General Appropriations Act - Rider 33 Report

Cost Savings Experienced by School Districts and

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Executive Summary

The Texas System of Education Service Centers is comprised of 20 regional centers located throughout the state. The mission of each Education Service Center (ESC) is to improve student achievement in Texas by developing high quality services that enable Local Education Agencies (LEAs) to operate more efficiently and economically and to support educators as they prepare the future workforce of Texas. Beyond these duties, ESCs serve as the main communication channel for the legislature, state agencies, and others to communicate with all 1,215 LEAs in the state. This includes emergency communication and resource coordination in the event of a natural disaster and/or crisis.

General Appropriations Act Rider 33 required ESCs to report information regarding expenditures from the prior audited fiscal year. This included cost savings for products/services provided, a cost comparison to similar products/services from alternate providers, and the number of full-time equivalent (FTE) positions and total salaries, including the sources to finance those salaries.

Direct appropriations to the ESCs have decreased over time. The 76th Legislature allocated $117.65 million through Strategy B.3.1 Regional Training and Development (funding for core services, technical assistance, dyslexia coordinators, and innovative programs) for the biennium or $58.8 million in 2000 and $58.8 million in 2001. The 77th Legislature allocated $122.04 million through Strategy B.3.1 Regional Training and Development (funding for core services and technology training) for the biennium or $61.02 million in 2002 and $61.02 million in 2003. The 78th Legislature allocated $45 million through Rider 71 (funding for core services, professional development, and technical assistance) for the biennium or $22.5 million per year. The 79th (Rider 62), 80th(Rider 56), and 81st(Rider 54) Legislatures allocated $42.75 million (funding for core services, professional development, and technical assistance) for the biennium or $21.375 million per year. The 82nd(Rider 39), 83rd(Rider 38), and 84th (Rider 35) Legislatures allocated $25 million (funding for core services, professional development, and technical assistance) for each biennium, or $12.5 million per year. The 85th(Rider 34), 86th(Rider 34), 87th (Rider 34), and 88th (Rider 33)Legislatures allocated $23.75 million (funding for core services, professional development, and technical assistance) for each biennium, or $11.875 million per year.

This report examined the 2022-2023 audited fiscal year and demonstrated that **the $11.875 million investment produced an estimated 9.46and 023 a.111.essi**

For the 2022–2023 school year, the ESCs as a whole, saved Texas LEAs just over $1.67 billion when all four categories were combined. On average, that equated to LEAs saving approximately $303.23 per student statewide.

A case study of 100 LEAs, five from each ESC region, demonstrated a cost comparison of similar products/services provided by alternative providers. This case study focused on four main areas of services: professional development, ESC products, direct services, and technical assistance. **ESCs provided a cost savings of approximately $97.9 million for all products/services compared to other available service options for the surveyed LEAs.**

During the 2022-2023 school year, the **ESCs partnered with over 10,827 businesses for contracts worth over $1.9 billion. These collaborations produced an estimated $352.5 million in cost savings for Texas LEAs.**

Finally, this report provided the number of ESC FTEs, their total salaries, and the source(s) of funding associated with products/services provided in 2022-2023. In the eighth iteration of reporting this information, ESCs continued to demonstrate the ability to reduce costs for LEAs while providing valued products/services to administrators, teachers, parents, and most importantly, Texas students.

<u>Methodology</u>

Each LEA was asked to determine the cost it would experience if it purchased similar products/services from another

Constraints

Several limitations constrained the information collected and conclusions drawn. In this eighth report in which ESCs estimated and submitted cost savings information, as in the past, the methodology was adjusted to improve reporting and provide more accurate information. The ESCs determined that the method used during the first year of this report did not accurately reflect the cost savings that the Rider attempted to capture; therefore, in 2012, the ESCs implemented a new methodology. In 2014, after consulting with TEA, additional information was added to provide greater clarity to the diverse products/services provided by the ESCs, specifically related to technology support. The methodology will continue to evolve, as future reports may warrant.

There were also many variables that were considered when attempting to establish a price comparison between ESC products/services and those found on the open market. The LEA's location, student population, resources, and local policies dictated what types of products/services were available for them to purchase. For example, since rural LEAs

Conclusions

The analysis found that LEAs experienced significant cost savings by utilizing ESC products/services. Table 1 shows the estimated cost savings experienced by LEAs related to business services, technology services, core services, and state initiatives managed by the ESCs for the 2022-2023 school year.

Table 1: Estimated Cost Savings Related to ESC Products/Services 2022-2023

Section	Section Overview	Topics	Estimated Cost Savings
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Table 3 provides a summary of the estimated savings the surveyed LEAs experienced in each of the four categories. It includes examples of services included in those categories and the percentage of the total savings those categories provided to LEAs. LEAs experienced the greatest amount of savings through professional development services.

The greatest amount of savings for those who participated in the survey averaged $474,180 out of $47.4 million total savings solely from professional development services. Professional development included over 603,799 hours of training for school board members, teachers, school administrators, mentors, and parents.

The second greatest amount of savings for surveyed LEAs was from Technical Assistance. ESCs provided 171,442 hours of Technical Assistance to LEAs. These products, on average, saved surveyed LEAs $237,122 per year.

Table 3: Estimated Savings from LEA Case Studies

Products/Services Provided	Total Savings	Percent of Total Savings

Professional Development
Examples of Services:
        Board member training
        Teacher training
        School administrator training
        Parent training
        Mentor teacher training
        Gifted and talented teacher training
	$47,417,972.64	49%

ESC Products
Examples of Products:
        Enterprise Resource Planning systems (Ascender)
        Student Information systems (Ascender)
        Interactive TV
        Internet filtering
        TEKS Resource System
        Printing services
	$15,651,126.83	16%

Direct Services *Examples of Services:* Business office services		

Funding

Rider 33 appropriated $11.875 million in each fiscal year 2022 and 2023. All other state funds included grants/contracts or other designated funds. Table 4 shows the amount of funds received by ESCs for the 2022-2023 school year, as reflected in their most recently completed annual financial audits. These amounts included federal grants, state grants/contracts, legislative appropr

Role of Education Service Centers

In accordance with statute, ESCs actively delivered training and consulting assistance to LEAs, educators, and other individuals involved in the education process. ESCs provided professional development in all areas of the education spectrum, secured and/or developed products/services at reduced prices for LEAs, provided technical assistance in all facets of the education process, and performed other activities that met the needs of LEAs.

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ESCs also partnered with private entities to assist LEAs in purchasing products/services. Combined, the twenty ESCs partnered with over 10,800 businesses for contracts worth over $1.939 billion in products/services. ESCs utilized economies of scale to help LEAs acquire educational tools that would be too expensive to be purchased otherwise, saving money, and improving efficiencies.

ESCs provided training and consulting assistance that were customized to meet individual LEA's needs. LEA data and customer feedback were continually used to ensure services were appropriate. This feedba

Case Studies of LEAs

School Districts Compared to Charter Schools

The case studies consist of 94 school districts and 6 charter schools. School districts averaged greater savings per WADA when compared to charter schools, but Charters had a larger average total savings.

Table 5: Savings for School Districts versus Charter Schools

	School Districts	Charters
Average Savings	$954,21	$1,369,854
Average Savings Per WADA	$861.11	$348.04

School Size and its Effect on Cost Savings

For the purposes of this report, LEAs were broken into four size categories based upon number of students: Urban/suburban, Large, Mid-sized, and Small. There were differences in the savings and types of services that were utilized by larger LEAs compared to smaller LEAs. Urban/suburban LEAs averaged greater total savings when compared to smaller, more rural LEAs; however, small LEAs experienced a higher savings per WADA when compared to larger LEAs. (Tables 6-9 display the various cost savings experienced by different sized LEAs.)

Urban/suburban LEAs, those with more than 25,000 students, used fewer products/services, when compared to smaller LEAs. This was primarily due to their size and proximity to a greater number of alternative providers.

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Salaries and Full Time Equivalent (FTEs) of Each ESC

Rider 33 directed each ESC to provide the number of FTE positions, total salaries, and the method of financing those salaries. ESCs provided a wide array of products/services and ESC staff were expected to assist in multiple

Client Satisfaction

Since 2005, ESCs have contracted with the Institute for Organizational Excellence at The University of Texas at Austin to conduct a survey that is sent to representatives of all LEAs in Texas. Historically, the survey has been sent during the fall. The overall results continued to be very positive and illustrated a high level of satisfaction from LEAs.

All quantitative items on the combined overall reports received a score between 4.65 and 4.77 on a 5-point Likert scale ranging from a 1 – "Very Dissatisfied" to a 5 – "Very Satisfied." These scores were very similar to the previous year. The highest scoring overall items were "Services to assist LEAs in complying with federal and state regulations and guidelines

Education Service Centers of Texas

Education Service Center	Executive Director	Address	Phone Number
Region One – Edinburg	Dr. Daniel P. King	1900 West Schunior, Edinburg, TX 78541	(956) 984-6000
Region Two – Corpus Christi	Dr. Esperanza Zendejas	209 North Water, Corpus Christi, TX 78401	(361) 561-8400
Region Three – Victoria	Dr. Morris Lyon	15555 US HWY 77 N, Victoria, TX 77904	(361) 573-0731
Region Four – Houston	Dr. Rodney Watson	7145 West Tidwell, Houston, TX 77092	(713) 462-7708
Region Five – Beaumont	Dr. Byron Terrier	350 Pine, Suite 500, Beaumont, TX 77701	(409) 951-1700
Region Six – Huntsville	Mr. Michael Holland	3332 Montgomery, Huntsville, TX 77340	

Appendix A: Cost Savings Experienced by Local Education Agencies

District	Charter or ISD	Region	WADA	Total Cost Savings	Total Cost Savings Per WADA

ERATH EXCELS	ISD	11	170.020	$4,508,782.78	$26,519.13
FLATONIA	ISD	13			

PECOS-BARSTOW-TOYAH	ISD	18	3,591.544	$258,718.86	$72.04
PERRIN-WHITT	CISD	9	610.233	$1,094,567.00	$1,793.69
PORT NECHES GROVES	ISD	5	6,354.144	$322,827.76	$50.81
PRIORITY	CHARTER	12	981.056	$94,785.66	$96.62
PROGRESO	ISD	1	2,288.110	$144,652.45	$63.22
PSP	CISD	16	1007.158	$125,708.14	$124.81
QUINLAN	ISD	10	3,993.150	$1,746,711.52	$437.43
RISING STAR	ISD	14	383.725	$1,109,433.10	$2,891.22
	ISD	2	760.070		$28.87
SAN BENITO	CISD	1	12,260.367	$545,483.00	$44.49
	ISD	2	2,212.560	$436,237.34	$197.16
SAN ELIZARIO	ISD	19	4,455.316	$822,288.66	$184.56
SANDS					4,455.316 $96.62

Appendix B: List of Products/Services Provided by ESCs

Differentiated Instruction (DI)
Digital Age Learning
Digital Media Production
Disabilities Services-
  Attention Deficit Hyperactivity Disorders (ADD/ADHD)
  Autism Spectrum Disorders
  Deaf Blindess
  Deaf and Hard of Hearing
  Dyslexia
  Evaluation
  Instruction
  Emotional Disturbances/Behavior Disorders
  Intellectual Disabilities
  Learning Disabilities
  Other Health Impairments
  Orthopedic/Physical Impairments
  Speech/Language Disorders
  Traumatic Brain Injuries
  Visual Impairments
Disaster Recovery Data Hosting
Disaster Recovery Planning Support
Disciplinary Alternative Education Program (DAEP)
Discovery Education/Streaming
DMAC Solutions- Data Management for Assessment Curriculum
DNS Services
Do Not Hire Criminal History Registry Training
Dropout Training and Supports

Reading Academy Special Education Supplemental
    Modules
Reading By Design
Recommendations for Serving on Educator
    Committees
Regional Day School Programs for the Deaf (RDSPD)
Regional Emergency and Mass Communications
    Related Services
Relationship Centered Practices
Residential Facilities
Resources for Teaching (Creative Corner, Copy Center, Print
    Shop)
Response to Intervention (RtI)
Results Driven Accountability
    Significant Disproportionality
Retirement Asset Management System (RAMS)
Robotics
Rural Schools Support
Safety Roundtables for Security Directors and Student
    Resource Officers
Scholarship Resources
School Behavioral Threat Assessment Training
School Board Member Training

TEKS Planning Collaboratives in Core Content Areas
TEKS Professional Development in Core Content Areas
TEKS Resource System
TELPAS Academy
Testing – Federal and State
    Testing Coordinator Training
TexGuides
Texas 21 Career Investigation and Career Planning
Texas Academic Performance Reports (TAPR)
Texas Best Buddies Grant Support
Texas Behavior Support Initiative (TBSI)
Texas Curriculum Management Program Cooperative
      (TCMPC)
Texas Curriculum Resources (TCR)
Texas Computer Cooperative (TCC)
    ASCENDER
    Career Portal
    Employee Portal
Texas Covid Learning Acceleration Supports (TCLAS)
Texas Cybersecurity Framework training and support

Texas Education Agency Login (TEAL)/ Educator
    Certification Online System (ECOS) Account Support
Texas Education Data Standards (TEDS) Training and Support
Texas English Language Proficiency Assessment System
    (TELPAS)
Texas Home Learning (THL)
Texas Instructional Leadership (TIL)
Texas Lesson Study
Texas Middle School Fluency Assessment (TMSFA)
Texas Primary Reading Inventory (TPRI)
Texas Principal Excellence Program (TxPEP)
Texas Principal Evaluation and Support System
    (T-PESS)
Texas Regional Pathways Network
Texas Special Education Information Center (SPEDTex)
Texas Statewide Leadership for Autism Training (TSLAT)
Texas Strategic Leadership (TSL)
Texas Student Data System (TSDS)
Texas Teacher Evaluation and Support System (T-TESS)
    Calibrations
Texas Supplemental Special Education Services Grants for
      Families (SSES)
Texas Virtual School Network (TxVSN)
Texas Women's University Speech-Language Pathologists
Masters TETN Program
TExES (Examination for certification of educators)
TexQuest
Textbook Viewing Room
Time & Effort Software
TimeClock Plus Software Training and Support
Title I, Part A Parent and Family Engagement
    Statewide Initiative
Title I School Support
Title II Support
Title III Support
Title IV Support
Title IX Training

Transition Planning - High School
Trauma Informed Classrooms
Trauma and Mindfulness
T-STEM
Unlicensed Diabetic Care Assistance Training
Unique ID Training and Support
Video Conference Technical Support
Video Production Services
Vision Screening Certification Training
Visually Impaired/Orientation and Mobility Services (VI/O&M)
Visually Impaired Teacher Services
Videoconference Fieldtrip Facilitation

Appendix C: Summary of Accountability and Oversight of ESCs

Annual Independent Financial Audit

Audits of all funds (federal, state, local) are conducted. All fund balances are included as part of the audit. TEA posts all ESC audits on its website, and audits are filed with the Federal Audit Clearinghouse.

Biennial Legislative Report

The ESC Rider of the Appropriations Bill requires the Commissioner of Education to biennially submit an ESC cost comparison report to the LBB, Governor's office, and each Chairman of the House and Senate Education Committees.

Annual Regional Performance Hearing

An ESC performance hearing is held annually. The hearing includes a review of academic performance data, budget data, and other ESC performance standards.

Board of Directors

Each ESC is governed by an elected board of directors composed of seven members and a Commissioner appointed charter school representative.

Federal Grant Audits

The TEA Grant Compliance and Administration completes audits of federal grants received by ESCs in accordance with established timelines.

Annual 3rd Party Client Satisfaction Survey

University of Texas at Austin conducts a client satisfaction survey among ESC users. Results are reported by each ESC and reported to the Commissioner of Education.

Workshop Evaluation System

All workshop attendees complete an anonymous survey following every workshop attended.

Program Advisory Committees

Advisory Committees are utilized in designing products/services.

Performance Based Monitoring of ESCs

Student performance data is annually reported by the region, showing gaps in student performances and groups of students who are under or overrepresented in various programs.

Evaluation of ESCs by the Commissioner of Education

An annual evaluation is conducted on each ESC and the Executive Director.

Monitoring Reports from Various Agencies

State and federal agencies such as Texas Department of Agriculture, Texas Department of State Health Services, Head Start, Texas LEARNS, Texas Workforce Commission, etc., conduct desk and on-site monitoring of ESC fiscal and program compliance.

Annual Needs Assessment and Program Review

Each ESC annually assesses the effectiveness of its program/services, identifies areas for additional products/services based on district requests, and modifies existing programs.

Performance Scorecard Measures

Data is reported uniformly by all ESCs on a monthly/quarterly/annual basis for key performance indicators. Data is reported to TEA and the LBB.

PRIOR REVIEWS AND ACTIONS COMPLETED:

LBB Performance Review – Management and Performance Review by MGT of America – 2003-2004

ISO Certification – 2003

ESC Scorecard – 2003 – Reported data on key indicators

79th Legislature – Shared Service Arrangement Use by School Districts Report - January 2007

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86th Legislature – Rider 34 Report on Cost Savings – December 2018
87th Legislature – Rider 34 Report on Cost Savings – December 2020
88th Legislature -Rider 34 Report on Cost Savings – December 2022