

Texas Education Agency Funds and Expenditures

The Texas Education Agency (TEA) administered \$10.6 billion during the 1996-97 fiscal year and \$12.14 billion during the 1997-98 fiscal year in public education funds. These amounts include state and federal funds and do not include local revenues.

Sources of Funds

The major sources of financing for the \$10.6 billion and \$12.14 billion administered by the TEA during the 1996-97 and 1997-98 fiscal years, respectively, included the Foundation School Fund, the Available School Fund, the State Textbook Fund, and Federal Funds (Figure 10.1).

Expenditures

The Foundation School Fund, which provides the majority of state funding for school districts, constituted \$7.6 billion during the 1996-97 fiscal year and \$8.73 billion during the 1997-98 fiscal year. These amounts accounted for 71.7 percent and 71.9 percent of the funds administered by the agency in 1996-97 fiscal year and 1997-98 fiscal year respectively. Federal Funds accounted for 15.1 percent and 16.4 percent of the funds ad-

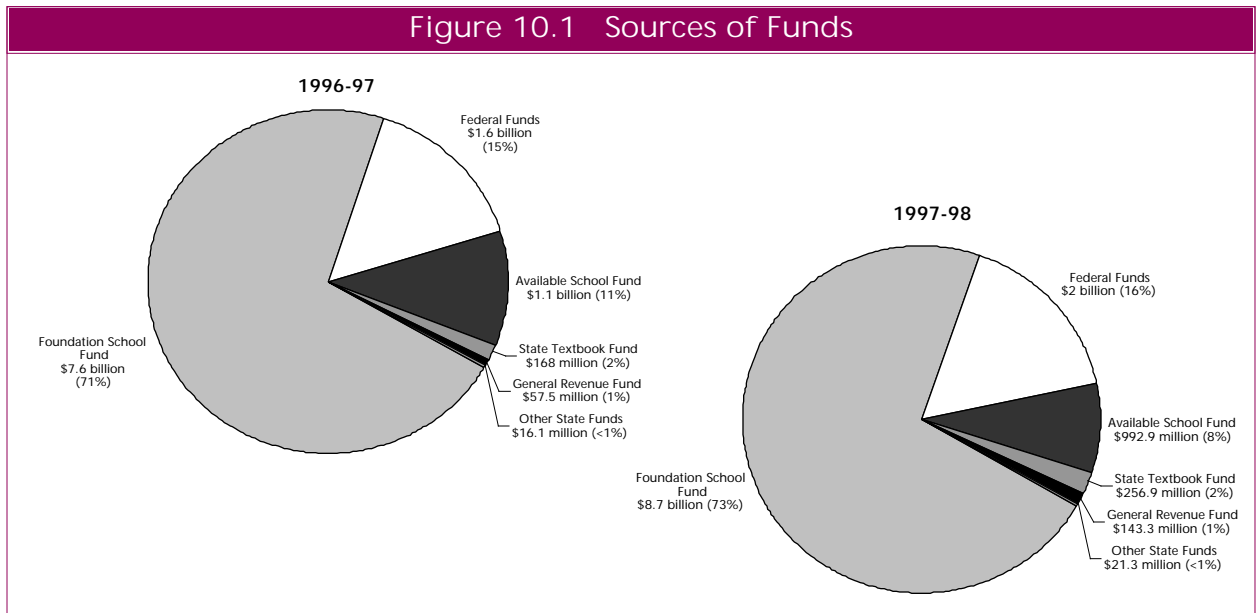
ministered by the agency in 1996-97 fiscal year and 1997-98 fiscal year respectively. The Available School Fund accounted for 10.8 percent and 8.2 percent of the funds administered by the agency in 1996-97 fiscal year and 1997-98 fiscal year respectively. The State Textbook Fund accounted for 1.6 percent and 2.1 percent of the funds administered by the agency in 1996-97 fiscal year and 1997-98 fiscal year respectively.

The expenditures presented in this chapter are linked to the goals, objectives, and strategies in the TEA Strategic Plan (Table 10.1). The agency's strategic plan structure is detailed below, with descriptions of goals, objectives, and strategies. Expenditures are reflected at the strategy level.

Streamlined Agency Operations

The Texas Education Agency continues to analyze and streamline its operations in an effort to provide the highest standard of service to the state. Since FY 1995, the agency has reduced its workforce by 27 percent, from 1144 FTEs to 834. The agency is now the smallest it has been since 1974.

Figure 10.1 Sources of Funds



In 1998, the Education Commission of the States and the American Productivity Center recognized the Texas Education Agency as a “Best Practice Partner.” The agency was selected because of its ability to respond to, plan for, and operate within a dynamic and changing environment.

Three principles define the agency’s role and operations:

- ◆ Fewer employees, with the agency staff clearly focused on its mission and the state goals for public education;
- ◆ Fewer rules, with the agency working with the State Board of Education to produce a less restrictive environment for local educators; and
- ◆ Fewer burdens on school districts, with the agency reducing paperwork requirements and encouraging innovation at the local level.

In November 1997, TEA was the first state agency to implement ISAS, the Integrated Statewide Administrative System. ISAS provides enterprise-wide financial and administrative information to agency employees and managers, as well as to oversight agencies and the state’s policy leadership. With the implementation of ISAS, the agency has streamlined many of its business processes in order to improve internal operations and provide school districts, education service centers and charter schools with new payment information and disbursement systems that take advantage of telephone and Internet technology.

A 1994 GAO report, *Education Finance: Extent of Federal Funding in State Education Agencies*, found Texas to be very efficient in flowing state and federal funds to school districts. The report indicated that Texas ranked third among the states in the amount of state funds it received, but 47th among the states in the amount of state funds it retained at the state level. On a percentage basis, Texas

retained 0.54% of its FY 1993 state funds at the state level.

The percent of state funds retained at the state level has decreased since FY 1993. A draft of the FY 1999 Texas Education Agency *Annual Administrative and Program Strategic Budget* showed state education funds in FY 1998 to be budgeted at more than \$10.1 billion. Of that amount, just over \$42 million, or 0.42%, is budgeted at the state level as part of the agency’s administrative budget.

The GAO report also indicated that Texas ranked third among the states in the amount of federal funds it received, but 49th among states in the amount of federal funds it retained at the state level. On a percentage basis, Texas retained 1.59% of its FY 1993 federal funds at the state level.

The percent of federal funds retained at the state level has decreased since FY 1993. A draft of the FY 1999 Texas Education Agency *Annual Administrative and Program Strategic Budget* shows that Texas was budgeted in FY 1998 to receive just over \$2 billion dollars from federal sources. Of that amount, just under \$25 million, roughly 1.22% is budgeted at the state level as part of the agency’s administrative budget.

Agency Contact Person

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Other Sources of Information

Texas Education Agency Legislative Appropriations Request For Fiscal Years 2000 and 2001

Draft FY 1999 Texas Education Agency Annual Administrative and Program Strategic Budget

Table 10.1
Expenditures Under TEA Goals, Objectives, and Strategies

Goal 01		
Standards of Achievement and Equity: The Texas Education Agency will build the capacity of the state public education system to ensure each student demonstrates exemplary performance in reading and the foundation subjects of English language arts, mathematics, science, and social studies by developing and communicating standards of student achievement and district and campus accountability. (Texas Education Code §4.002)		
<i>Objective 01-01</i>		
State Academic Performance: By 2001, all Texas third graders will read on grade level, will continue reading at grade level, and all the state's students will demonstrate exemplary performance in comparison to state and national academic standards in reading and the foundation subjects of English language arts, mathematics, science, and social studies.		
<i>Strategy 01-01-01</i>		
Assessment: Provide a basis for evaluating and reporting the extent to which the Texas educational system is achieving its goals for student performance.	1996-97 \$21,127,505	1997-98 \$39,699,943
<i>Strategy 01-01-02</i>		
Accountability System: Develop and implement standards of district and campus accountability for the achievement of all students.	1996-97 \$0	1997-98 \$2,500,000
<i>Objective 01-02</i>		
School Finance System: The state school finance system will build the capacity of Texas public education so that, by 2001, all of the state's school districts and campuses will provide each student access to adequate resources and educational programs.		
<i>Strategy 01-02-01</i>		
Foundation School Program: Develop and implement an efficient and equitable school finance system, disburse Foundation School Program formula funding to school districts, and ensure that formula allocations are accounted for in an accurate and appropriate manner.	1996-97 \$8,359,904,624	1997-98 \$9,274,672,967
<i>Strategy 01-02-02</i>		
Maximizing School Facilities: Implement an equalized school facilities program and disburse facilities funds.	1996-97 \$119,778,157	1997-98 \$100,000,000
<i>Objective 01-03</i>		
Improving Instruction: By 2001, the state's foundation and enrichment curriculum will reflect real-world requirements; the Texas Education Agency will provide students equitable access to instructional materials supporting the foundation and enrichment curriculum, provide training to educators in the essential knowledge and skills of the foundation and enrichment subjects, and communicate the essential knowledge and skills to the public.		
<i>Strategy 01-03-01</i>		
Instructional Materials: Provide students equitable access to instructional materials supporting the state's essential knowledge and skills.	1996-97 \$167,144,364	1997-98 \$254,382,388
<i>Strategy 01-03-02</i>		
Technology: Maintain and expand the technological capabilities of the state public education system, increase access to educational data, and encourage school districts to implement technologies that increase the effectiveness of student learning, instructional management, professional development, and administration.	1996-97 \$3,740,605	1997-98 \$22,182,887

Table 10.1 (continued)
Expenditures Under TEA Goals, Objectives, and Strategies

<p><i>Strategy 01-03-03</i></p> <p>Improving Educator Performance: Develop and implement a statewide professional development initiative that ensures all educators access to training and evaluation tied to the essential knowledge and skills of the state's foundation and enrichment curriculum.</p>			<p>1996-97</p> <p>\$14,259,784</p>	<p>1997-98</p> <p>\$11,304,632</p>
<p><i>Strategy 01-03-04</i></p> <p>HB4 Transition Funding</p>			<p>1996-97</p> <p>\$0</p>	<p>1997-98</p> <p>\$101,080,030</p>
<p>1996-97 Total - Goal 1</p> <p>\$8,685,955,039</p>		<p>1997-98 Total - Goal 1</p> <p>\$9,805,822,847</p>		
<p><i>Goal 02</i></p> <p>Local Excellence and Achievement: Foster local innovation, support local authority, and encourage regional and district efforts to ensure each student demonstrates exemplary performance in reading and the foundation subjects of English language arts, mathematics, science, and social studies. (Texas Education Code, §7.021 and §7.055)</p>				
<p><i>Objective 02-01</i></p> <p>Local Academic Performance: The state public education system will develop and implement instructional programs that ensure, by 2001, all Texas students and adult learners demonstrate exemplary performance in reading and the foundation subjects of English language arts, mathematics, science, and social studies.</p>				
<p><i>Strategy 02-01-01</i></p> <p>Instructional Excellence: Build the capacity of school districts to plan and implement challenging academic, advanced academic, career and technology education, and bilingual / English as a second language education programs to ensure all Texas students are prepared to gain entry level employment in a high-skill, high-wage job or continue their education at the post-secondary level.</p>			<p>1996-97</p> <p>\$106,245,174</p>	<p>1997-98</p> <p>\$118,574,146</p>
<p><i>Objective 02-02</i></p> <p>Special Populations: By 2001, the state public education system will improve achievement levels and rates of high school completion for all students through the development and provision of effective instruction and support, and innovative programs that take full advantage of Texas' status as an Ed-Flex state.</p>				
<p><i>Strategy 02-02-01</i></p> <p>Program and Funding Flexibility: Develop and implement, with regional education service centers and school districts, accelerated instruction programs that take full advantage of Texas' status as an Ed-Flex state.</p>			<p>1996-97</p> <p>\$644,254,874</p>	<p>1997-98</p> <p>\$785,642,501</p>
<p><i>Strategy 02-02-02</i></p> <p>Students with Disabilities: Build the capacity of regional education service centers, school districts, and service providers to develop and implement programs that ensure students with disabilities attain the state's goals of exemplary academic performance and are prepared to successfully enter the workplace.</p>			<p>1996-97</p> <p>\$240,485,310</p>	<p>1997-98</p> <p>\$332,165,313</p>

Table 10.1 (continued)
Expenditures Under TEA Goals, Objectives, and Strategies

<i>Strategy 02-02-03</i>		
Support Programs: Build the capacity of the state public education system to develop and implement the academic support, counseling, and support services programs necessary for all students to demonstrate exemplary academic performance.	1996-97 \$33,922,591	1997-98 \$35,872,327
<i>Strategy 02-02-04</i>		
Child Nutrition Programs: Build the capacity of the state public education system by implementing and supporting efficient state child nutrition programs.	1996-97 \$621,453,091	1997-98 \$748,811,976
<i>Strategy 02-02-05</i>		
Adult Education: Build the capacity of the state public education system by encouraging school districts and service providers to develop and implement effective adult education and literacy programs.	1996-97 \$26,837,779	1997-98 \$33,364,151
<i>Strategy 02-02-06</i>		
Windham School System: Build the capacity of the Windham School System to ensure students are provided effective instructional and support services.	1996-97 \$52,638,375	1997-98 \$57,712,213
<i>Objective 02-03</i>		
Increasing Local Authority for Education: By 2001, the state public education system will encourage flexibility and support educators, parents, and community members in the development of programs based on regional and local needs so that all students demonstrate exemplary performance in reading and the foundation subjects of English language arts, mathematics, science, and social studies.		
<i>Strategy 02-03-01</i>		
Regional Training and Development: Facilitate effective instruction and efficient school operations by providing core services, technical assistance, and program support through regional education service centers based on the needs and objectives of the school districts they serve.	1996-97 \$46,548,391	1997-98 \$59,210,614
<i>Strategy 02-03-02</i>		
Deregulation and School Restructuring: Encourage educators, parents, and community members to increase involvement in education, improve student learning, and develop and implement programs that meet local needs.	1996-97 \$80,255,342	1997-98 \$88,827,226
1996-97 Total - Goal 2 \$1,852,640,927	1997-98 Total - Goal 2 \$2,260,180,467	
<i>Goal 03</i>		
Texas Education Agency Operations: Build the capacity of the Texas public education system to ensure each student demonstrates exemplary performance in reading and the foundation subjects of English language arts, mathematics, science, and social studies.		
<i>Objective 03-01</i>		
Achievement and Equity Operations: By 2001, the Texas Education Agency will develop and implement the state accountability system to support high levels of district and campus performance, respond to districts and campuses not meeting state standards, efficiently manage the state and federal funds in the Foundation School Program, increase the principal value of the Permanent School Fund and the annual rate of deposit to the Available School Fund, and provide equitable access to instructional materials for the state's foundation and enrichment curriculum.		

Table 10.1 (continued)
Expenditures Under TEA Goals, Objectives, and Strategies

<i>Strategy 03-01-01</i> Accountability Operations: Develop and implement standards of district and campus accountability for the achievement of all students, conduct research, report results, and respond to districts and campuses not meeting state standards.		1996-97 \$9,836,059	1997-98 \$10,289,437
<i>Strategy 03-01-02</i> School Finance System Operations: Efficiently manage the state and federal funds in the Foundation School Program and increase the principal value of the Permanent School Fund and the annual rate of deposit to the Available School Fund.		1996-97 \$13,088,765	1997-98 \$18,325,456
<i>Strategy 03-01-03</i> Improving Instruction Operations: Align the statewide student assessment program, skills, and instructional materials with the state's essential knowledge and skills, provide equitable access to instructional materials for the state's foundation and enrichment curriculum; develop, communicate, and provide training in the state's essential knowledge and skills; maintain and expand the technological capabilities of the public education system; and increase access to educational data.		1996-97 \$7,139,486	1997-98 \$9,447,874
<i>Objective 03-02</i> Local Excellence and Achievement Operations: By 2001, the Texas Education Agency will encourage local innovation and authority and support access by all students to the rigorous content described by the state's essential knowledge and skills			
<i>Strategy 03-02-01</i> Local Authority Operations: Foster program and funding flexibility, support regional training and development at the education service centers, and encourage educators, parents, and community members to develop programs that increase involvement in education, improve student learning, and meet local needs.		1996-97 \$4,113,770	1997-98 \$5,341,972
<i>Strategy 03-02-02</i> Special Populations Operations: Support access by all students to instructional programs based on the state's essential knowledge and skills.		1996-97 \$5,513,512	1997-98 \$7,839,370
1996-97 Total - Goal 3 \$39,691,592		1997-98 Total - Goal 3 \$51,244,109	
<i>Goal 04</i> Indirect Administration			
<i>Strategy 04-01-01</i> Indirect Administration - Central Administration		1996-97 \$7,770,646	1997-98 \$10,135,006
<i>Strategy 04-01-02</i> Indirect Administration - Information Resources		1996-97 \$10,001,713	1997-98 \$13,735,006
1996-97 Total - Goal 4 \$17,772,359		1997-98 Total - Goal 4 \$23,870,012	
1996-97 GRAND TOTAL \$10,596,059,917		1997-98 GRAND TOTAL \$12,141,117,435	



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