such as school-to-school and school-to-work.

### Organizational and Personal Learning

Achieving the highest levels of organizational performance requires a well-executed approach to organizational and personal learning. Organizational learning includes both continuous improvement of existing approaches and significant change, leading to new goals and approaches. Learning needs to be embedded in the way your organization operates. This means that learning (1) is a regular part of daily work; (2) is practiced at personal, work unit, department, and organizational levels; (3) results in solving problems at their source (“root cause”); (4) is focused on building and sharing knowledge throughout your organization; and (5) is driven by opportunities to effect significant, meaningful change. Sources for learning include ideas from faculty and staff, education and learning research findings, students’ and stakeholders’ input, best practice sharing, and benchmarking.

Organizational learning can result in (1) enhancing value to students and stakeholders through new and improved programs, offerings, and services; (2) developing new educational opportunities; (3) reducing errors, variability, waste, and related costs; (4) improving responsiveness and cycle time performance; (5) increasing productivity and effectiveness in the use of all your resources; and (6) enhancing your organization’s performance in fulfilling its societal responsibilities and its service to your community.

Faculty and staff success depends increasingly on having opportunities for personal learning and on practicing new skills. Organizations invest in personal learning through education, training, and other opportunities for continuing growth and development. Such opportunities might include job rotation and increased pay for demonstrated knowledge and skills. Education and training programs may have multiple modes, including computer- and Internet-based learning and satellite broadcasts. In education organizations that rely on volunteers, the volunteers’ personal learning also is important, and their learning and skill development should be considered with that of the faculty and staff.

Personal learning can result in (1) a more satisfied and versatile workforce that stays with your organization, (2) organizational cross-functional learning, (3) the building of your organization’s knowledge assets, and (4) an improved environment for innovation.

Thus, learning is directed not only toward better educational programs and services but also toward being more adaptive, innovative, flexible, and responsive to the needs of students, stakeholders, and the market, as well as giving your workforce satisfaction and the motivation to excel.

## Valuing Faculty, Staff, and Partners

An organization's success depends increasingly on the diverse backgrounds, knowledge, skills, creativity, and motivation of its workforce and partners.

Valuing the people in your workforce means committing to their satisfaction, development, and well-being. Increasingly, this involves more flexible, high-performance work practices tailored to varying workplace and home life needs. For staff, development might include classroom and on-the-job training, job rotation, and pay for demonstrated skills. For faculty, development means building not only discipline knowledge but also knowledge of student learning styles and of assessment methods. Faculty participation might include contributing to the organization's policies and working in teams to develop and execute programs and curricula. Increasingly, participation is becoming more student-focused and more multidisciplinary. Organization leaders should work to eliminate disincentives for groups and individuals to sustain these important, learning-focused professional development activities.

Major challenges in the area of valuing people include (1) demonstrating your leaders' commitment to the success of your faculty and staff, (2) providing recognition that goes beyond the regular compensation system, (3) offering development and progression within your organization, (4) sharing your organization's knowledge so your workforce can better serve your students and stakeholders and contribute to achieving your strategic objectives, (5) creating an environment that encourages creativity and innovation, and (6) creating a supportive environment for a diverse workforce.

Education organizations need to build internal and external partnerships to better accomplish overall goals. Internal partnerships might include cooperation among senior leaders, faculty, and staff. Partnerships with faculty and staff might entail workforce development, cross-training, or new organizational structures, such as high-performance work teams. Internal partnerships also might involve creating network relationships among your work units to improve flexibility, responsiveness, and knowledge sharing.

External partnerships might be with other schools, suppliers, businesses, business associations, and community and social service organizations—all stakeholders and potential contributors. Strategic partnerships or alliances are increasingly important kinds of external partnerships. Such partnerships might offer entry into new markets or a basis for new programs or services. Also, partnerships might permit the blending of your organization's core competencies or leadership capabilities with the complementary strengths and capabilities of partners to address common issues.

Successful internal and external partnerships develop longer-term objectives, thereby creating a basis for mutual investment and respect. Partners should address the key requirements for success, means for regular communication,

approaches to evaluating progress, and means for adapting to changing conditions. In some cases, joint education and training could offer a cost-effective method for workforce development.

## Agility

Success in today's ever-changing, globally competitive environment demands agility—a capacity for faster and more flexible responses to the needs of your students and stakeholders. Many organizations are learning that an explicit focus on and measurement of response times help drive the simplification of the organizational structure and work processes, and major improvements in response times often require new work systems. Education organizations are increasingly being asked to respond rapidly to new or emerging social issues. A cross-trained and empowered workforce is a vital asset in responding to today's changing and demanding environment.



All aspects of time performance are becoming increasingly important and should be among your key process measures. Other important benefits can be derived from this focus on time; time improvements often drive simultaneous improvements in work systems, organization, quality, cost, and productivity.

## Focus on the Future

In today's education environment, creating a sustainable organization requires understanding the short- and longer-term factors that affect your organization and the education market. Pursuit of education excellence requires a strong future orientation and a willingness to make long-term commitments to students and key stakeholders—your community, parents, employers, workforce, suppliers, partners, and the public.

Your organization's planning should anticipate many factors, such as changes in educational requirements and instructional approaches, resource availability, students' and stakeholders' expectations, new partnering opportunities, workforce development and hiring needs, technological



developments, the evolving Internet environment, changes in demographics and in student and market segments, changes in community and societal expectations and needs, and strategic moves by comparable organizations. Strategic objectives and resource allocations need to accommodate these influences. A major longer-term investment associated with your organization's improvement is the investment in creating and sustaining a mission-oriented assessment system focused on learning. This entails faculty education and training in assessment methods. In addition, the organization's leaders should be familiar with research findings and practical applications of assessment methods and learning style information. A focus on the future includes developing your workforce, accomplishing effective succession planning, creating opportunities for innovation, and anticipating public responsibilities and concerns.

### **Managing for Innovation**

Innovation means making meaningful change to improve an organization's programs, services, processes, and operations and to create new value for the organization's stakeholders. Innovation should lead your organization to new dimensions of performance. Innovation is no longer strictly the purview of research; innovation is important for all aspects of your operations and all work systems and work processes. Organizations should be led and managed so that innovation becomes part of the learning culture. Innovation should be integrated into daily work and should be supported by your performance improvement system.

Innovation builds on the accumulated knowledge of your organization and its people. Therefore, the ability to rapidly disseminate and capitalize on this knowledge is critical to driving organizational innovation.

### **Management by Fact**

Organizations depend on the measurement and analysis of performance. Such measurements should derive from the organization's needs and strategy, and they should provide critical data and information about key processes and results. Many types of data and information are needed for performance management. Performance measurement should focus on student learning, which requires a comprehensive and integrated fact-based system—one that includes input data, environmental data, performance data, comparative/competitive data, workforce data, cost data, and operational performance measurement. Measurement areas might include students' backgrounds, learning styles, aspirations, academic strengths and weaknesses, educational progress, classroom and program learning, satisfaction with instruction and services, extracurricular activities, dropout/matriculation rates, and postgraduation success. Examples of appropriate data segmentation include segmentation by student learning results, student demographics, and workforce groups.

Analysis refers to extracting larger meaning from data and information to support evaluation, decision making, and improvement. Analysis entails using data to determine trends, projections, and cause and effect that might not otherwise be evident. Analysis supports a variety of purposes, such as planning, reviewing your overall performance, improving operations, accomplishing change management, and comparing your performance with that of organizations providing similar programs and services or with "best practices" benchmarks.

A major consideration in performance improvement and change management involves the selection and use of performance measures or indicators. *The measures or indicators you select should best represent the factors that lead to improved student, operational, financial, and ethical performance. A comprehensive set of measures or indicators tied to student, stakeholder, and organizational performance requirements provides a clear basis for aligning all processes with your organization's goals.* Through the analysis of data from your tracking processes, your measures or indicators themselves may be evaluated and changed to better support your goals.

### **Social Responsibility**

An organization's leaders should stress responsibilities to the public, ethical behavior, and the need to practice good citizenship. Leaders should be role models for your organization in focusing on ethics and protection of public health, safety, and the environment. Protection of health, safety, and the environment includes your organization's operations. Planning should anticipate adverse impacts that might arise in facilities management, laboratory operations, and transportation. Effective planning should prevent problems, provide for a forthright response if problems occur, and make available information and support needed to maintain public awareness, safety, and confidence.

Organizations should not only meet all local, state, and federal laws and regulatory requirements, but they should treat these and related requirements as opportunities for improvement "beyond mere compliance." Organizations should stress ethical behavior in all stakeholder transactions and interactions. Highly ethical conduct should be a requirement of and should be monitored by the organization's governance body.

Practicing good citizenship refers to leadership and support—within the limits of an organization's resources—of publicly important purposes. Such purposes might include improving education in your community, pursuing environmental excellence, practicing resource conservation, performing community service, and sharing quality-related information. Leadership also entails influencing other organizations, private and public, to partner for these purposes.

Managing social responsibility requires the use of appropriate measures and leadership responsibility for those measures.

**Focus on Results and Creating Value**

An organization’s performance measurements need to focus on key results. Results should be used to create and balance value for your students and for your key stakeholders—the community, parents, employers, your workforce, suppliers, partners, and the public. By creating value for your students and your key stakeholders, your organization contributes to society and to improving overall education performance, and it builds loyalty. To meet the sometimes conflicting and changing aims that balancing value implies, organizational strategy explicitly should include key stakeholder requirements. This will help ensure that plans and actions meet differing stakeholder needs and avoid adverse impacts on any stakeholders. The use of a balanced composite of leading and lagging performance measures offers an effective means to communicate short- and longer-term priorities, monitor actual performance, and provide a clear basis for improving results.

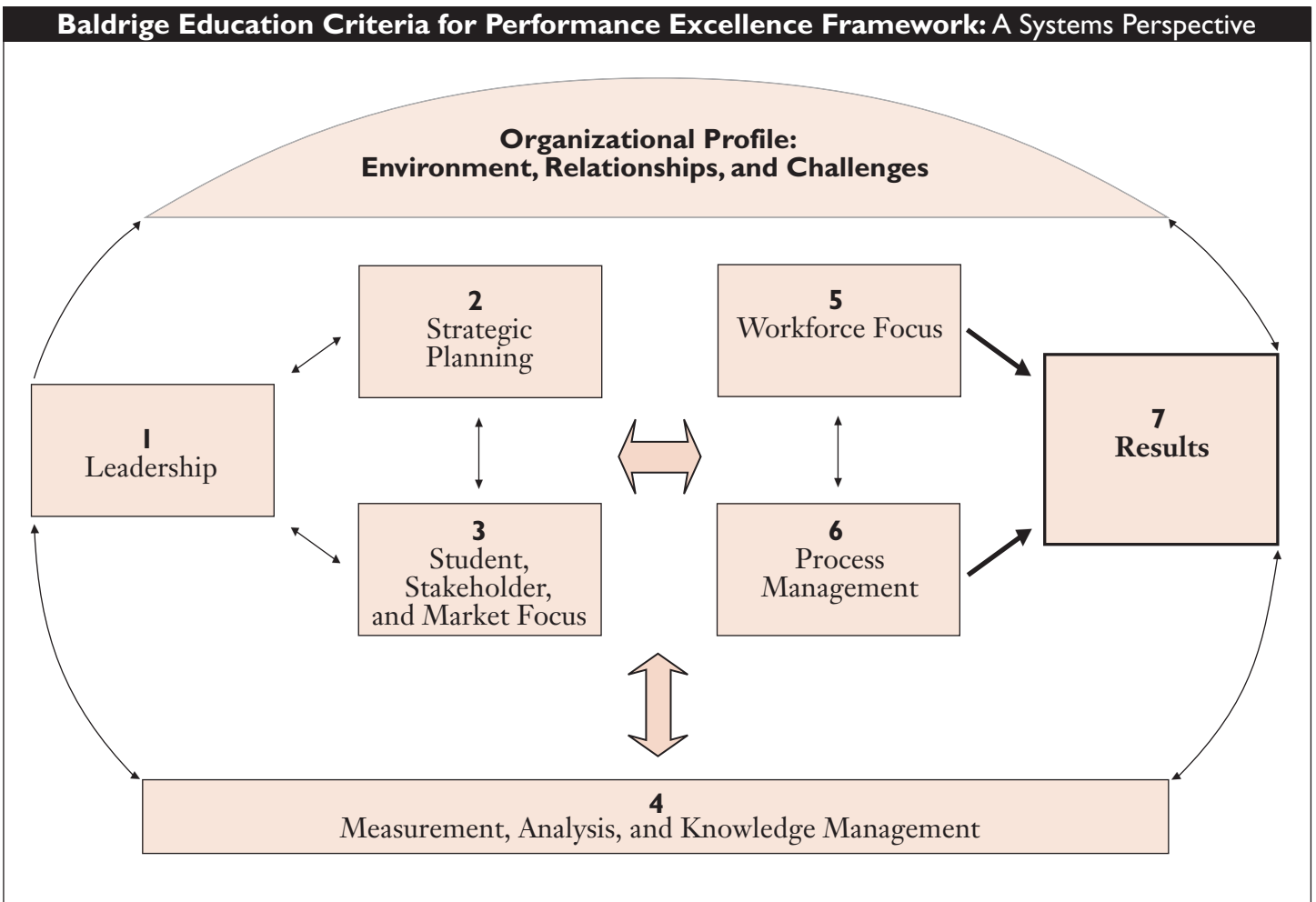
**Systems Perspective**

The Baldrige Criteria provide a systems perspective for managing your organization and its key processes to achieve results—performance excellence. The seven Baldrige Categories and the Core Values form the building blocks

and the integrating mechanism for the system. However, successful management of overall performance requires organization-specific synthesis, alignment, and integration. Synthesis means looking at your organization as a whole and builds on key educational requirements, including your strategic objectives and action plans. Alignment means using the key linkages among requirements given in the Baldrige Criteria Categories to ensure consistency of plans, processes, measures, and actions. Integration builds on alignment so that the individual components of your performance management system operate in a fully interconnected manner.

These concepts are depicted in the Baldrige framework below. A systems perspective includes your senior leaders’ focus on strategic directions and on your students and stakeholders. It means that your senior leaders monitor, respond to, and manage performance based on your results. A systems perspective also includes using your measures, indicators, and organizational knowledge to build your key strategies. It means linking these strategies with your key processes and aligning your resources to improve overall performance and satisfy students and stakeholders.

Thus, a systems perspective means managing your whole organization, as well as its components, to achieve success.



# THE ERG RATINGS

ACADEMIC & FINANCIAL PERFORMANCE MANAGEMENT REVIEW

## The Education Resource Group Academic and Financial Performance Review State of Texas Annual Performance Review

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**Education Resource Group, Inc.**  
Academic and Financial Performance Review

**State of Texas**  
Short-Term Performance Progress Report

Ln	Student Demographics	Pg	2005		2006		Growth	Annual Growth Rate
			Value	Value	Value	Value		
01	Total Enrollment	03	4,383,871		4,505,572		2.8	
02	Economically Disadvantage		55		56		1.8	
03	Limited English Proficient		15.6		15.8		1.3	
04	Bilingual/ESL		14.4		14.6		1.4	
05	Career and Technology		20.3		20.3			
06	Gifted and Talented		7.7		7.6		(1.3)	
07	Special Education		11.6		11.1		(4.3)	
<b>Teacher Demographics</b>			<b>Value</b>		<b>Value</b>		<b>Growth</b>	<b>Annual Growth Rate</b>
08	Student-to-Teacher Ratio	04	14.9		14.9			
09	Average Base Salary		41,011		41,744		1.8	
10	Years of Teaching Experience		11.5		11.5			
11	Tenure in the District		7.5		7.6		1.3	
12	Teachers with Advanced Degrees		21.8		21.7		(0.5)	
13	Teacher Turnover Rate		16.1		14.6		(9.3)	
<b>Academics</b>			<b>Value</b>		<b>Value</b>		<b>Growth</b>	<b>Annual Growth Rate</b>
14	Met Standard (Panel Recommendation)	05	62.0		67.0		8.1	
15	Commended Performance		10.0		11.0		10.0	
16	Graduation Rate		84.6		84.0		(0.7)	
17	SAT Mean Total Score		987.0		992.0		0.5	
18	ACT Mean Composit Score		20.1		20.0		(0.5)	
19	AP/IB Examinees At or Above Criterion Scores		53.9		51.8		(3.9)	
20	Advanced Courses		19.9		20.5		3.0	
<b>Revenue per Student</b>			<b>Value</b>	<b>Ratio</b>	<b>Value</b>	<b>Ratio</b>	<b>Growth</b>	<b>Annual Growth Rate</b>
21	Local	06	4,012.99	48.1	4,234.56	48.3	5.5	
22	Other Local and Intermediate		442.53	5.3	554.93	6.3	25.4	
23	State		3,003.34	36.0	2,968.53	33.9	(1.2)	
24	Federal		889.11	10.7	1,008.40	11.5	13.4	
25	Total		8,347.96		8,766.42		5.0	
<b>Total Expenditures per Student</b>			<b>Value</b>	<b>Ratio</b>	<b>Value</b>	<b>Ratio</b>	<b>Growth</b>	<b>Annual Growth Rate</b>
26	Payroll	07	5,799.20	62.6	5,941.11	61.7	2.4	
27	Other Operating Expenditures		1,531.87	16.5	1,623.46	16.9	6.0	
28	Debt Services		743.95	8.0	772.82	8.0	3.9	
29	Capital Outlays		1,192.48	12.9	1,289.75	13.4	8.2	
30	Total Expenditures		9,267.50		9,627.13		3.9	
<b>Operating Expenditures per Student</b>			<b>Value</b>	<b>Ratio</b>	<b>Value</b>	<b>Ratio</b>	<b>Growth</b>	<b>Annual Growth Rate</b>
31	Instructional Services	08	4,438.29	61.4	4,560.85	61.1	2.8	
32	Leadership Services		520.47	7.2	533.74	7.2	2.5	
33	Student Support Services		1,110.78	15.4	1,151.82	15.4	3.7	
34	Non-Student Support Services		1,157.73	16.0	1,218.33	16.3	5.2	
35	Total Operating Services		7,227.26		7,464.74		3.3	
<b>Program Expenditures per Student</b>			<b>Value</b>	<b>Ratio</b>	<b>Value</b>	<b>Ratio</b>	<b>Growth</b>	<b>Annual Growth Rate</b>
36	Regular	09	3,163.84	62.0	3,233.16	61.8	2.2	
37	Gifted and Talented		83.06	1.6	82.84	1.6	(0.3)	
38	Career and Technology		191.92	3.8	191.73	3.7	(0.1)	
39	Students with Disability		885.39	17.3	910.27	17.4	2.8	
40	Accelerated Education		421.22	8.2	439.31	8.4	4.3	
41	Bilingual		232.32	4.5	240.13	4.6	3.4	
42	Athletics and Related Activfites		128.49	2.5	134.56	2.6	4.7	
43	Sub-Total Program Expenditures		5,106.24		5,232.00		2.5	
<b>Other Financials Measurements</b>			<b>Value</b>		<b>Value</b>		<b>Growth</b>	<b>Annual Growth Rate</b>
44	Beginning Fund Balances	10	1,117.53		1,215.69		8.8	
45	Taxable Property Values		256,311		270,146		5.4	
<b>Staffing Cost per Student</b>			<b>Value</b>	<b>Ratio</b>	<b>Value</b>	<b>Ratio</b>	<b>Growth</b>	<b>Annual Growth Rate</b>
46	Instructional Staff	11	2,968.82	65.2	3,019.17	65.3	1.7	
47	Professional Support Staff		552.60	12.1	564.54	12.2	2.2	
48	Administrative Staff		308.71	6.8	315.25	6.8	2.1	
49	Auxiliary Staff		724.75	15.9	726.99	15.7	0.3	
50	Total Staff		4,554.89		4,625.95		1.6	

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**Education Resource Group, Inc.**  
Academic and Financial Performance Review

**State of Texas**  
Long-Term Performance Progress Report

Ln	Student Demographics	Pg	2003	2006	Growth	3-Year Average Annual Growth Rate		
			Value	Value				
01	Total Enrollment	03	4,239,911	4,505,572	2.1			
02	Economically Disadvantage		52	56	2.4			
03	Limited English Proficient		14.9	15.8	2.0			
04	Bilingual/ESL		13.5	14.6	2.7			
05	Career and Technology		19.8	20.3	0.8			
06	Gifted and Talented		7.8	7.6	(0.9)			
07	Special Education		11.6	11.1	(1.4)			
<b>Teacher Demographics</b>								
			Value	Value	Growth	3-Year Average Annual Growth Rate		
08	Student-to-Teacher Ratio	04	14.7	14.9	0.5			
09	Average Base Salary		39,974	41,744	1.5			
10	Years of Teaching Experience		11.8	11.5	(0.8)			
11	Tenure in the District		7.7	7.6	(0.4)			
12	Teachers with Advanced Degrees		22.6	21.7	(1.3)			
13	Teacher Turnover Rate		15.6	14.6	(2.1)			
<b>Academics</b>								
			Value	Value	Growth	3-Year Average Annual Growth Rate		
14	Met Standard (Panel Recommendation)	05	46.6	67.0	14.6			
15	Commended Performance		4.7	11.0	44.7			
16	Graduation Rate		82.8	84.0	0.5			
17	SAT Mean Total Score		986.0	992.0	0.2			
18	ACT Mean Composi Score		20.0	20.0	0.0			
19	AP/IB Examinees At or Above Criterion Scores		56.8	51.8	(2.9)			
20	Advanced Courses		19.4	20.5	1.9			
<b>Revenue per Student</b>								
			Value	Ratio	Value	Ratio	Growth	3-Year Average Annual Growth Rate
21	Local	06	3,645.71	45.4	4,234.56	48.3	5.4	
22	Other Local and Intermediate		388.54	4.8	554.93	6.3	14.3	
23	State		3,241.54	40.4	2,968.53	33.9	(2.8)	
24	Federal		751.01	9.4	1,008.40	11.5	11.4	
25	Total		8,026.81		8,766.42		3.1	
<b>Total Expenditures per Student</b>								
			Value	Ratio	Value	Ratio	Growth	3-Year Average Annual Growth Rate
26	Payroll	07	5,701.63	64.5	5,941.11	61.7	1.4	
27	Other Operating Expenditures		1,441.90	16.3	1,623.46	16.9	4.2	
28	Debt Services		668.55	7.6	772.82	8.0	5.2	
29	Capital Outlays		1,023.96	11.6	1,289.75	13.4	8.7	
30	Total Expenditures		8,836.05		9,627.13		3.0	
<b>Operating Expenditures per Student</b>								
			Value	Ratio	Value	Ratio	Growth	3-Year Average Annual Growth Rate
31	Instructional Services	08	4,348.48	61.8	4,560.85	61.1	1.6	
32	Leadership Services		507.17	7.2	533.74	7.2	1.7	
33	Student Support Services		1,064.53	15.1	1,151.82	15.4	2.7	
34	Non-Student Support Services		1,114.80	15.8	1,218.33	16.3	3.1	
35	Total Operating Services		7,034.98		7,464.74		2.0	
<b>Program Expenditures per Student</b>								
			Value	Ratio	Value	Ratio	Growth	3-Year Average Annual Growth Rate
36	Regular	09	3,158.90	62.1	3,233.16	61.8	0.8	
37	Gifted and Talented		83.56	1.6	82.84	1.6	(0.3)	
38	Career and Technology		200.65	3.9	191.73	3.7	(1.5)	
39	Students with Disability		840.72	16.5	910.27	17.4	2.8	
40	Accelerated Education		458.07	9.0	439.31	8.4	(1.4)	
41	Bilingual		219.63	4.3	240.13	4.6	3.1	
42	Athletics and Related Activfites		121.25	2.4	134.56	2.6	3.7	
43	Sub-Total Program Expenditures		5,082.77		5,232.00		1.0	
<b>Other Financials Measurements</b>								
			Value	Value	Growth	3-Year Average Annual Growth Rate		
44	Beginning Fund Balances	10	953.50	1,215.69	9.2			
45	Taxable Property Values		239,436	270,146	4.3			
<b>Staffing Cost per Student</b>								
			Value	Ratio	Value	Ratio	Growth	3-Year Average Annual Growth Rate
46	Instructional Staff	11	2,930.65	65.5	3,019.17	65.3	1.0	
47	Professional Support Staff		514.35	11.5	564.54	12.2	3.3	
48	Administrative Staff		299.17	6.7	315.25	6.8	1.8	
49	Auxiliary Staff		726.72	16.3	726.99	15.7	0.0	
50	Total Staff		4,470.88		4,625.95		1.2	

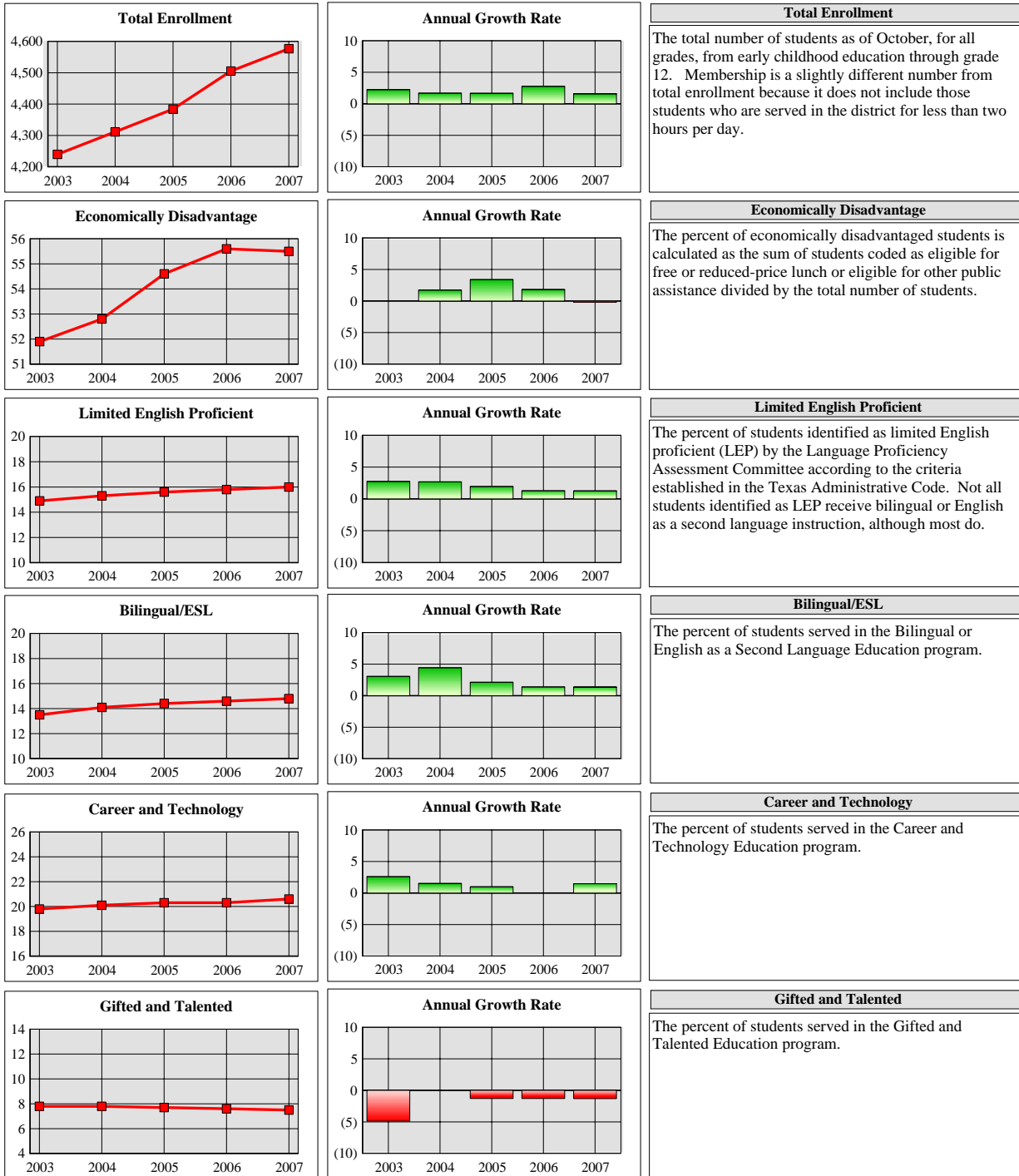
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**Education Resource Group, Inc.**  
Academic and Financial Performance Review

**State of Texas Performance Review - Student Demographics**



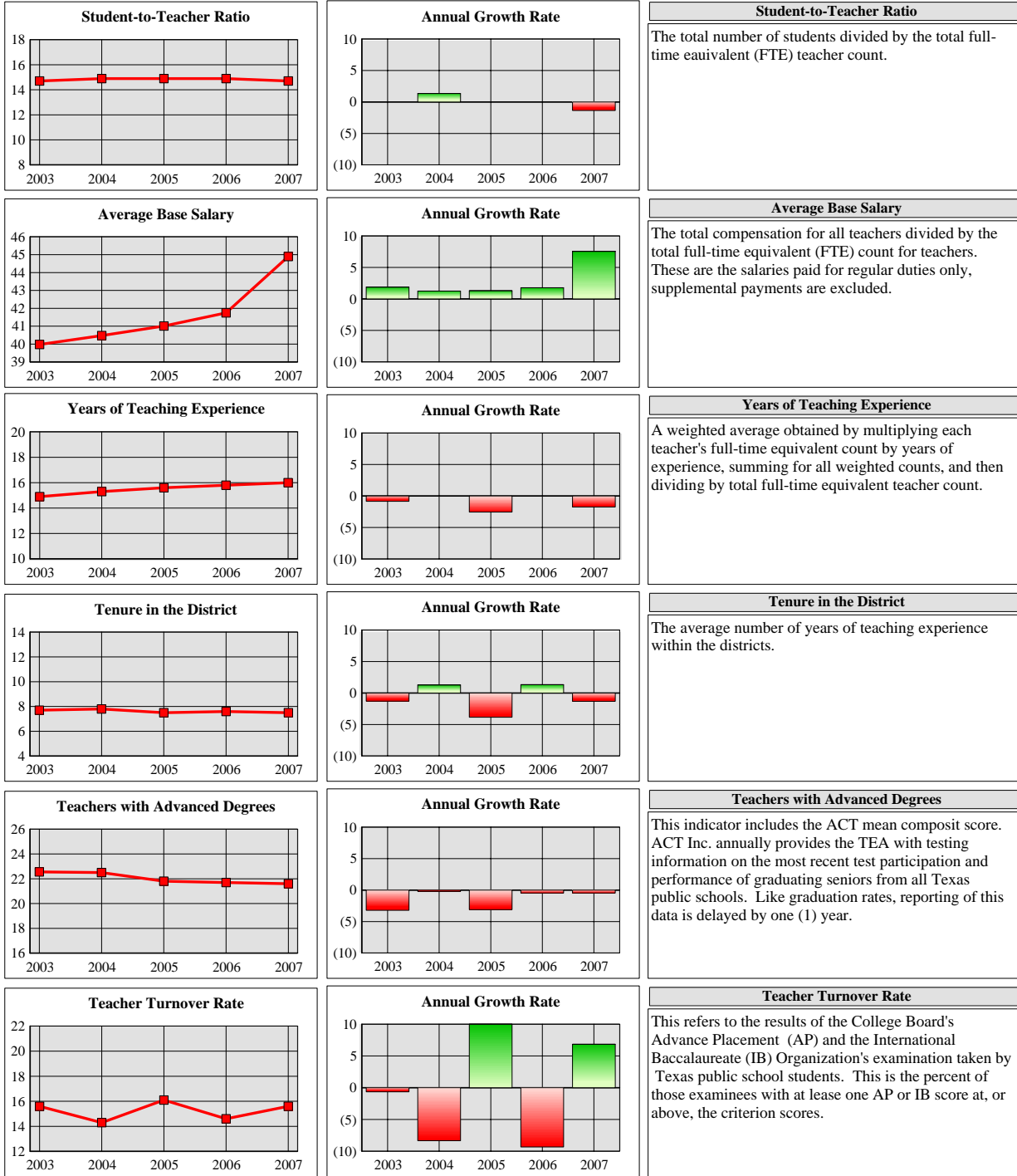
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**Education Resource Group, Inc.**  
Academic and Financial Performance Review

**State of Texas Performance Review - Teacher Demographics**



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**Education Resource Group, Inc.**  
Academic and Financial Performance Review

**State of Texas Performance Review - Academics**

<p><b>Met Standard (Panel Recommendation)</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Score</th> </tr> </thead> <tbody> <tr><td>2003</td><td>46</td></tr> <tr><td>2004</td><td>58</td></tr> <tr><td>2005</td><td>62</td></tr> <tr><td>2006</td><td>67</td></tr> <tr><td>2007</td><td>70</td></tr> </tbody> </table>	Year	Score	2003	46	2004	58	2005	62	2006	67	2007	70	<p><b>Annual Growth Rate</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Annual Growth Rate</th> </tr> </thead> <tbody> <tr><td>2003</td><td>0</td></tr> <tr><td>2004</td><td>10</td></tr> <tr><td>2005</td><td>9</td></tr> <tr><td>2006</td><td>8</td></tr> <tr><td>2007</td><td>5</td></tr> </tbody> </table>	Year	Annual Growth Rate	2003	0	2004	10	2005	9	2006	8	2007	5	<p><b>Met Standard (Panel Recommendation)</b></p> <p>This refers to the final phased-in passing standard set by the State Board of Education for the Texas Assessment of Knowledge and Skills (TAKS). These standards were adopted based on recommendations from educators and citizens who served on TAKS standard-setting panels. The data presented in this report is based on panel recommended levels, not the phased-in standards.</p>
Year	Score																									
2003	46																									
2004	58																									
2005	62																									
2006	67																									
2007	70																									
Year	Annual Growth Rate																									
2003	0																									
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<p><b>Commended Performance</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Score</th> </tr> </thead> <tbody> <tr><td>2003</td><td>4.5</td></tr> <tr><td>2004</td><td>8</td></tr> <tr><td>2005</td><td>10</td></tr> <tr><td>2006</td><td>11</td></tr> <tr><td>2007</td><td>13.5</td></tr> </tbody> </table>	Year	Score	2003	4.5	2004	8	2005	10	2006	11	2007	13.5	<p><b>Annual Growth Rate</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Annual Growth Rate</th> </tr> </thead> <tbody> <tr><td>2003</td><td>0</td></tr> <tr><td>2004</td><td>10</td></tr> <tr><td>2005</td><td>10</td></tr> <tr><td>2006</td><td>10</td></tr> <tr><td>2007</td><td>10</td></tr> </tbody> </table>	Year	Annual Growth Rate	2003	0	2004	10	2005	10	2006	10	2007	10	<p><b>Commended Performance</b></p> <p>This refers to the highest performance level on the TAKS, as set by the State Board of Education, Students who achieve Commended Performance have shown a thorough understanding of the knowledge and skills at their respective grade level. Unlike the Met Standard Performance level, there has been no phased-in period of this standard.</p>
Year	Score																									
2003	4.5																									
2004	8																									
2005	10																									
2006	11																									
2007	13.5																									
Year	Annual Growth Rate																									
2003	0																									
2004	10																									
2005	10																									
2006	10																									
2007	10																									
<p><b>Graduation Rate</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Rate (%)</th> </tr> </thead> <tbody> <tr><td>2003</td><td>83</td></tr> <tr><td>2004</td><td>84</td></tr> <tr><td>2005</td><td>85</td></tr> <tr><td>2006</td><td>84</td></tr> <tr><td>2007</td><td>80</td></tr> </tbody> </table>	Year	Rate (%)	2003	83	2004	84	2005	85	2006	84	2007	80	<p><b>Annual Growth Rate</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Annual Growth Rate</th> </tr> </thead> <tbody> <tr><td>2003</td><td>2</td></tr> <tr><td>2004</td><td>2</td></tr> <tr><td>2005</td><td>1</td></tr> <tr><td>2006</td><td>-1</td></tr> <tr><td>2007</td><td>-4</td></tr> </tbody> </table>	Year	Annual Growth Rate	2003	2	2004	2	2005	1	2006	-1	2007	-4	<p><b>Graduation Rate</b></p> <p>This indicator shows the status of a cohort (group) of students after four years in high school. The graduation rate shows the percent of the students in the cohort who received their high school diploma early. It excludes those student in the cohort who: received their GED; are continuing in high school; or, who dropped out of high school. Report of this data is delayed by one (1) year.</p>
Year	Rate (%)																									
2003	83																									
2004	84																									
2005	85																									
2006	84																									
2007	80																									
Year	Annual Growth Rate																									
2003	2																									
2004	2																									
2005	1																									
2006	-1																									
2007	-4																									
<p><b>SAT Mean Total Score</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Score</th> </tr> </thead> <tbody> <tr><td>2003</td><td>990</td></tr> <tr><td>2004</td><td>990</td></tr> <tr><td>2005</td><td>990</td></tr> <tr><td>2006</td><td>990</td></tr> <tr><td>2007</td><td>990</td></tr> </tbody> </table>	Year	Score	2003	990	2004	990	2005	990	2006	990	2007	990	<p><b>Annual Growth Rate</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Annual Growth Rate</th> </tr> </thead> <tbody> <tr><td>2003</td><td>0</td></tr> <tr><td>2004</td><td>0</td></tr> <tr><td>2005</td><td>0</td></tr> <tr><td>2006</td><td>0</td></tr> <tr><td>2007</td><td>0</td></tr> </tbody> </table>	Year	Annual Growth Rate	2003	0	2004	0	2005	0	2006	0	2007	0	<p><b>SAT Mean Total Score</b></p> <p>This indicator includes the SAT mean total score. The College Board annually provides the TEA with testing information on the most recent test participation and performance of graduating seniors from all Texas public schools. Like graduation rates, reporting of this data is delayed by one (1) year.</p>
Year	Score																									
2003	990																									
2004	990																									
2005	990																									
2006	990																									
2007	990																									
Year	Annual Growth Rate																									
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2004	0																									
2005	0																									
2006	0																									
2007	0																									
<p><b>ACT Mean Composi Score</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Score</th> </tr> </thead> <tbody> <tr><td>2003</td><td>20</td></tr> <tr><td>2004</td><td>20</td></tr> <tr><td>2005</td><td>20</td></tr> <tr><td>2006</td><td>20</td></tr> <tr><td>2007</td><td>20</td></tr> </tbody> </table>	Year	Score	2003	20	2004	20	2005	20	2006	20	2007	20	<p><b>Annual Growth Rate</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Annual Growth Rate</th> </tr> </thead> <tbody> <tr><td>2003</td><td>0</td></tr> <tr><td>2004</td><td>0</td></tr> <tr><td>2005</td><td>0</td></tr> <tr><td>2006</td><td>0</td></tr> <tr><td>2007</td><td>0</td></tr> </tbody> </table>	Year	Annual Growth Rate	2003	0	2004	0	2005	0	2006	0	2007	0	<p><b>ACT Mean Composi Score</b></p> <p>This indicator includes the ACT mean composi score. ACT Inc. annually provides the TEA with testing information on the most recent test participation and performance of graduating seniors from all Texas public schools. Like graduation rates, reporting of this data is delayed by one (1) year.</p>
Year	Score																									
2003	20																									
2004	20																									
2005	20																									
2006	20																									
2007	20																									
Year	Annual Growth Rate																									
2003	0																									
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<p><b>AP/IB Examinees At or Above Criterion Scores</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Score</th> </tr> </thead> <tbody> <tr><td>2003</td><td>57</td></tr> <tr><td>2004</td><td>56</td></tr> <tr><td>2005</td><td>54</td></tr> <tr><td>2006</td><td>52</td></tr> <tr><td>2007</td><td>51</td></tr> </tbody> </table>	Year	Score	2003	57	2004	56	2005	54	2006	52	2007	51	<p><b>Annual Growth Rate</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Annual Growth Rate</th> </tr> </thead> <tbody> <tr><td>2003</td><td>5</td></tr> <tr><td>2004</td><td>-1</td></tr> <tr><td>2005</td><td>-2</td></tr> <tr><td>2006</td><td>-2</td></tr> <tr><td>2007</td><td>-1</td></tr> </tbody> </table>	Year	Annual Growth Rate	2003	5	2004	-1	2005	-2	2006	-2	2007	-1	<p><b>AP/IB Examinees At or Above Criterion Scores</b></p> <p>This refers to the results of the College Board's Advance Placement (AP) and the International Baccalaureate (IB) Organization's examination taken by Texas public school students. This is the percent of those examinees with at least one AP or IB score at, or above, the criterion scores.</p>
Year	Score																									
2003	57																									
2004	56																									
2005	54																									
2006	52																									
2007	51																									
Year	Annual Growth Rate																									
2003	5																									
2004	-1																									
2005	-2																									
2006	-2																									
2007	-1																									
<p><b>Advanced Courses</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Score</th> </tr> </thead> <tbody> <tr><td>2003</td><td>19.5</td></tr> <tr><td>2004</td><td>19.5</td></tr> <tr><td>2005</td><td>19.5</td></tr> <tr><td>2006</td><td>20.5</td></tr> <tr><td>2007</td><td>21</td></tr> </tbody> </table>	Year	Score	2003	19.5	2004	19.5	2005	19.5	2006	20.5	2007	21	<p><b>Annual Growth Rate</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Annual Growth Rate</th> </tr> </thead> <tbody> <tr><td>2003</td><td>1</td></tr> <tr><td>2004</td><td>1</td></tr> <tr><td>2005</td><td>1</td></tr> <tr><td>2006</td><td>2</td></tr> <tr><td>2007</td><td>2</td></tr> </tbody> </table>	Year	Annual Growth Rate	2003	1	2004	1	2005	1	2006	2	2007	2	<p><b>Advanced Courses</b></p> <p>This refers to the percent of students who complete, and receive credit for, at least one (1) advanced course in grades 9 through 12. The course for which credit is awarded must provide advanced academic instruction beyond, or in greater depth than, the essential knowledge or skill for the equivalent high school course.</p>
Year	Score																									
2003	19.5																									
2004	19.5																									
2005	19.5																									
2006	20.5																									
2007	21																									
Year	Annual Growth Rate																									
2003	1																									
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2005	1																									
2006	2																									
2007	2																									

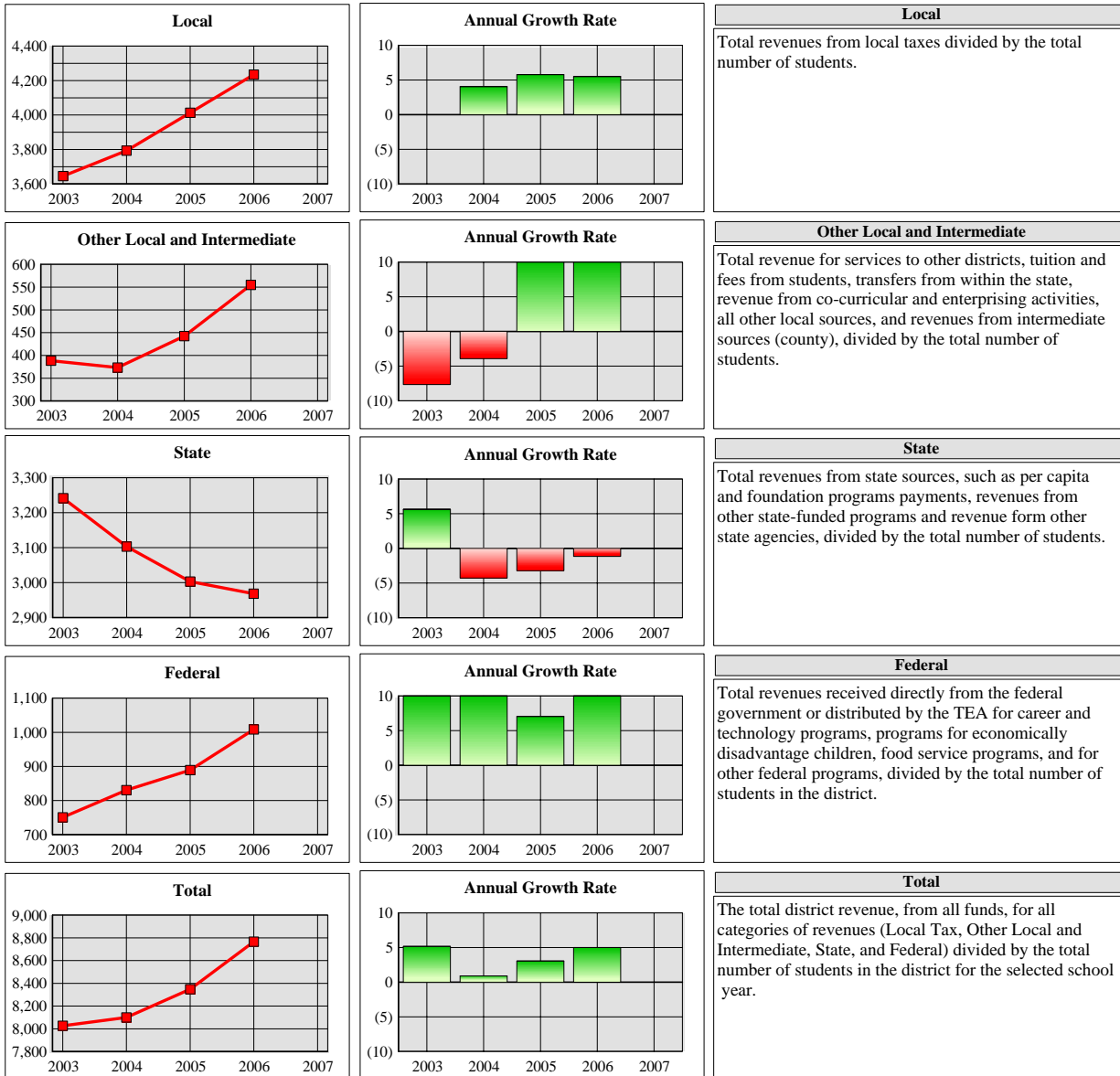
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Academic and Financial Performance Review

**State of Texas Performance Review - Revenues**



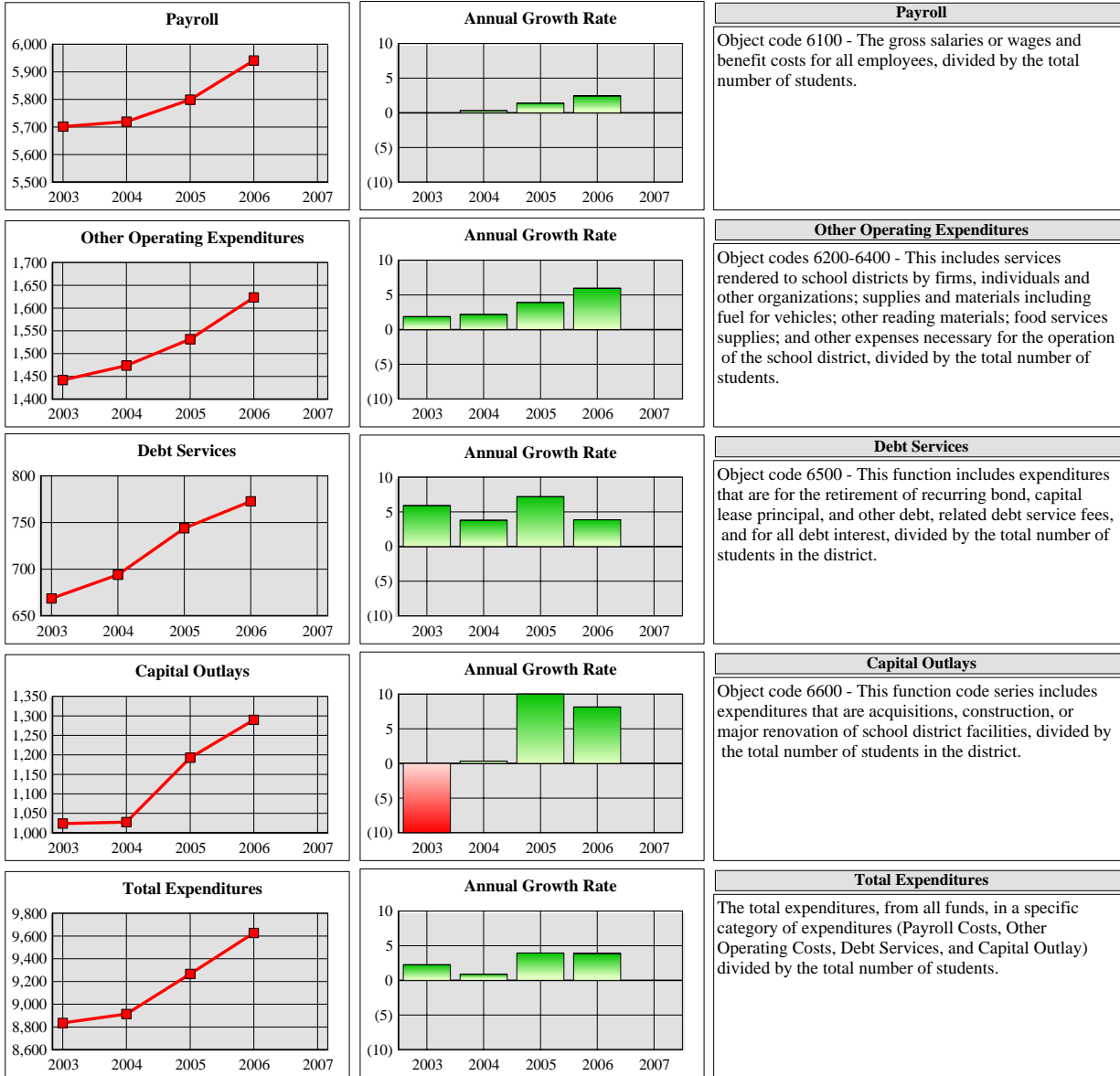
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**State of Texas Performance Review - Expenditures**



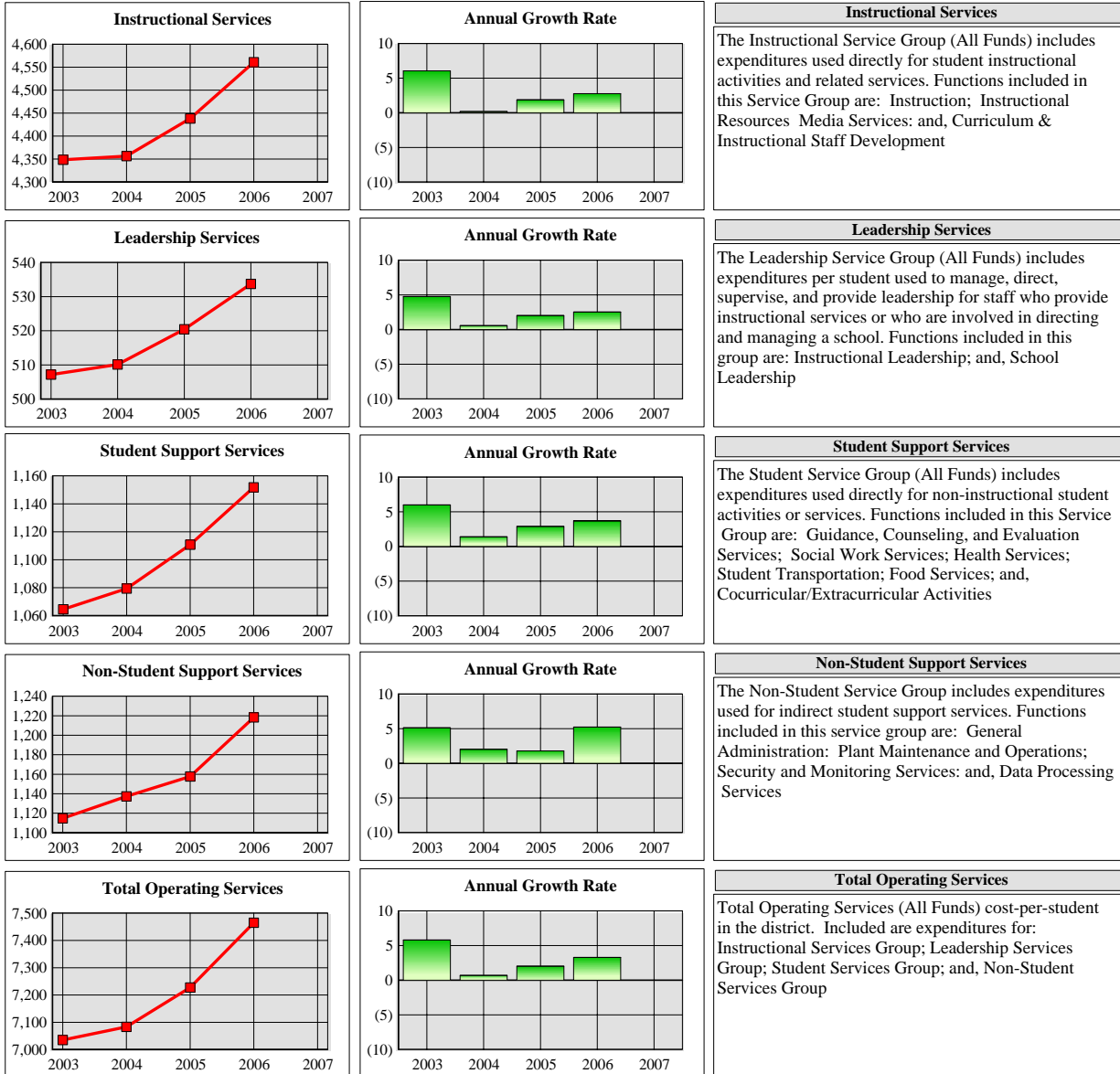
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**State of Texas Performance Review - Operating Expenditures**



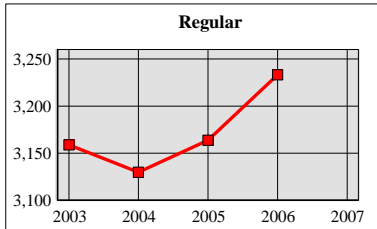
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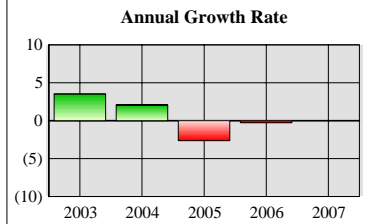
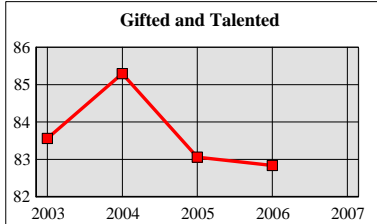
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Academic and Financial Performance Review

**State of Texas Performance Review - Program Expenditures per Student**



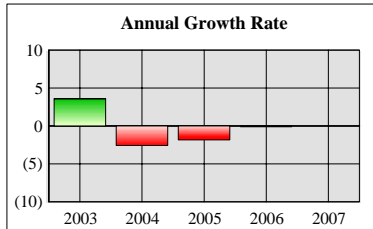
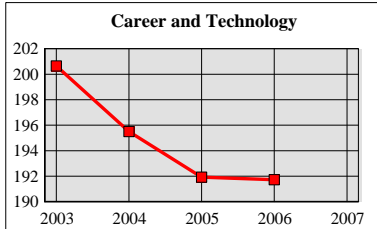
**Regular**

The expenditures per students for the operation of the Regular Education program.



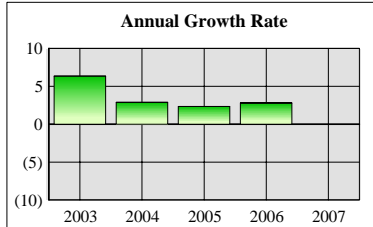
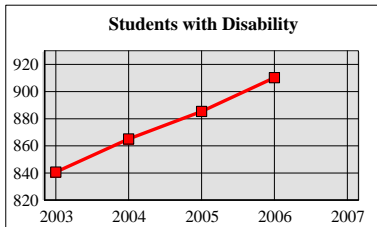
**Gifted and Talented**

The expenditures per students for the operation of the Gifted and Talented Education program.



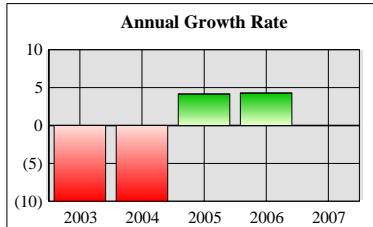
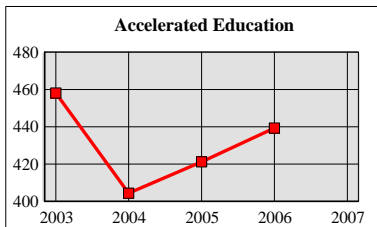
**Career and Technology**

The expenditures per students for the operation of the Career and Technology Education program.



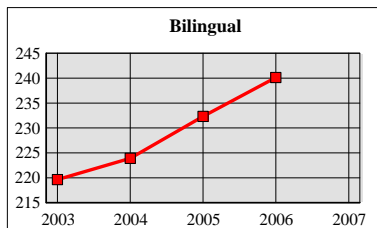
**Students with Disability**

The expenditures per students for the operation of the Students with Disability Education program.



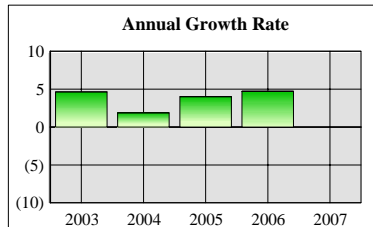
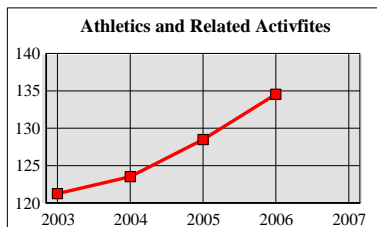
**Accelerated Education**

The expenditures per students for the operation of the Accelerated Education program.



**Bilingual**

The expenditures per students for the operation of the Bilingual and English as a Second Language Education program.



**Athletics and Related Activities**

The expenditures per students for the operation of the Athletics and Relative Activities programs.

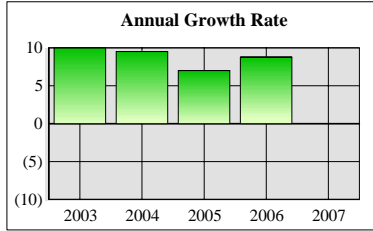
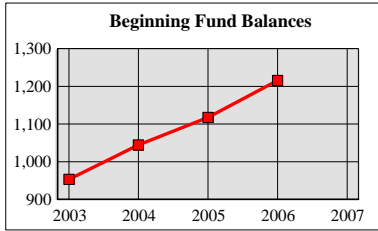
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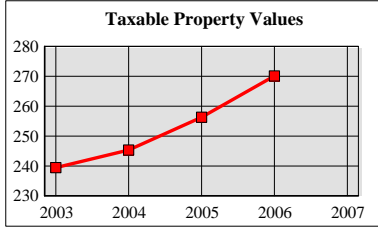
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Academic and Financial Performance Review

**State of Texas Performance Review - Other Financial Measurements**



**Beginning Fund Balances**

The amount of surplus funds (undesignated and unreserved funds) which were reported at the end of the prior school year divided by the total number of students during the current school year.



**Taxable Property Values**

The State's total taxable property value in the prior school year divided by the total number of students in the district in the current school year. This measure is often referred to as "Wealth."

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**State of Texas Performance Review - Other Financial Measurements**

<p align="center"><b>Instructional Staff</b></p>	<p align="center"><b>Annual Growth Rate</b></p>	<p align="center"><b>Instructional Staff</b></p> <p>The total compensation for all instructional staff positions divided by the total number of students. The Instructional Staff category includes teachers and educational aides.</p>
<p align="center"><b>Professional Support Staff</b></p>	<p align="center"><b>Annual Growth Rate</b></p>	<p align="center"><b>Professional Support Staff</b></p> <p>The total compensation for all Professional Support Staff positions divided by the total number of students. The Professional Support Staff provides direct support of the instructional process and includes, but is not limited to: Supervisors; Counselors; Educational Diagnosticians; Librarians; Nurse/Physicians; Therapists; Psychologists; and, Other Support Staff</p>
<p align="center"><b>Administrative Staff</b></p>	<p align="center"><b>Annual Growth Rate</b></p>	<p align="center"><b>Administrative Staff</b></p> <p>The total compensation for all administrative staff positions divided by the total number of students. Administrative staff includes: Administrative and Instructional Officers; Principals; Assistant Principals; Superintendent; and, Assistant Superintendents.</p>
<p align="center"><b>Auxiliary Staff</b></p>	<p align="center"><b>Annual Growth Rate</b></p>	<p align="center"><b>Auxiliary Staff</b></p> <p>The total compensation for all auxiliary staff positions divided by the total number of students. This shows the Full-Time Equivalent (FTE) count of staff reported without a role but with a PEIMS employment and payroll record.</p>
<p align="center"><b>Total Staff</b></p>	<p align="center"><b>Annual Growth Rate</b></p>	<p align="center"><b>Total Staff</b></p> <p>The total compensation for all the staff divided by the total number of students.</p>

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