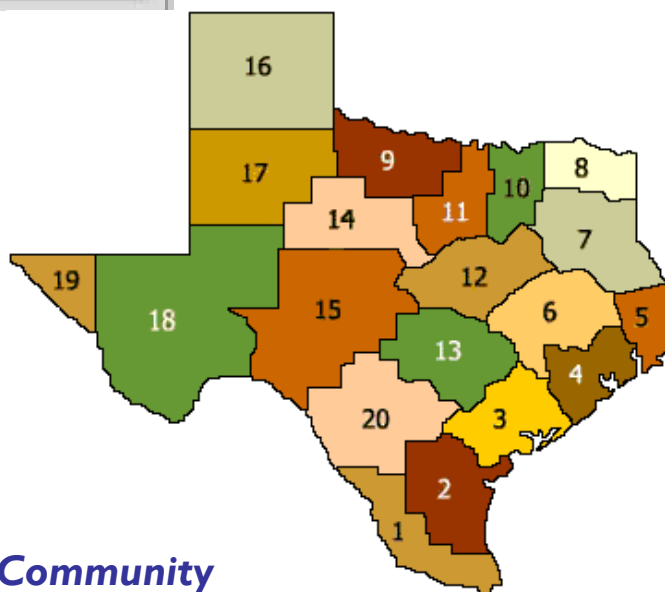




STRATEGIC PLAN

2007-2010



ESC Mission:

***“Assisting the Educational Community
in Achieving Excellence, Equity, and
Efficiency.”***

ESC Vision:
**“World Class Educational Community
Preparing a World Class Workforce”**

Core Beliefs:

- **System focus on unique regional educational needs**
- **Integrity/Honesty/Ethics**
- **Collaboration and Teamwork**
- **Goal and Results Oriented**
- **Service Oriented**
- **Student Centered**
- **Dependable**

PARTICIPANTS

Region 1 – Edinburg

Region 2 – Corpus Christi

Region 3 – Victoria

Region 4 – Houston

Region 5 – Beaumont

Region 6 – Huntsville

Region 7 – Kilgore

Region 8 – Mount Pleasant

Region 9 – Wichita Falls

Region 10 – Richardson

Region 11 – Fort Worth

Region 12 – Waco

Region 13 – Austin

Region 14 – Abilene

Region 15 – San Angelo

Region 16 – Amarillo

Region 17 – Lubbock

Region 18 – Midland

Region 19 – El Paso

Region 20 – San Antonio

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EXECUTIVE SUMMARY

In 1967, the Texas Legislature established twenty media centers in response to Title III of the Elementary and Secondary Act passed by Congress, which provided limited funding for instruction related training and services for teachers. As time passed, the legislature worked to expand the role of these media centers to enhance the teaching standards in the state, and ultimately, student performance. Today, 20 Education Service Centers (ESCs) make up the ESC system. These centers, located throughout the state, serve more than 4.4 million students and over 550,000 administrative and campus staff and play an integral part in ensuring the success of Texas' education system.

Regional education service centers are intermediate educational units that provide training, technical assistance, administrative support and an array of other services as determined by the legislature, the Commissioner of Education and the needs of local school districts and charter schools. Most often associated with assistance to small and medium-sized school districts, the ESCs have a long history of providing assistance to all districts, including metropolitan and large suburban districts. The third party client satisfaction survey, authorized by the commissioner, indicates that the Superintendents, principals and teachers in large suburban and metropolitan school districts rate the work of the ESCs comparable to that of small and medium-sized school district personnel. All of these services are reviewed annually in a multi-phased review of the education service centers and the quality and effectiveness of their services as reflected in an analysis of both student achievement and client satisfaction measures.

In recent years, the ESCs have taken the lead in preparing content area teachers to meet the ever increasing demands of the Texas Assessment of Knowledge and Skills (TAKS). Additionally, the ESCs have been sharply focused on assisting the Texas Education Agency (TEA) in promoting the financial health and viability of Texas school districts during rapidly changing and more complicated financial times. No Child Left Behind (NCLB) has raised the level of accountability Texas educators must meet. ESCs play an active role in helping school districts and charters understand the compliance requirements and develop strategies to successfully implement all facets of the accountability system.

Section 8.002 of the Texas Education Code (TEC) defines the ESCs' purpose as:

- Assist school districts in improving student performance in each region of the system;
- Enable school districts to operate more efficiently and economically; and
- Implement initiatives assigned by the Texas Legislature or the Commissioner of Education.

ESCs address this critical mandate by providing Texas educators with solutions that improve student performance. Service centers work closely with school district and charter school administrators, analyze district and school data, provide quality training to teachers, administrators, business office personnel and school boards. ESCs also provide countless hours of technical assistance to educators and other education related stakeholders. ESC staff has a thorough understanding of the student population that it serves in each region and customizes programs and services to meet those unique regional needs.

Education Service Centers have made a significant contribution in public education. Many programs and services support more than one of the legislative objectives. The following chart provides a profile of the major programs and initiatives implemented by ESCs in response to legislative mandates, Commissioner's priorities, and customer needs.

Major ESC Programs and Services	Improve Student Achievement	School District Efficiency	Statewide Initiatives
Accountability:			
➤ TEKS/TAKS Support	✓		✓
➤ AEIS / PEIMS Support	✓	✓	✓
Professional Development/Training/Technical Assist:			
➤ Teachers	✓	✓	✓
➤ Administrators	✓	✓	
➤ Instructional Aides	✓	✓	
➤ Support Staff	✓	✓	
➤ Board Members	✓	✓	
➤ Parents	✓		
Curriculum & Instructional Program Support			
➤ Advanced Academics (G/T)	✓		
➤ Bilingual Education	✓		
➤ Career & Technology Education (CATE)	✓		
➤ General Education	✓		
➤ Federal Programs	✓		
➤ Special Education	✓		
No Child Left Behind (NCLB) Support:			
➤ Achievement of "Adequate Yearly Progress"	✓		
➤ Highly qualified teachers & instructional aides	✓		
➤ Other NCLB Compliance	✓		
Direct Services to Students:			
➤ Early Childhood Intervention	✓		
➤ Head Start	✓		
➤ Adult Education	✓		
➤ Special Programs	✓		✓
➤ Distance learning	✓		
➤ Student Support Services	✓		
➤ Assessment	✓		
Personnel Services:			
➤ Recruitment	✓	✓	
➤ Placement	✓	✓	
➤ Assessment	✓	✓	
➤ Certification	✓	✓	
➤ Mentoring	✓	✓	
➤ Retention	✓		
Consolidation of Functions:			
➤ Shared Services Arrangements		✓	
➤ Consortia/Cooperatives		✓	
Technology:			
➤ Telecommunications services (Internet, email, filtering, E-Rate, technology plans, TETN, video conferencing)	✓	✓	✓
➤ Integration of instructional technology in the classroom	✓	✓	
➤ Management Information Systems developed and supported by ESCs		✓	
➤ PEIMS technical training & support services		✓	✓
Program Administration			
➤ Child Nutrition Program		✓	✓
➤ Student Health Services		✓	✓
➤ Financial Accountability		✓	✓
➤ Bus Driver Training		✓	✓

INTRODUCTION

The role of Education Service Centers (ESCs) in Texas has changed significantly from its inception in 1965. Originally, ESCs provided educational 16 mm films to school districts. Today, ESCs play an integral part in the Texas education system by providing educators technical assistance and professional development using proven strategies to directly impact success in classrooms statewide. In addition to providing training, ESCs assist school districts and charter schools throughout the state in operating more efficiently. ESC staff understand that learning is powerful, and strive to ensure that Texas students are learning, one student at a time.



"EACH CHILD IS AN INDIVIDUAL OF GREAT WORTH"

ESC efforts have helped to improve Texas' school districts and charter schools. In recent years, the ESCs have taken the lead in preparing content area teachers to meet the ever increasing demands of Texas Assessment of Academics Skills and now the Texas Assessment of Knowledge and Skills (TAKS). Additionally, the ESCs have been sharply focused on assisting the Texas Education Agency in promoting the financial health and viability of Texas school districts during rapidly changing and more complicated financial times.

Regional education service centers are intermediate educational units that provide training, technical assistance, administrative support and an array of other services as determined by the legislature, the Commissioner of Education and the needs of local school districts and charter schools. Most often associated with assistance to small and medium-sized school districts, the ESCs have a long history of providing assistance to all districts, including metropolitan and large suburban districts. The commissioner's annual evaluation of client satisfaction indicates that superintendents, principals and teachers in large suburban and metropolitan school districts rate the work of the ESCs as high as small and medium-sized school district personnel. All of these services are reviewed annually in a multi-phased review of the education service centers and the quality and effectiveness of their services as reflected in an analysis of both student achievement and client satisfaction measures.

Section 8.002 of the Texas Education Code (TEC) defines ESCs' mandate as follows:

- Assist school districts in improving student performance in each region of the system;
- Enable school districts to operate more efficiently and economically; and
- Implement initiatives assigned by the Texas Legislature or the Commissioner of Education.

However, the statute does not provide the system with effective strategies to attain its purpose. Therefore, it became incumbent on the system to develop a strategic plan to provide the road map for each center, both individually and collectively, to meet the statutory directives and to attempt to do so with decreasing state appropriations.

ESC History Timeline

1965 -	Title III of Elementary and Secondary Education (ESEA) Act passed by Congress provided limited funding for instruction-related training and services for teachers. The Texas Legislature established twenty media centers to provide Title III funded services.
1967 -	Existing media centers were incorporated into ESEA. Title III-funded service centers Legislative appropriation of \$1 per average daily attendance (ADA), provided funding for media centers and required participating districts to provide matching funds. The role and scope of centers expanded. Centers were directed to assist with the coordination of educational planning.
1969 -	The statewide computer services system was established in centers with \$1 per ADA funding.
1971 -	Centers received initial basic state support for regional services to schools, regional coordination in planning and for center administrative costs.
1977 -	Management and Services Audits of centers began.
1984 -	House Bill 72 expanded centers working relationship with the Texas Education Agency in two areas; raising the quality of school programs and bringing uniformity and continuity to school district operations. Centers assumed new role in the area of decentralizing services. ESCs took on technical assistance functions in the implementation of the Public Education Information Management System (PEIMS). Centers took the lead in the training of local school boards.
1986 -	The State Board of Education adopted the State Plan for Regional Education Service Centers, which defined the roles of the centers and their relationship to TEA. Essential functions of the centers were defined.
1988 -	The State Plan for Regional Education Service Centers was reviewed and updated.
1989 -	The Commissioner was authorized to enter into performance contracts with ESCs for technical assistance and other services related to accreditation, training and curriculum, as well as, the implementation of PEIMS.

1990 -	The Price Waterhouse study of TEA recommended assigning “operational technical assistance” to the ESCs.
1992 -	<p>The State Board of Education rules were revised providing greater authority to the Commissioner in three areas of center operations:</p> <ol style="list-style-type: none"> 1) selection of center operations, 2) center budget approval, and 3) annual performance evaluation of the executive director for continued employment. <p>Following a legislative mandate, TEA begins decentralization of functions to ESCs including certification officers (10 FTEs) and child nutrition program specialists (30 FTEs). Agency also establishes Field Service Agents and Partnership Schools Initiative program and transfers 70 FTEs to ESCs.</p>
1995 -	Section 8 of Senate Bill I restructured ESCs identifying core services and a market-driven structure. Rider 44 to Article III of the General Appropriations Act of 1995 directed decentralization of several TEA functions. ESC’s role was expanded to provide technical assistance to school districts in accreditation monitoring.
1996 -	Commissioner conducts ESC 2000 study in preparation of sunset review of ESCs by the 75 th Texas Legislature.
1997 -	<p>The 75th Texas Legislature reauthorized the ESCs and adopted a revised Section 8 clarifying the centers’ role and function in improving student performance. Subchapter C clearly affirms the role of the commissioner in establishing a process of evaluation and accountability for the ESCs. Section 8.102 directed the Commissioner to develop a uniform system of reporting for the ESCs, including information on client satisfaction. Section 8.103 provided for an annual evaluation of each ESC executive director and section 8.104 provides the Commissioner with the power to sanction failing education service centers. Additionally, Chapter 8 required the provision of Core Services to school districts within each region.</p>
1998 -	The Commissioner entered into a contract with the Texas Center for Educational Research to develop a third-party client satisfaction survey. The survey was piloted in October-November 1998 and fully implemented in the spring of 2000.

1999 -	The 76 th Texas Legislature authorized the Student Success Initiative, better known as the Texas Reading Initiative, requiring intensive reading training for all kindergarten, first, and second grade teachers scheduled for the summers of 1999, 2000, and 2001. The ESCs functioned as the primary administrators and providers of this training.
2001 -	The 77 th Texas Legislature expanded the Texas Reading Initiative to the third and fourth grades and authorized the implementation of intensive training for math teachers beginning with grades five through eight. The ESCs serve as the primary administrators and providers of this training.
2003 -	The 78 th Texas Legislature reduced funding to ESCs and ordered the Texas School Review team to conduct a performance audit and Sunset Review of all 20 centers.
2006 -	The 79 th Texas Legislature eliminated the separate Sunset Provision for ESCs and made ESCs a part of the TEA Sunset process and sets the next review for 2012.

Student Demographics

The system of education service centers (the system) is composed of 20-education service centers regionally situated throughout the state currently serving more than 4.1 million students and over 550,000 administrative and campus staff. Each regional ESC understands the unique needs of the students living in its region. Texas is a state composed of a variety of ethnic and economic groups, which create a uniquely diverse student population. Students living along the Texas/Mexican border have different needs than students living in East, Central or West Texas. Consequently, it is critical that ESCs are geographically positioned to deal with the diversity within the state. ESC staff recognize the many challenges facing Texas students and work in partnership with educators statewide to maximize the limited financial resources to provide the opportunity for all Texas school children to receive a quality education.

The following exhibit summarizes enrollment by region, as well as provides the number of school districts and charter schools served.

**Distribution of Student Average Daily Attendance and the Number of Districts and Charters
By Region – 2005-06**

Region	Student ADA	Number of Districts	Number of Charters
ESC 1 Edinburg	334,766	37	24
ESC 2 Corpus Christi	98,373	42	7
ESC 3 Victoria	49,806	40	1
ESC 4 Houston	924,115	54	47
ESC 5 Beaumont	75,498	30	5
ESC 6 Huntsville	141,847	56	4
ESC 7 Kilgore	151,811	96	8
ESC 8 Mt. Pleasant	52,737	48	0
ESC 9 Wichita Falls	36,987	39	1
ESC 10 Richardson	636,698	80	31
ESC 11 Fort Worth	451,858	77	22
ESC 12 Waco	132,993	78	10
ESC 13 Austin	296,363	56	19
ESC 14 Abilene	41,467	42	1
ESC 15 San Angelo	45,312	43	1
ESC 16 Amarillo	72,638	63	1
ESC 17 Lubbock	72,419	57	4
ESC 18 Midland	68,981	33	3
ESC 19 El Paso	159,428	12	4
ESC 20 San Antonio	337,092	50	26
State	4,181,189	1,033	219

Source: Academic Excellence Information System, (AEIS), 2002-03.

ESC Staffing

Although organizational variances exist from center to center, the overall ESC organizational structure is consistent throughout the state. An executive director, reporting directly to the Commissioner of Education and to a local board of directors, oversees the daily management of each center. Under the executive director's supervision, centers are separated into two functional units: programs and administration. Most ESC staff focus on program delivery to the school systems within its regional boundaries. Each ESC has a chief financial officer or business manager who is responsible for ensuring each center maximizes its financial resources and adheres to budgetary constraints.

In September 2003, according to TEA reports, there were a total of 4,270 full-time employees working at education service centers throughout the state, including Head Start staff. Of that number, 2,158 were professional and 2,112 were support staff.

ESC Programs

ESCs develop training opportunities for educators based on the unique needs of students within each region. Each year, centers survey their customers to determine the programs and services needed in the upcoming school year. ESC staff closely review state and regional student performance data to identify areas that need special attention. For example, low math scores have been identified as a problem area throughout the state. Therefore, the ESC system is focusing on developing better math skills through workshops that deal specifically with providing teachers proven strategies to improve these skills.

Federal programs comprise a significant part of ESCs programs. For instance, federal special education funds are appropriated through TEA to service centers to assist districts and charters with the special needs of identified children. Special education staff at ESCs help prepare districts and charters for federal audits by facilitating self-assessments. During these self-assessments, ESC staff might review records and identify areas that can be corrected prior to the federal auditors' actual visit. Many of the special education staff at ESCs have experience providing direct care to special needs students, such as deaf or visually impaired students. Additionally, ESC special education staff meet regularly with special education directors from the districts and charters to discuss current changes in special education law and situational problems they have encountered at their campuses. Both special education and general education ESC staff are collaborating to help mainstream special education students into the general classroom population.



ESCs also act as the fiscal agent for many of the federal Title programs, such as Bilingual/English as a Second Language, Migrant Education, and Safe & Drug Free Schools and Communities.

The State of Texas requires every school district and charter school to submit student information, financial information and staffing information several times a year through the state's PEIMS reporting system. Reporting requirements are constantly changing and are often difficult to understand. PEIMS staff at each ESC are charged with making this process less difficult. They provide annual workshops for district and charter PEIMS staff to inform them about changes in the reporting requirements and also provide technical assistance. PEIMS drives school funding and as school district fiscal conditions become increasingly strained, it is more critical that information be reported accurately. ESCs are involved in educating campus staff of the dollar impact of errors in their PEIMS reporting. As an

increasing number of campus personnel begin to understand the financial impact reporting errors can have, reporting will substantially improve and funding can be directed where it is truly needed.

Finally, ESCs are able to bring in world-class instructors to conduct workshops for school districts and charters that cannot afford to bring them to their own campuses. By providing workshops at the centers, small districts can be exposed to state-of-the-art teaching strategies for a fraction of the cost for these districts to bring in the same caliber instructor.

ESC Management Initiatives

The ESC system is undertaking a management initiative to ensure that it remains focused on quality. The International Organization for Standardization (ISO) has developed a number of standards that are useful to organizations of all types and contribute to making the development and delivery of services more efficient. ISO is a network of the national standards institutes of 148 countries. It is a non-governmental agency whose members come from both the public and private sectors. The system is working toward ISO 9001 certification. ISO 9001 is a set of generic management system standards that is concerned with “quality management”. It addresses what management must do to enhance customer satisfaction by meeting customer needs and any applicable regulatory requirements to continually improve performance.

ISO 9001: 2000 provides detailed systemic requirements, management requirements and resource requirements that will guide the ESC system toward continuous improvement.

The systemic requirements include:

- Establish the quality system; and
- Document the quality system.

The management requirements include:

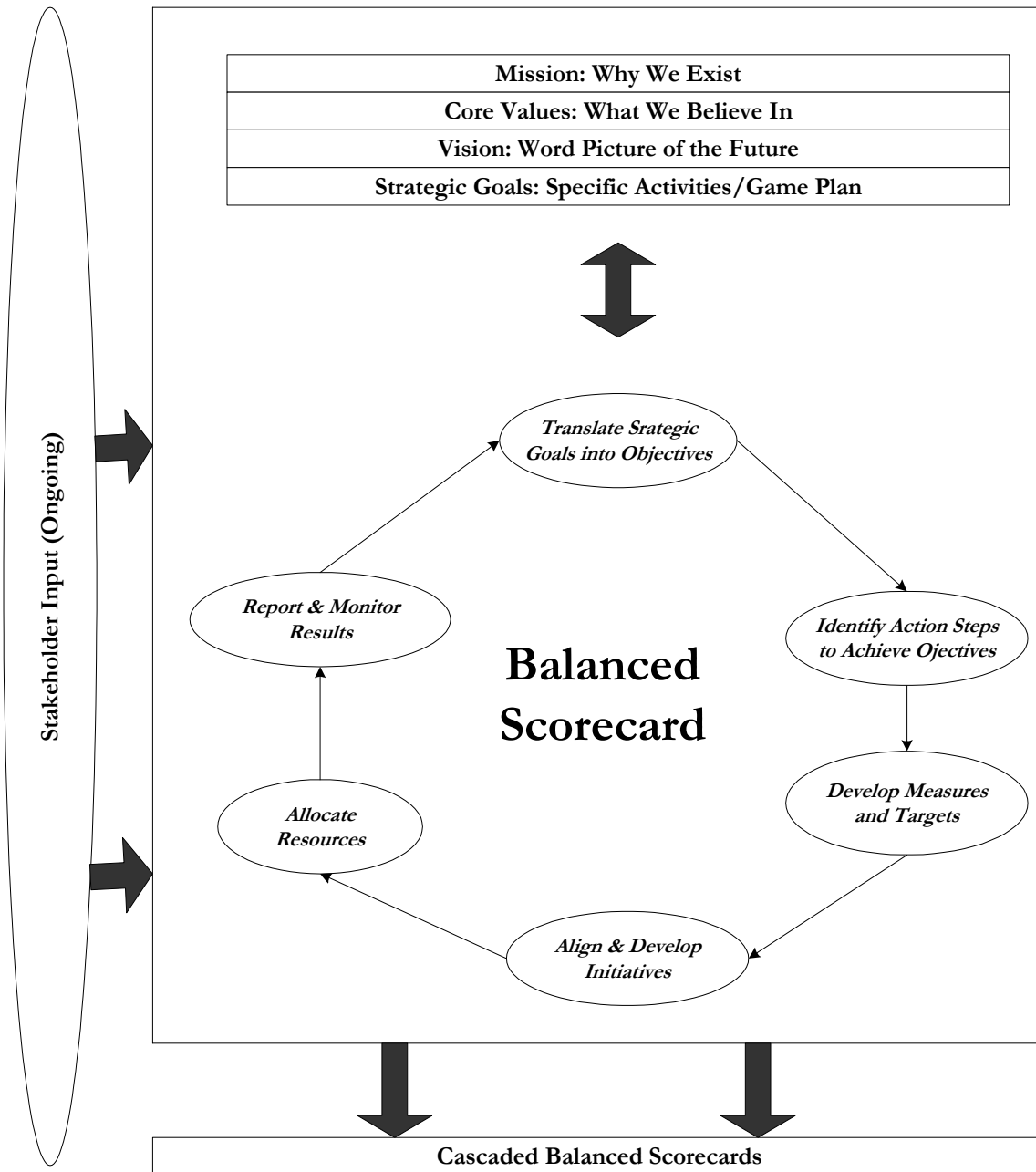
- Support quality;
- Satisfy customers;
- Establish a quality policy;
- Carry out quality planning;
- Control quality of system; and
- Perform management reviews.

The resource requirements include:

- Provide quality resources;
- Provide quality personnel;
- Provide quality infrastructure; and
- Provide quality environment.

The system will complete the ISO 9001: 2000 certification process in 2007 and 2008.

PERFORMANCE MANAGEMENT MAPPING PROCESS



Source: Gibson Consulting Group, Inc., December 2003.

As part of the process, the SPC refined the system’s mission and vision statements and established goals and objectives. Finally, ESCs developed action plans to meet each objective, created the system’s strategy map, redesigned the system’s balanced scorecard and identified key performance indicators for each objective.

Goal One: Assist the educational community in achieving educational excellence for all students.

The ultimate goal of the ESC system is tied to achieving educational excellence across the state. ESCs have always been committed to promoting educational excellence. Continuing to meet this goal is essential to achieving the ESC mission. Assisting educators achieve excellence is integral to the existence of education service centers. In partnership with TEA, state legislators and educators, ESCs are committed to raising the educational standard.



One measure used to evaluate the effectiveness of the public education system is the state high school graduation rate. According to information reported by TEA, high school completion rates have steadily increased since 1994. However, gaps still exist in the graduation rate among racial, ethnic and economic student groups. If educational excellence is to be promoted, educators must take steps to ensure all student groups are successful.

The 76th Legislative session passed the Student Success Initiative ending social promotion. Beginning in the 2002-03 school year, 3rd grade students were required to pass the reading section of the TAKS tests in order to be promoted to the next grade level, in the 2004-05 school year, 5th grade students were required to pass the reading and math sections of the TAKS in order to be promoted to the next grade level, and in the 2007-08 school year, 8th grade students will be required to pass the reading and math sections of the TAKS in order to be promoted to the next grade level. This initiative clearly demonstrates a rising expectation for students.

The strategic objectives focus on steps necessary to promote educational excellence. The Academic Excellence Information System (AEIS) compares district and charter school performance data to regional and state averages. The state accountability system establishes state standards for student test performance, graduation and drop-out rates. Closing the gaps between minority and non-minority passing rates and the percentage of students taking college entrance exams and meeting or exceeding criterion on those exams continues to be a focus. Objective 1.1 deals directly with assisting districts and campuses to meet or exceed the state standards as set out in AEIS. The national No Child Left Behind (NCLB) legislation has added another layer to school accountability that ESCs must help schools understand, and must assist them in meeting or exceeding these more rigorous standards. Additionally, the state has implemented new financial accountability standards for public schools and ESCs are instrumental in assisting districts and charters with these standards. ESCs, by recruiting and retaining qualified staff, have the expertise to positively impact raising the educational standards and helping educators provide a high quality education to every student.

Objective 1.1:

Assist in increasing the number of districts/campuses/charters in meeting or exceeding state standards for student performance.

Objective 1.2:

Assist in increasing the annual number of districts/campuses/charters in meeting or exceeding NCLB standards for student performance.

Objective 1.3:

Assist districts in meeting the state financial accountability standard of Superior.

Objective I.1: Assist in increasing the number of districts/campuses/charters in meeting or exceeding state standards for student performance.

Texas state statute requires districts and charter schools be rated annually and awarded an accountability rating of Exemplary, Recognized, Academically Acceptable, or Academically Unacceptable. These ratings along with student performance information are published in the AEIS report each year.

TEA's accountability plan procedures have substantially changed due to the transition from the previous accountability rating system that used Texas Assessment Academic Skills (TAAS) results to the new accountability system that uses the Texas Assessment of Knowledge and Skills (TAKS). Beginning with 2005, the accountability rating system for Texas public schools and school districts is comprised of two sets of procedures – standard and alternative education. Standard procedures result in ratings assigned to standard campuses (including non-registered alternative education), while alternative education accountability (AEA) procedures result in ratings assigned to registered alternative education campuses (AECs).

To determine ratings under the standard accountability procedures, the accountability rating system for Texas public schools and districts uses four base indicators:

- Performance on the Texas Assessment of Knowledge and Skills (TAKS),
- Performance on the State-Developed Alternative Assessment II (SDAA II)
- Completion Rate, and
- Annual Dropout Rate for grades 7 and 8.

Districts and campuses can achieve a rating by meeting the absolute standards for the different indicators, or, under certain conditions, by meeting *Required Improvement (RI)* and/or by using the *Exceptions Provision*.

To determine ratings, the alternative education accountability (AEA) procedures use four base indicators:

- Performance on the Texas Assessment of Knowledge and Skills (TAKS),
- Performance on the State-Developed Alternative Assessment II (SDAA II),
- Completion Rate, and
- Annual Dropout Rate for grades 7 through 12.

Alternative education campuses (AECs) can achieve a rating by meeting the absolute standards for the different indicators. However, under certain conditions, AECs can achieve a rating by meeting *Required Improvement (RI)* and/or by using the accountability data for at-risk students in the district.

Accountability standards and definitions for Completion Rate are being phased-in as we phase into the new assessment system and move to meet federal NCLB requirements. Additionally, the 79th Third Called Special Session establishes accreditation levels for districts of accredited, accredited-warned, accredited-probation, and accredited-revoked and requires the accreditation status to be determined based upon the academic accountability system as well as the financial accountability rating system.

Implementing Objective I.1 will require center staff to continue conducting comprehensive data analysis of districts, campuses and charters to identify those that are not meeting or exceeding state standards. Once an *Academically Unacceptable* campus has been identified, ESCs will develop and disseminate strategies to help raise those entities to a level that will exceed or meet the state standards. In addition to reviewing and analyzing test scores, ESCs will also look at closing the gap guidelines, graduation rates, ACT or SAT tests, and high school completion rates..

Objective I.2: Assist in increasing the annual number of districts/campuses/charters in meeting or exceeding NCLB standards for student performance.

In addition to AEIS state standards, Texas districts, campuses and charters will also be accountable for meeting national standards from the No Child Left Behind Act (NCLB). The act requires each state to demonstrate that it will develop and implement a plan that will be effective in ensuring that all local education agencies, public elementary and secondary schools make adequate yearly progress as defined under this act. States must describe how they will close the achievement gap and make sure all students, including disadvantaged students, achieve academic proficiency. Under the act states must produce annual state and school district report cards that inform parents and the communities about their progress.

Adequate Yearly Progress Indicators include:

- Reading/Language Arts performance and participation
- Mathematics performance and participation
- Graduation Rate
- Attendance Rate

Requirements that Title I districts and campuses are subject to implement after not meeting AYP for two or more consecutive years are:

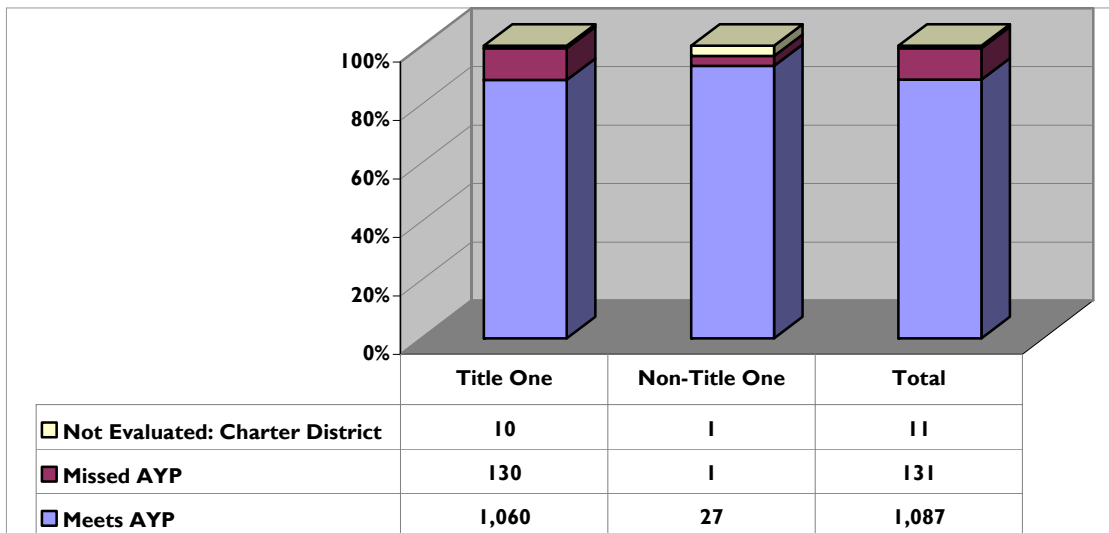
Districts:

- Stage 1: Revise District Improvement Plan
- Stage 2: Implement revised District Improvement Plan
- Stage 3: District Corrective Action

Campuses:

- Stage 1: School Choice/Transportation
- Stage 2: Supplemental Educational Services
- Stage 3: Corrective Action
- Stage 4: Restructuring
- Stage 5: Alternative Governance

2005 AYP Status Texas School Districts and Charters Results



Source: TEA, Website address . <http://www.tea.state.tx.us/ayp/2005/index.html>

Implementing this objective will require center staff to continue conducting comprehensive data analysis of districts, campuses and charters in order to develop and implement strategies to increase the number of schools that meet or exceed the NCLB standards This will include providing technical assistance to schools in need of improvement. In addition to reviewing and analyzing test scores, ESCs will also review graduation rates, and attendance.

Objective 1.3: Assist districts in meeting the state financial accountability standard of Superior.

The 77th Legislature directed the commissioner of education, in consultation with the Texas State Comptroller's office to "...develop and implement a financial accountability rating system for school districts in the state." In response to this directive, TEA developed the Financial Integrity Rating System of Texas (FIRST), which was fully implemented in 2003-04 using school districts' 2002-03 financial data. TEA developed a template that schools can use to determine their rating before the official rating is released by TEA. The rating worksheet, along with accompanying calculation instructions, was adopted in 19 TAC §109.1002 to be effective October 20, 2002, and later amended to be effective May 7, 2003. Schools receive ratings from substandard achievement to superior achievement. Currently a proposed amendment would update the rating system with new provisions that would be implemented beginning with fiscal year 2006-2007. Additionally, the 79th Third Called Special Session establishes accreditation levels for districts of accredited, accredited-warned, accredited-probation, and accredited-revoked and requires the accreditation status to be determined based upon the academic accountability system as well as the financial accountability rating system.

Implementing this objective will require center staff to provide access to data related to financial accountability standards to districts on a timely basis and provide training and technical assistance to district personnel and school boards.

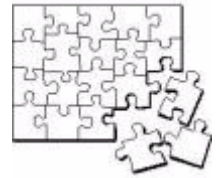
Objective 1.4: Recruit, develop and retain qualified staff across all ESCs in order to meet customers' needs.

The success of the ESC system is dependent on the quality of staff. ESCs employ some of the most gifted and dedicated educators in the state. Recruiting and retaining the highest level of professionals and support staff is instrumental to our continued ability to provide high quality programs and services.

In order to continue to provide high quality training and technical assistance, staff must maintain their own professional development to remain experts in their field. This entails researching the latest training concepts and teaching strategies as well as remaining abreast of any legislative changes. By pooling resources, ESCs will be able to jointly develop services that will be responsive to the dynamic needs of our customers.

Implementing this objective will require system management to develop core competencies that any new employee must have to be hired. Job descriptions will be closely reviewed to ensure the skills necessary to successfully fulfill the duties of every position have been identified. Just as school districts and charter schools are striving to meet the “highly qualified” standards set out in NCLB, ESCs must identify procedures to evaluate our staff to ensure they also meet the standard of “highly qualified”. This will entail system management, to formally define “highly qualified” in terms of what is needed to meet the needs of a unique customer base.

Goal Two: Improve capacity to serve as a system to maximize efficiency.



Education Service Centers can serve school districts more effectively and efficiently by operating as a system. ESCs shall be evaluated as a system by the Commissioner of Education to determine effective and efficient delivery of services to school districts.

Education Service Centers are a vital link in the educational process providing a direct, immediate contact with all school districts within their respective regions. ESCs within this role identify and are responsive to the needs of the local public schools. Each ESC customizes services to best meet these needs of the districts within their region.

ESCs continue to explore opportunities to maximize efficiency through collaborative efforts. Such collaboratives include, but are not limited to, other Education Service Centers, Institutions of Higher Education, private sector, public sector, Texas Education Agency, and other state agencies.

Strategic objectives are established to ensure that Education Service Centers maximize efficiency by operating as a system:

Objective 2.1: Maintain a quality system of Education Service Centers to maximize public school efficiencies.

Education Service Centers shall routinely conduct needs assessments. Such needs assessments shall include third-party evaluations, regional evaluations, analysis of key performance indicators, advisory groups, and results from federal and state accountability standards. Based on the results of the needs assessments, Education Service Centers will design quality programs, products, and services to maximize efficiencies for districts and charter schools. ESCs shall be committed to providing quality services to school districts and charter schools for a reasonable cost.

Objective 2.2: Establish a process to identify and implement best public education practices.

House Bill 1 mandates that public education best practices be identified and disseminated on a statewide basis. The Education Service Centers shall assist in the development of a process to identify and disseminate successful educational practices.

Objective 2.1:
Maintain a quality system for ESC operations to maximize efficiencies

Objective 2.2:
Establish a process to identify and implement best public education practices.

Objective 2.3
Maximize technology and other resources to improve and enhance customer service.

Objective 2.4:
Recruit, develop and retain qualified staff across ESCs in order to meet customer needs

Objective 2.3: Maximize technology and other resources to improve and enhance customer service.

Technology has become an essential tool within the educational community. The Education Service Centers will work to leverage technology more effectively to facilitate delivery of training and in assisting the educational community in finding new ways to integrate technology into instruction and operations. The system is committed to expanding its technology infrastructure to provide more distance learning opportunities for Texas students. This will allow students to provide access to certain coursework that is unavailable on-site and broaden the educational experience. Implementing this objective will require staff to remain abreast of all new instructional applications that will benefit ESC customers.

Objective 2.4: Recruit, develop and retain qualified staff across ESCs in order to meet customer needs

The success of the ESC system is dependent on the quality of staff. ESCs employ some of the most gifted and dedicated educators in the state. Recruiting and retaining the highest level of professionals and support staff is instrumental to our continued ability to provide high quality programs and services.

In order to continue to provide high quality training and technical assistance, staff must maintain their own professional development to remain experts in their field. This entails researching the latest training concepts and teaching strategies as well as remaining abreast of any legislative changes. By pooling resources, ESCs will be able to jointly develop services that will be responsive to the dynamic needs of our customers.

Implementing this objective will require system management to develop core competencies that any new employee must have to be hired. Job descriptions will be closely reviewed to ensure the skills necessary to successfully fulfill the duties of every position have been identified. Just as school districts and charter schools are striving to meet the “highly qualified” standards set out in NCLB, ESCs must identify procedures to evaluate our staff to ensure they also meet the standard of “highly qualified”. This will entail system management, to formally define “highly qualified” in terms of what is needed to meet the needs of a unique customer base.

Goal Three: Secure and allocate financial resources throughout the system in order to provide quality services to our customers.



The strategic objectives focus on steps needed to ensure that financial resources are available to provide quality services to customers. ESCs must develop costing methodologies that ensure adequate cost recovery. In addition, ESCs must continue to identify new funding sources and make a concerted effort to leverage potential revenue sources that might exist through grants, partnerships and collaborative initiatives.

Objective 3.1: Develop a costing methodology that accurately reflects cost recovery and considers dedicated revenues.

Pricing ESC services is difficult given the mix of revenue sources. ESCs are restricted statutorily in how federal and state funds can be used. ESCs are non-profit agencies interested in cost recovery, giving ESCs a competitive advantage. Frequently, education service centers must price services below cost to meet district needs related to distance and size. The system of ESCs contracted for a “Yellow Pages” type test to compare prices between Centers and with private vendors. Due to the multiple services bundling that most Centers take advantage of to increase efficiency through internal resource sharing it becomes difficult to compare many of the product and services offerings individually either between ESCs or with outside vendors. As the share of funding generated locally has increased dramatically for most Centers over the last several years, it is essential that the actual costs of products and services are identified and accounted for.

The purpose of this objective is to establish pricing criteria that will allow ESCs to determine the actual cost of each program individually and collectively.

Establishing a pricing methodology within each center that will enable the center to:

- Quantify the annual cost of providing services;
- Identify fixed and variable costs associated with each program;
- Simplify revenue reporting based on the time and effort percentage allocated to each funding source; and
- Recover operating costs to ensure financial stability.

Objective 3.2: Develop partnerships with other ESCs and with external entities to expand and enhance product and service offerings.

Objective 3.1:
Develop a costing methodology that accurately reflects cost recovery and considers dedicated revenues

Objective 3.2:
Develop partnerships with other ESCs and with external entities to expand and enhance product and service offerings.

Objective 3.3:
Leverage external funding sources to enhance the system’s ability to provide quality programs and services each year.

In order to optimize collaborative efforts, ESCs must develop a process to identify opportunities to develop system-wide programs and services. This will provide customers with additional choices and allow each center to focus more directly on its unique strengths. For example, both El Paso and Edinburg developed bilingual curriculum that could establish the state standard. Other centers that do not have the same population of Hispanic students are not as familiar with the needs of this ethnic group. By sharing bilingual curriculum, Hispanic students can have access to the same high quality teaching materials regardless of where they live. Each center has specific expertise that could benefit educators all over the state.

New programs are developed by ESCs to address a need identified by customers, by student performance data or in response to changes in education law. Many of these needs exist throughout the system. Joint development can create economies of scale and allow ESCs to meet widespread needs using fewer resources.

This objective is intended to concentrate efforts on identifying opportunities to develop collaborative programs and services, maximize limited resources, communicate individual strengths to other centers within the system, share existing services and improve the way ESCs market services to customers. Additionally, ESCs must consider strategic partnerships with external entities to expand service portfolios.

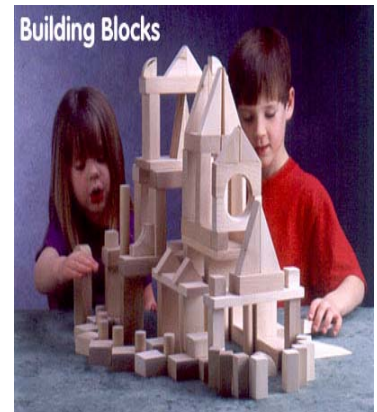
Objective 3.3: Leverage external funding sources to enhance the system's ability to provide quality programs and services each year.

School systems have a limited supply of dollars to spend on professional development. ESC must be responsible to use those limited dollars effectively and investigate any external funding opportunities that may come available. Additional funding sources may be available; however, it is a time consuming process to research and apply for these often restricted use funds. ESCs will seek available sources of funding in order to ensure adequate financial resources are available.

Implementing this objective helps ensure ESCs remain financially solvent and continue to provide customers with quality programs and services. Successful implementation of this objective will be measured by the increase in the percentage of grants approved and funded over the prior year.

Goal Four: Enhance and sustain stakeholder relationships by improving service delivery and increasing public awareness.

Service center success is directly tied to the success of traditional customers: central administrators, campus administrators, program directors and teachers. One of the primary strengths of ESCs is the relationship established with customers. ESCs continually strive to find ways to enhance these relationships.



The strategic objectives focus on building, sustaining and strengthening customer relationships. – ESCs are expected to become more accountable to stakeholders, evidence of value-added services based on customer needs must be provided.

Objective 4.1:
Develop and implement strategies to demonstrate ESC value in terms of cost-effective, high quality programs and services to customers to monitor service levels

Objective 4.2:
Develop and implement ways to improve the efficiency and effectiveness of our customers

Objective 4.3:
Instill and maintain customer service focus among all ESC staff to ensure that the Education Service Centers strive to meet customer needs

Objective 4.1: Develop and implement strategies to demonstrate ESC value in terms of cost-effective, high quality programs and services to customers to monitor service levels.

The primary marketing tools include websites, course catalogs, and face to face meetings with stakeholders. To ensure long-term sustainability the traditional and non traditional customer base will be expanded. The success of the objective will be measured quantitatively by an increase in participation in ESC programs.

Objective 4.2: Develop and implement ways to improve the efficiency and effectiveness of our customers.

ESCs will assist districts and charter schools achieve instructional effectiveness and non-instructional efficiency. Cooperative and collaborative arrangements will be evaluated and expanded to the extent that customers can benefit from the pooled resources and economies of scale.

Objective 4.3: Instill and maintain a customer service focus among all ESC staff to ensure that the Education Service Centers strive to meet customer needs.

ESCs will provide annual customer service training to all staff members. The annual Third Party Statewide Survey will evaluate customer satisfaction.

Texas Education Telecommunications Network (TETN)

Background

Since its inception in 1996, the Texas Education Telecommunications Network (TETN) has provided video, voice and data services among its 21 members, the 20 education service centers and the Texas Education Agency. These members formed the TETN cooperative to accomplish three main goals; 1) save out-of-pocket expenses by reducing travel required to attend meetings in Austin, 2) enhance productivity to service center staff, district personnel, administrators, teachers and students, and 3) create “added value” to network users.

Mission Statement

TETN facilitates communication among educational entities through Texas to improve student performance and to increase efficiency of educational operations via an effective telecommunication network.

Network Services

TETN is an ATM network comprised of point-to-point T1s between the TETN hub and the 20 education service centers. TETN owns network and video equipment at each ESC and also supports an in-house connection that provides statewide “backbone” connectivity for video and data among the 20 independent ESC networks. The TETN backbone allows schools in one region to connect with schools in multiple regions for the purpose of using time sensitive applications (i.e. H.320 and H.323 video.)

ESC networks provide internet, firewall, filtering, caching and video services to over 800 school districts in Texas. The ESC networks also support connectivity to higher education and cultural institutions in their region. These “other” entities provide content to students and teachers in the ESC region and may also use TETN to reach participants in other regions.

TETN has two video bridges, H.320 and H.323 that provides the ability to include all ESCs and a large number of school districts in one session. TETN also provides two services that allow outside entities to videoconference with ESCs or their schools. These are ISDN dialing services and an Internet2 connection.

The TETN network is used in the following manner:

- administrative meetings between TEA and coordinators in different ESCs
- collaborative meetings among ESC staff (e.g. business managers)
- dual-credit classes between regions (e.g. high school-to-high school, or college-to-high school)

- professional development classes across the state (e.g. university teaching master level classes students located around the State.)
- electronic field trips (e.g., museums, NASA)
- training sessions for school board members
- legislative updates (e.g., overview of new legislation)
- special projects (e.g., state agency using TETN to meet with educators)
- public hearings on proposed Commissioner rules
- updates on new rules or regulations
- toll-free calling among the ESCs and TEA

Funding/Return on Investment (ROI)

TEA funded the original network and a subsequent network upgrade in 2001 using over \$5 million dollars of state funds allocated for the Texas Education Long-Range Plan for Technology.

When the TETN cooperative was established in 1996, each member of the cooperative agreed to certain funding commitments:

- pay a yearly fee to support the operational costs of TETN as determined by the TETN Governance Committee.
- designate an employee as the TETN site manager and underwrite all costs associated with the position.
- establish and underwrite all costs associated with operating a TETN videoconferencing room.

The annual assessment is \$35,000. This amount provides for a small fund balance to accrue each year for small projects or the purchase of minor equipment. The TETN budget depends upon the reimbursement of Erate funds to cover the cost of the telecommunication lines to stay within the operating budget.

Each year TETN consistently saves educators over \$2 million in travel costs. Calculating the number of ESC sites involved in conferences and applying the State of Texas travel reimbursement formula assuming one person traveled from an ESC to Austin derives this figure. Classes/events using the TETN backbone services are not calculated in the \$2 million-a-year savings since this cost is not measured in terms of travel, but rather in terms of students taught and students receiving enriched curriculum. Also missing is the dollar amount that quantifies the added-value of including additional participants who otherwise would not have had the opportunity for first-hand inclusion in a meeting.

Current Situation

An evaluation of the TETN network was conducted last year at the request of the Commissioner of Education. The purpose was to gauge the progress made by TETN in meeting its purposes and to provide its stakeholders with information for making decisions about aspects of the network that may be modified or improved. Major findings include the following:

- TETN has provided and continues to provide an effective means of communication between TEA and the ESCs, as well as among the ESCs, districts, and the larger education community across the state.
- Current use of the TETN goes far beyond its original purpose of connecting TEA staff and staff of the ESCs to include district level personnel, teachers, adult education directors, public health staff, students in distance learning courses, and parents.

- Without TETN, many services would not have been possible due to the costs or the lack of ability to travel to face-to-face events.
- Stakeholders believe that the benefits of the TETN outweighed the costs.
- TETN has increased productivity and added value through time savings, the provision of timely information, and the value of increasing the participation of their audience in different types of interactions with each other and with state officials while staying in their home area.

Needs

The stakeholders identified present and future needs of TETN in the evaluation mentioned above. These needs are a reflection of the absence of a statewide educational network in Texas. TETN's role is being expanded to support the trend of collaboration in the education community, and yet the network is not funded to accommodate exponential usage. Nevertheless, TETN currently has the largest "educational" footprint in the State, having the ability to connect via the ESC networks over 800 districts for video, voice and data.

Stakeholders identified the following needs:

- Increasing training opportunities in methods of communicating and instructing effectively over the network - especially as the network expands with more courses for teachers and students.
- Increasing awareness among school districts those cross-regional and cross-state events and distance learning classes are made possible by TETN.
- Providing benefits to teachers and students, as one vehicle for supporting distance learning across the state to provide rigorous coursework for students, improve parent and community involvement, and increase the numbers of highly qualified teachers.
- Expanding its capacity for more teacher collaboration, customized professional development, seminars for parents and community groups, and Advanced Placement, dual credit, or college level course offerings for students.
- Investigating ways to maintain and expand services to educators in the state to improve education and support efforts to implement No Child Left Behind legislation.

Goals, Objectives and Strategies

Goal: To Advance Statewide Initiatives

Objective: To support state initiatives of the Commissioner and Legislature. As a result of regional planning, create a collaborative effort to support identified statewide initiatives through programs and other activities including partnerships with universities, community groups, businesses and/or other entities.

- Strategy 1: Provide and support an efficient statewide, education network.
 - Activity: Upgrade equipment that has been identified as end-of-life.
 - Activity: Fully migrate from H.320 to H.323
- Strategy 2: Support resources and services to ensure successful and effective uses of technology.
 - Activity: Implement streaming and on-demand services for TETN conferences.
 - Activity: Foster statewide training sessions for end-users.
 - Activity: Refine reporting procedures to capture usage by all participants.

- **Strategy 3: To ensure educators and other stakeholders have increased access to technology.**
 - Activity: Market the use of the network and its new Internet2 connectivity.
 - Activity: Foster development of policies for eligible, nonmembers such as universities and other content providers.
 - Activity: Collaborate with ESCs, school districts and higher education institutions to leverage the existing networks to create a statewide K-20 education network in Texas.

Budget

The existing funding structure is not adequate to fund large-scale improvements to the TETN network. All the video equipment located at the member sites and the MCUs have been given end-of-life announcements. This equipment should be replaced within the next two years and will require a investment of approximately \$300,000. The members will need to identify alternative funding since TEA no longer has TIF funds allocated for the Long-Range Plan for Technology. Fortunately, most of this year's activities may be accomplished under the annual operating expenses with the exception of the purchase of replacement equipment. The TETN fund balance may be used towards the purchase of equipment, but a percentage must be retained to cover those years when Erate refunds are not approved and allocated.