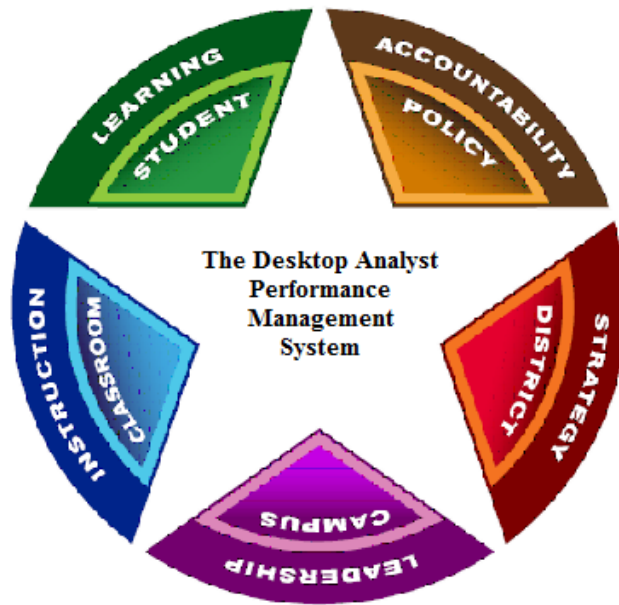


Select Committee
Public School Finance Weights, Allotments & Adjustments
October 13, 2010



Productivity in Texas Public Education

Education Resource Group, Inc.
21 Waterway Avenue, Suite 300
The Woodlands, TX 77380

Start by Getting the Facts Right

“Facts are stubborn things; and whatever may be our wishes, our inclinations, or the dictates of our passion, they cannot alter the state of facts and evidence.”

President John Adams

Without the facts, you are just another person with an opinion.

Notes

A Recent Houston Chronicle Editorial

1. Our public school finance system is too complex.
2. Districts are suffering financially.
3. The State is not providing adequate funding.
4. Revenues were frozen at 2005-2006 levels.
5. Districts are using fund balances to make ends meet.
6. Financial challenges threaten the core of public education.

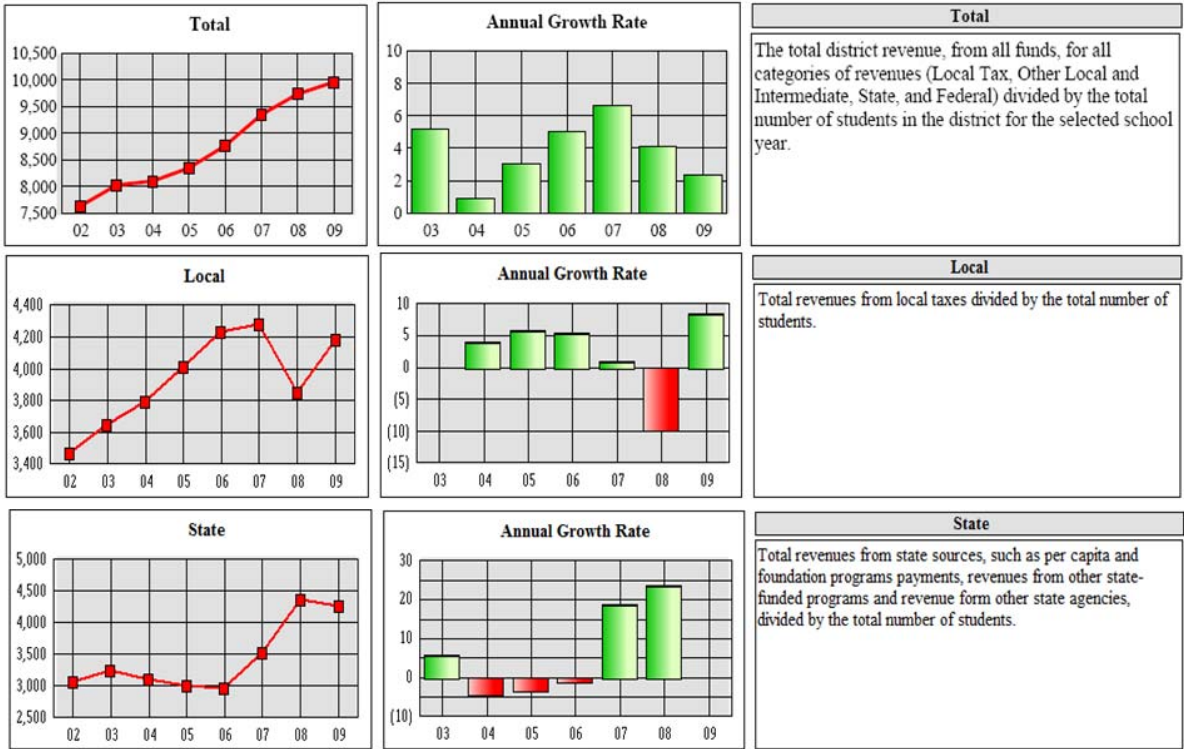
Opinions or Facts?

Notes

Education Resource Group, Inc.
Productivity in Texas Public Education

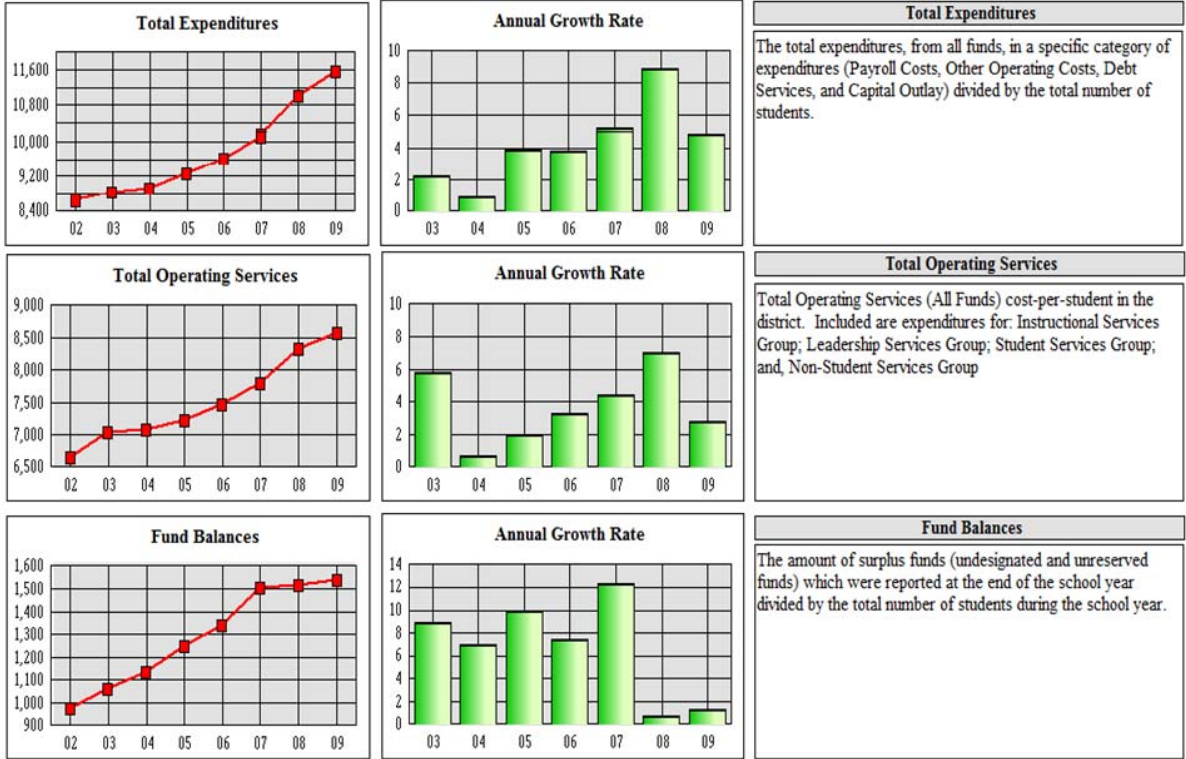
EDUCATION RESOURCE GROUP

The Facts About Revenues



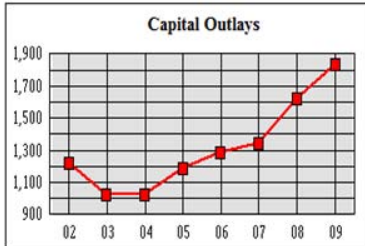
Notes

The Facts About Expenditures and Fund Balances



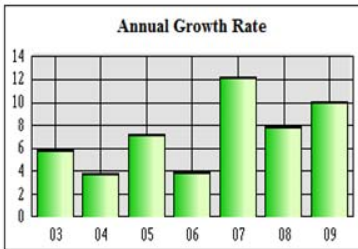
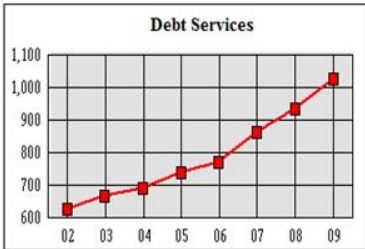
Notes

The Facts About Capital Expenditures



Capital Outlays

Object code 6600 - This function code series includes expenditures that are acquisitions, construction, or major renovation of school district facilities, divided by the total number of students in the district.

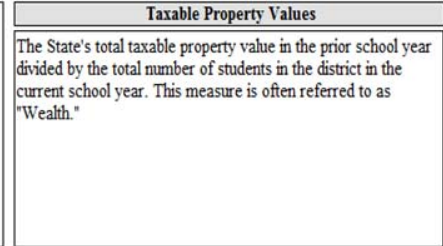
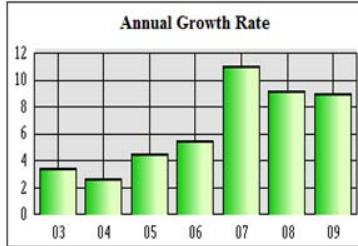
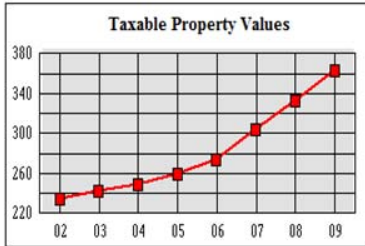


Debt Services

Object code 6500 - This function includes expenditures that are for the retirement of recurring bond, capital lease principal, and other debt, related debt service fees, and for all debt interest, divided by the total number of students in the district.

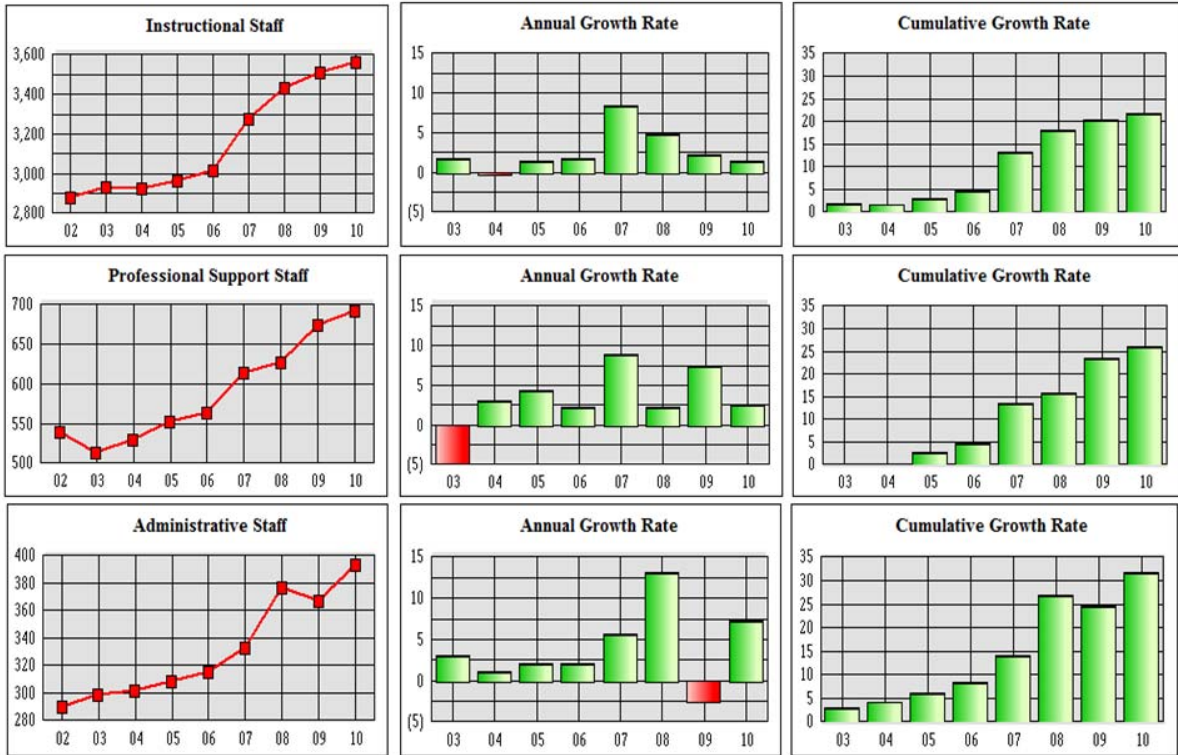
Notes

The Facts About Property Values



Notes

The Facts About Staffing and Compensation



Notes

The Investment in Texas Public Education

Operating Expenditures (Constant 1998-1999 Dollars)

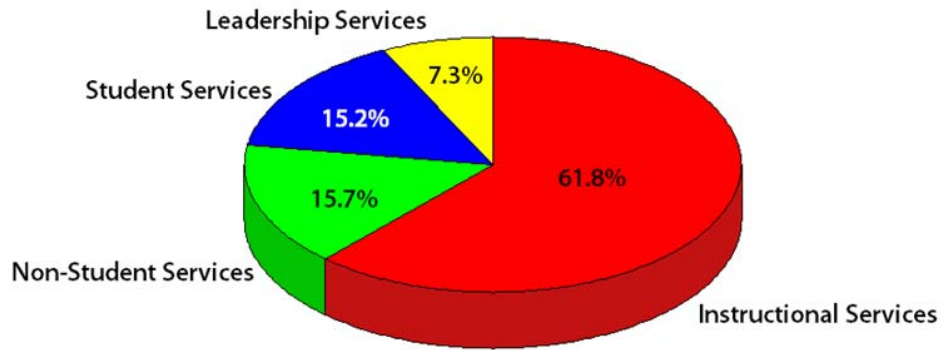
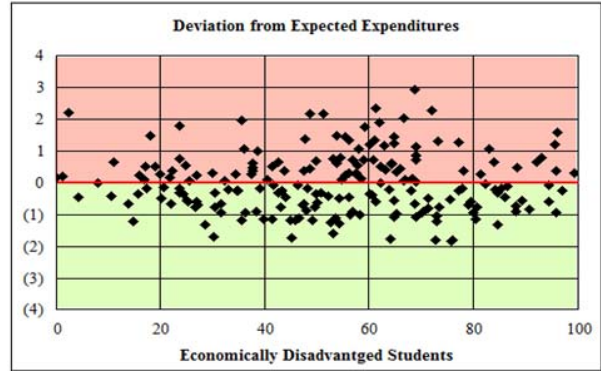
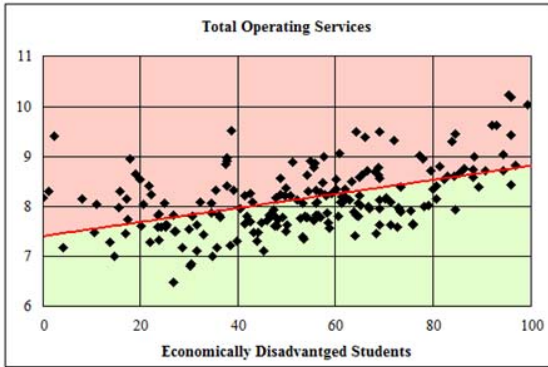
Cost per Student in 2008-2009	\$	6,828	
Cost per Student in 1998-1999	\$	5,611	
Cost per Student Increase	\$	1,217	21.7%
Total 2008-2009 Enrollment		4,727,467	
Extended Cost per Student Increase	\$	5,753,327,339	
Cost per Day	\$	15,762,541	
Cost per Hour	\$	656,773	

Cost: Texas Public Education Information Management System

Inflation: U.S. Bureau of Labor Statistics

Notes

Modeling Financial Performance



Notes

Education Resource Group, Inc.
Productivity in Texas Public Education

EDUCATION RESOURCE GROUP

ERG Reporting Divisions

Desktop Analyst Performance Management System - Summary of Reporting Divisions

	Division 01	Division 02	Division 03	Division 04	Division 05	State
Total Enrollment	3,804,518	479,985	200,793	99,369	38,978	4,728,204
Percent of State Total	80.46%	10.15%	4.25%	2.10%	0.82%	
Cumulative Percent	80.46%	90.62%	94.86%	96.96%	97.79%	
Maximum Enrollment	199,524	3,903	1,434	705	318	
Minimum Enrollment	3,908	1,438	705	318	94	
Average Enrollment	19,023	2,400	1,004	497	195	

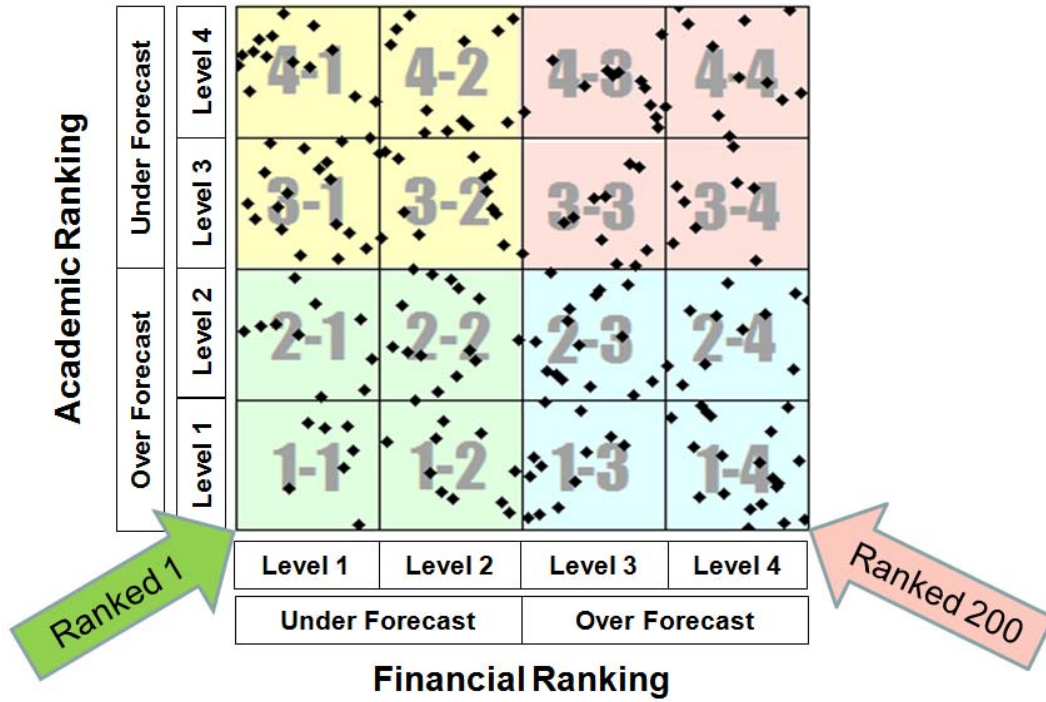
Operating Services Expenditures - ERG Reporting Division Summary
All Funds

	Division 01	Division 02	Division 03	Division 04	Division 05	Totals
Instructional Services	19,977,733,353	2,463,911,778	1,138,182,827	605,260,978	258,770,236	24,443,859,172
Leadership Services	2,298,655,108	278,927,523	124,042,907	63,279,694	25,731,736	2,790,636,968
Student Support Services	4,868,589,601	719,865,522	322,191,073	166,113,561	67,228,756	6,143,988,513
Non-Student Support Services	4,783,635,803	713,429,915	336,469,352	205,331,446	108,746,592	6,147,613,108
Operating Services - Total	31,928,613,865	4,176,134,738	1,920,886,159	1,039,985,679	460,477,320	39,526,097,761

© 2001-2010 Education Resource Group - All Rights Reserved

Notes

The ERG Matrix – Framework for Setting Goals



Notes

Setting Targeted Operating Efficiency Goals

Expenditure Category	Division 01	Division 02	Division 03	Division 04	Division 05
Instructional Services	50	50	50	50	50
Leadership Services	50	50	50	50	50
Student Support Services	50	50	50	50	50
Non-Student Support Services	50	50	50	50	50
General Funds	2				
Economically Disadvantaged	1				

← Targets

← Fund

← Variable

© 2001-2010 Education Resource Group - All Rights Reserved - Patent Pending

Notes

Education Resource Group, Inc.
Productivity in Texas Public Education

EDUCATION RESOURCE GROUP

Model Recommendations

	Division 01	Division 02	Division 03	Division 04	Division 05	Totals
Instructional Services	(1,253,676,646)	(264,240,403)	(146,669,238)	(92,550,697)	(47,458,473)	(1,804,595,457)
Leadership Services	(200,637,292)	(44,505,258)	(21,689,744)	(14,203,870)	(8,445,331)	(289,481,495)
Student Support Services	(429,657,845)	(93,214,254)	(46,531,412)	(30,348,648)	(18,244,177)	(617,996,336)
Non-Student Support Services	(472,721,053)	(123,924,447)	(57,148,513)	(52,654,117)	(32,927,822)	(739,375,953)
Total Operating Services	(2,356,692,835)	(525,884,363)	(272,038,908)	(189,757,333)	(107,075,802)	(3,451,449,241)
Actual Operating Services	26,973,028,215	3,473,270,426	1,609,754,029	879,911,053	392,464,145	33,328,427,868
Percent Reduction	-8.74%	-15.14%	-16.90%	-21.57%	-27.28%	-10.36%

© 2001-2010 Education Resource Group - All Rights Reserved - Patent Pending

1. Detailed plan for each school district.
2. Summary reports for each:
 - ERG Reporting Division
 - Each House District
 - Each Senate District

Notes

Public Policy and Improving Operating Efficiencies



*Information
is a
Strategic Resource*

Create a Framework for Measuring Productivity:

- Communicate the framework to all stakeholders
- Provide tools to evaluate academic and financial performance
- Develop and monitor performance improvement strategies

Establish Performance Goals:

- Communicate goals through a Balanced Scorecard
- Integrate academic achievement and productivity
- Establish effective rewards and sanctions

Measure and Monitor:

- Information must be timely, consistent, and accurate
- Continuously measure performance and provide feedback
- Gather new data to support goal setting

You Need CFAP And You Need It Now!!!

Notes