

Accountability and Productivity in Texas Public Education

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Institute for Productivity in
Education

There is now widespread discussion about
“Productivity in Education”

- Secretary Duncan’s recent speech
- Foundation attention
- Think tanks/university centers focus
- Council of the Great City Schools
- State of Texas

Secretary Duncan's recent speech

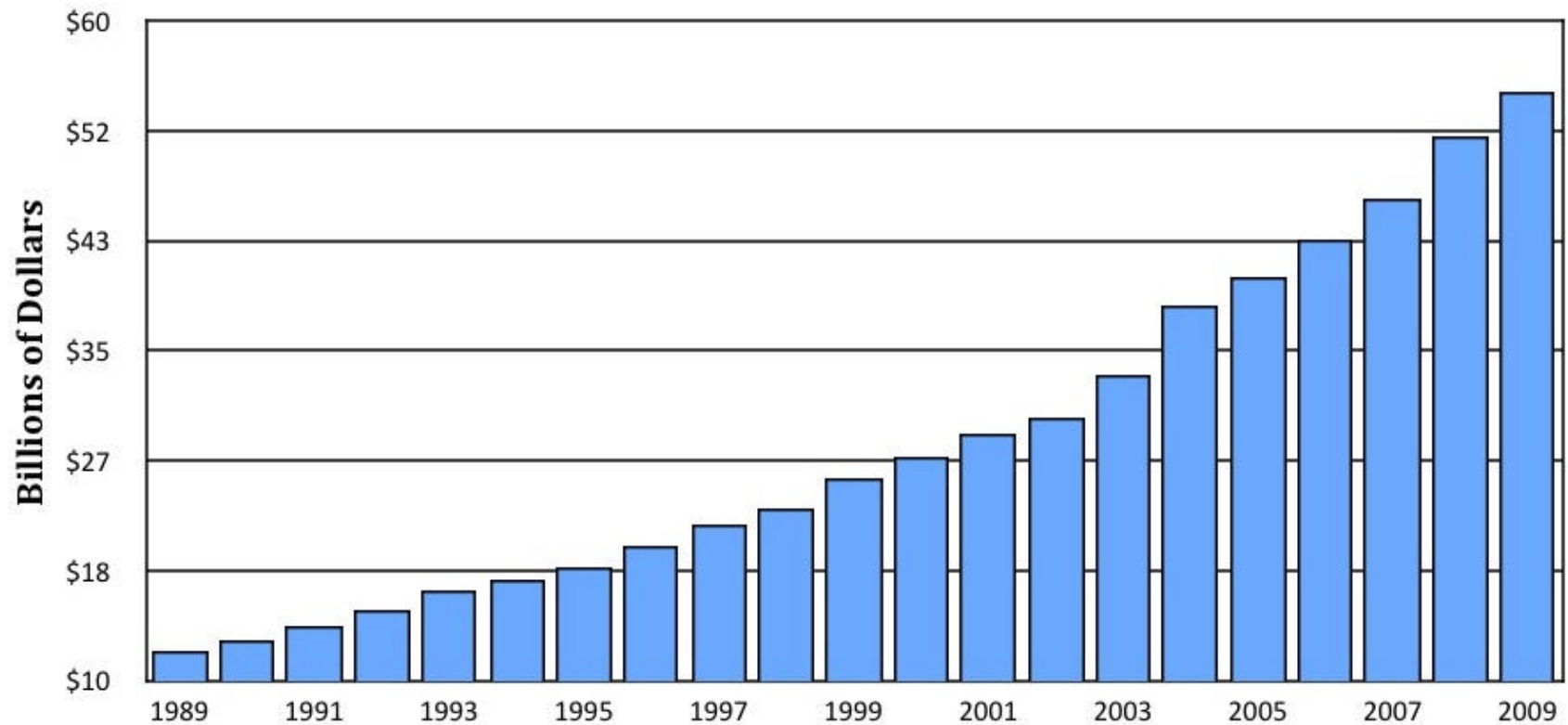
"I believe enormous opportunities for improving the productivity of our education system lie ahead if we are smart, innovative, and courageous in rethinking the status quo."

November 17, 2010

STATUS QUO

- Highly regulated
- Public monopoly
- Large, strong, adult constituency
- Limited financial transparency or accountability
- Human resource structure of an industrial era model

Texas Public School Expenditures, 1989-2009



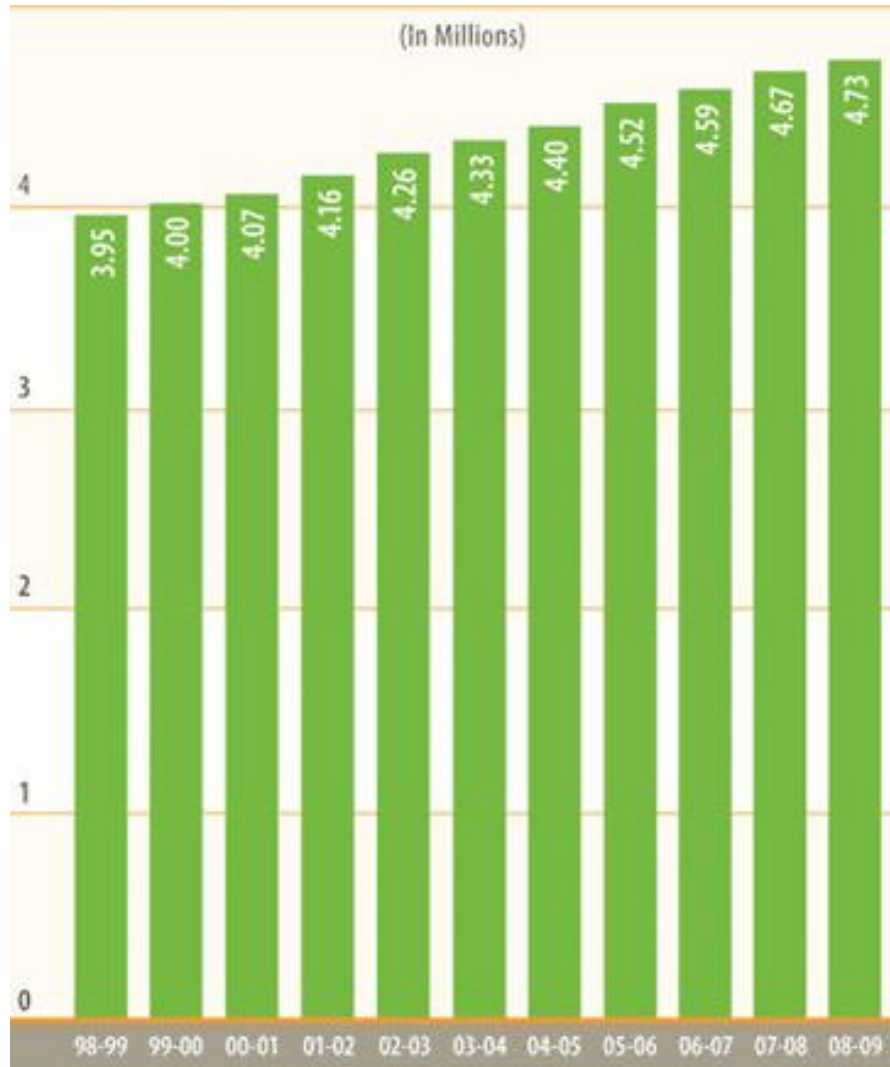
Source: FASTexas.org/Texas Education Agency, "State Snapshots 1989-2009"

Total School District Spending in Texas, 1999-2009



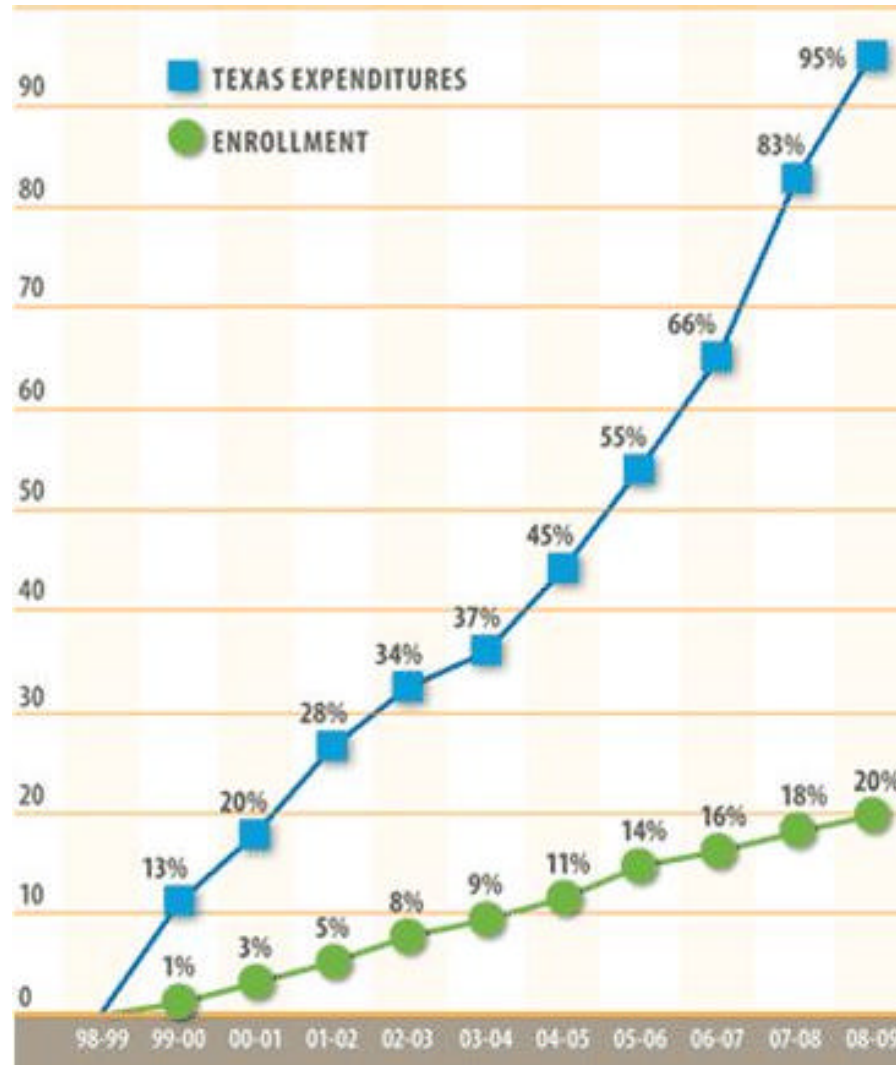
Source: FASTexas.org/Texas Education Agency

Statewide Public School Enrollment, 1999-2009



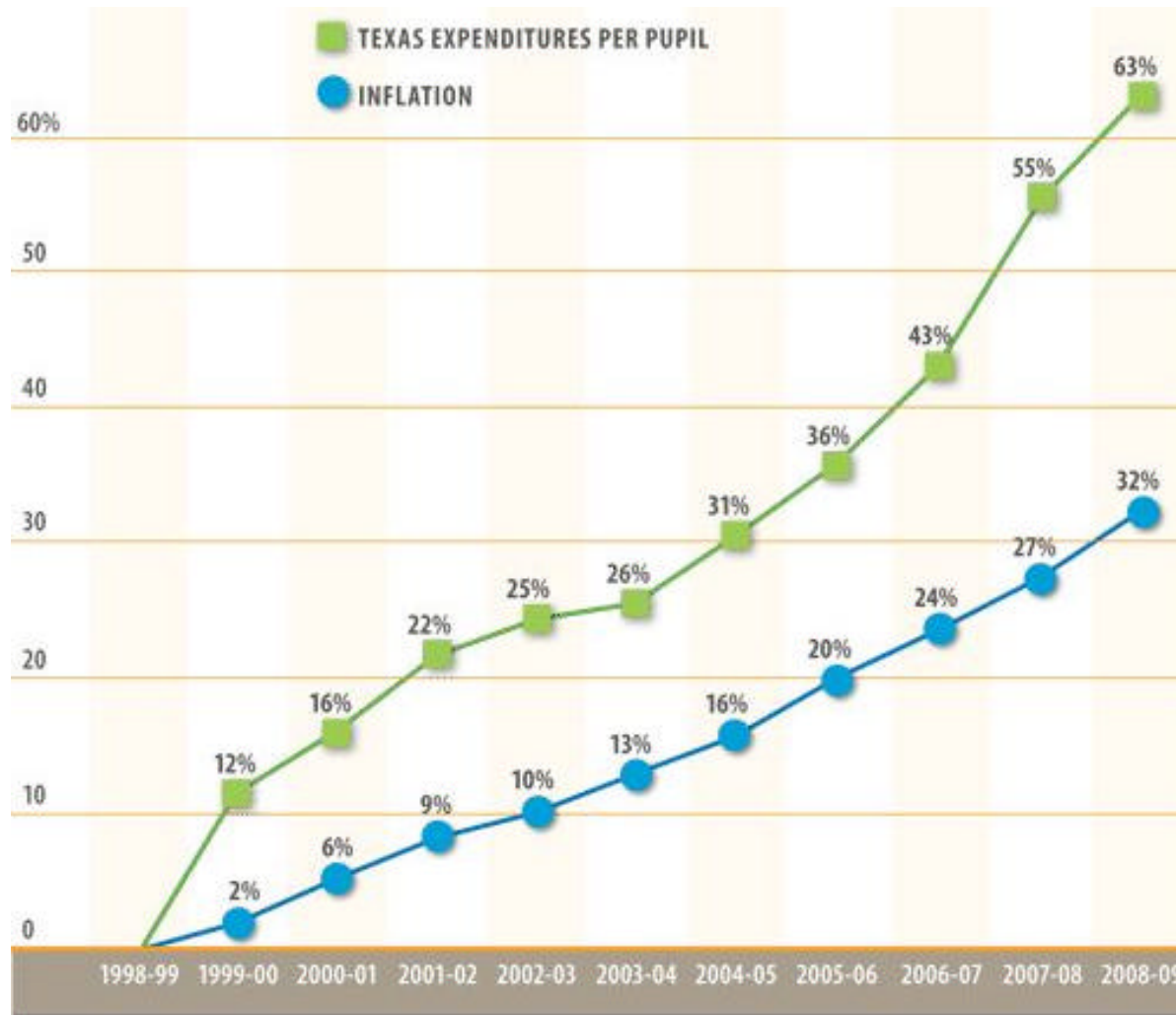
Source: FASTexas.org/Texas Education Agency

Change in Total Expenditures vs. Enrollment, 1999-2009



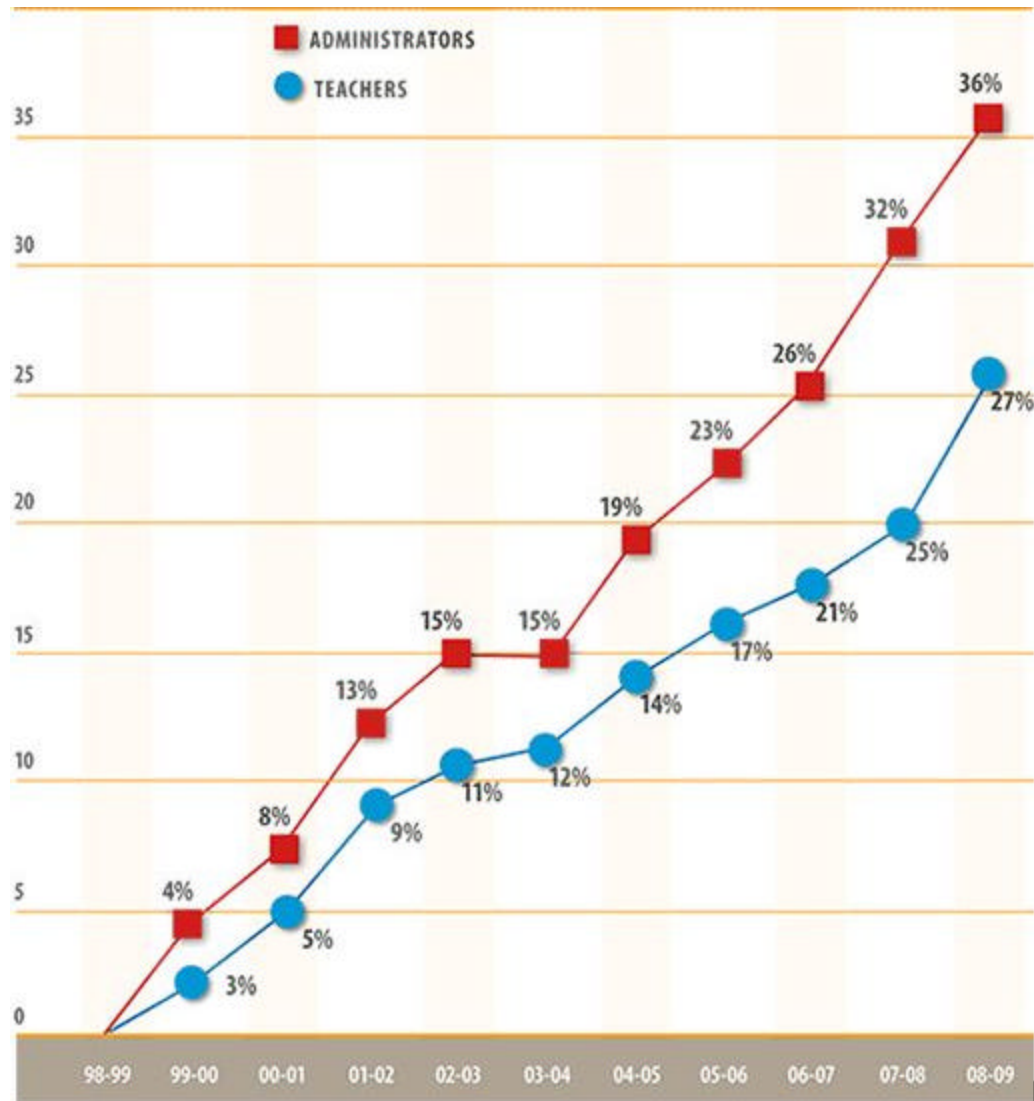
Source: FASTexas.org/Texas Comptroller of Public Accounts and Texas Education Agency

Change in Expenditure Per Pupil vs. Inflation (CPI), 1999-2009



Source: FASTexas.org/Texas Comptroller of Public Accounts and Texas Education Agency

Growth in Teachers vs. Administrators, 1999-2009



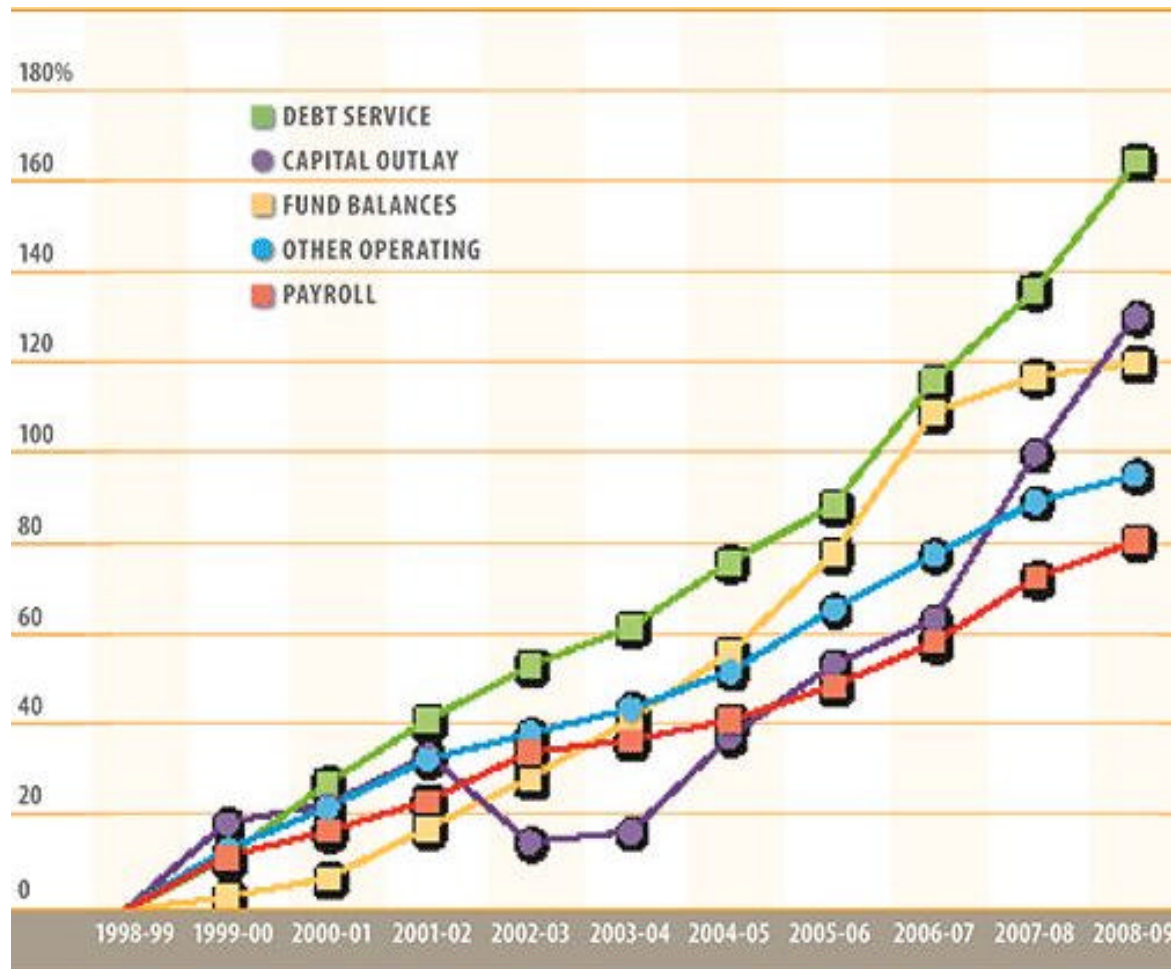
Source: FASTexas.org/Texas Education Agency

Total Public School Spending Per Pupil



Source: FASTexas.org/Texas Education Agency

Growth in Major Categories of School District Spending



Source: FASTexas.org/Texas Education Agency

ASSUMPTIONS

1. Texans have the absolute right to expect policy makers to use **their tax dollars – their property-** in the most **productive** manner
2. The **fiscal status** of local, state, and federal government will be **dire** for years to come and we're at a **moment of reckoning**

And...

3. There is very little clarity or standardization about public education spending for...

programs, processes, people, or policies

Anywhere

By anyone

At anytime

“A PROPOSAL”

CENTER FOR FINANCIAL ACCOUNTABILITY AND PRODUCTIVITY IN PUBLIC EDUCATION (CFAP)

Proposal

- New, **independent policy** center

Purpose

- Create the systemic process that will continuously improve the **productivity** -- the **cost effectiveness** -- of public education in Texas.

CFAP STRUCTURE

- Independent State entity
- Financed with public funds reallocated from current public expenditures

CFAP STAFF

Small, highly-skilled senior staff

- Two (2) Co-Directors: Policy and Financial
- Two (2) Senior Researchers
- Support Staff (4-5)
- Total personnel: 8-9 people

CFAP GOVERNANCE

Board of Directors

- Three (3) members
- Appointed by Governor, Lt. Governor and Speaker
- 4 year term
- Private sector organizational or financial management experience
- Advisory Committee may be formed by the Board

CFAP BUDGET

- Annual budget of \$2.8 million
- 2/3 of expenses allocated to external sources
- Collaboration with agencies, non-profits and academic institutions a high priority

CFAP LOCATION

- Austin, Texas
- Home base to policy makers

What We Want CFAP To Do

- **Advise policy makers on productivity**
- Provide timely and user-friendly data
- Provide rankings and analytical measures of productivity
- Identify and recommend programs, processes, practices and policies to enhance cost effectiveness
- Improve outcomes for each tax dollar spent
- Save tens of billions through cost effective improvements

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Financial Potential

- Short term - Hundreds of millions of dollars*
- Long term - Several billion dollars in the long term*

**Annual savings in expenditures or the equivalent improvement in productivity.*

**Conservative assumptions based on proper execution.*

How would a **CFAP** fit into

the

long-term strategic plan for

Texas public education?

1. Unbundling
2. Deregulation
3. Reallocation
4. Innovation

Unbundling

- Uniform, consistent accounting of specific spending categories
- Campus level data
- Program and policy cost assessment
- Full transparency

Deregulation

- Significantly reduce State level regulation and mandates

Reallocation

- Management freedom allowing most bang for the buck
- People and funds to most productive uses

Innovation

- Freedom to innovate
- Risks taken with costs known
- Related results anticipated
- Successes replicated
- Failures terminated

✓ Unbundling

✓ Deregulation

✓ Reallocation

✓ Innovation

Systemic Potential

- Allow the **unbundling** of policy, process and people costs
- Allow broad **deregulation**
- Allow informed allocation and **reallocation** of resources
- Create opportunities for successful **innovation**
- Structurally, systemically and culturally change public education

CFAP

- Small expenditure
- Low risk
- Huge potential payoff

Not

***“the same thing
over and over!”***

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Game Changer

FAQ's

And

Additional
Information

WHY SHOULD CFAP BE AN INDEPENDENT AGENCY, NOT ATTACHED TO ANOTHER BUREAUCRACY?

Inside another agency, the organization would be:

- Subject to unrelated political pressures
- Subject to internal competition for attention
- Subject to internal competition for resources
- Subject to change of leadership at agency
- Lacking the attention and focus of key external parties, policy makers, public, and media

WHY WILL CFAP'S BUDGET FOCUS ON USING EXTERNAL SOURCES?

- Impossible to maintain quality of staff or diversity on a wide range of public education issues or organizational or financial practices in one agency.
- Would become risk averse, defensive and lose the best and brightest people and the most innovative ideas.
- Small internal budget is designed specifically to avoid growing into a large entity or becoming a bureaucracy.
- With the public spotlight on it, out in the open, with a high degree of transparency, it creates a form of public accountability unique among public agencies.

WHY DOES CFAP NEED TO BE A PUBLIC ENTITY, NOT A PRIVATE, NON-PROFIT ENTITY?

- Needs the stature of the State
- Needs the fiduciary duty to all citizens
- Needs access to the data
- Needs to be the advisor to key policy makers
- Needs to be the responsive, substantive source for key policy makers
- Needs to proactively make specific policy recommendations to policy makers and the public
- Needs full transparency of information